

Integrated Annual Review

Ernst & Young Nederland LLP
2014/2015

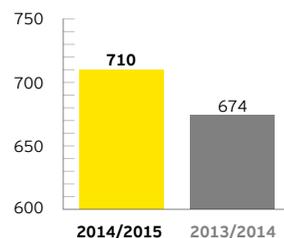
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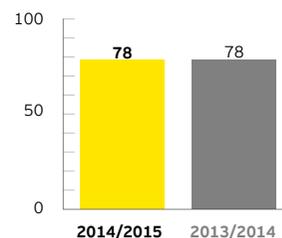
EY NL at a glance*

Finance

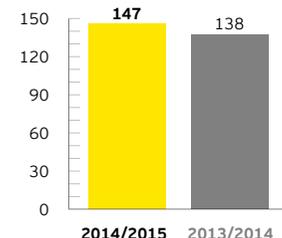
Revenue
(€ million)



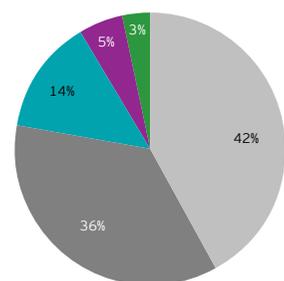
Operating cost ratio
(% of revenue)



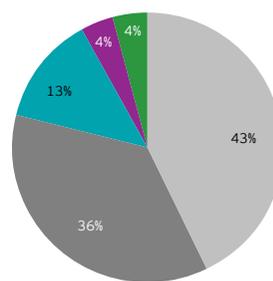
Profit for the fiscal year
(€ million)



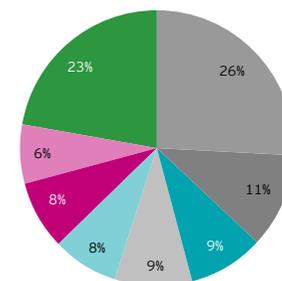
Revenue by service line
2014/2015



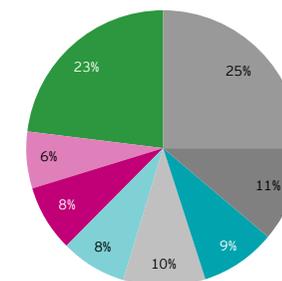
2013/2014



Revenue by industry market segment
2014/2015



2013/2014

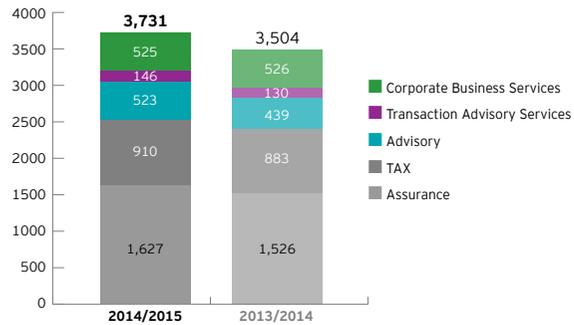


* For EY NL at a glance - reporting standards and data compilation, see page 57.

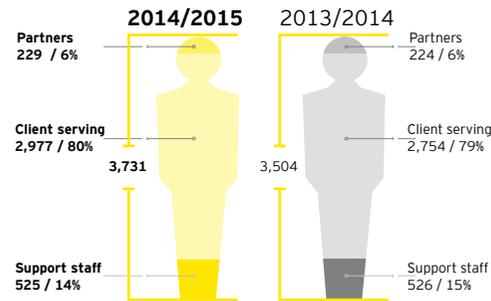
EY NL at a glance

Talent

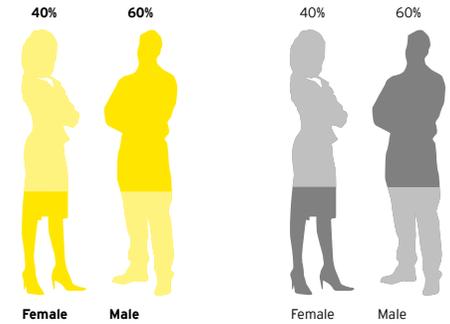
Average number of FTEs by service lines (including partners)



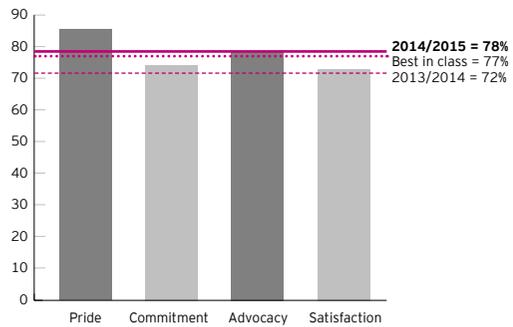
Partners, client serving and support staff (FTEs)



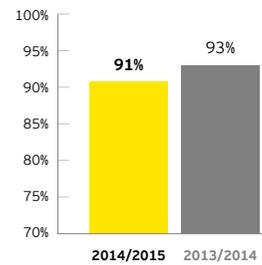
Gender ratio 2014/2015



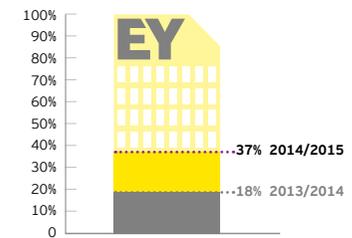
People survey: engagement score



Retention rate above average rated people



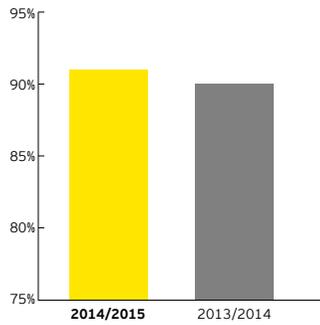
Workplace of the future implementation



EY NL at a glance

Quality

Assessment of Service Quality: recommendation score 7 or higher



Quality review

	2014/2015		2013/2014	
Rating 1	130	88%	164	86%
Rating 2	17	11%	26	13%
Rating 3	1	1%	1	1%
Total	148	100%	191	100%

1 = There were no or minor findings
 2 = The findings were more than minor but less than material
 3 = There were material findings

Proceedings

	2014/2015	2013/2014
Civil proceedings	6	7
Disciplinary proceedings	3	9
Total	9	16

Brand score 2014/2015



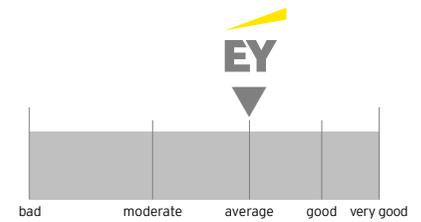
2013/2014



Thought leadership 2014/2015



Stakeholder engagement score 2014/2015



Letter from the Managing Partner



Introduction

I am very proud of the drive, commitment and performance shown by our people in a demanding 2014/2015. I am particularly proud of an all-time high engagement score in our latest bi-annual Global People Survey - to me a clear sign that people feel they belong to EY and a great boost to our competitive edge. After all, we are not merely looking to recruit the best talent, we want to retain them and nurture their careers. Personal talent, development, training, diversity and vitality are essential to this.

I am pleased to note that during 2014/2015 we successfully won many new audit and non-audit (tax, advisory and transaction advisory services) engagements thereby creating a solid balanced business portfolio for years to come. Satisfying as this may be, it also means that the real work starts now. Especially the onboarding of major new audit clients requires significant transition effort, while at the same time we have to ensure a high quality last year audit for many other audit clients.

We anticipated this exceptional effort by stepping up our recruitment activities, increasing our international cooperation and by investing in systems and quality.

Next step in Vision 2020: unlocking the power of our mission “Building a better working world”

In 2014/2015, we made good progress on our journey towards Building a better working world. In practical terms, this means helping our clients to achieve sustainable growth and performance. Asking the right questions is at the heart of this - questions that challenge, inspire and unlock new solutions - helping our clients to operate more efficiently, manage risk, foster growth and build confidence. In doing so, we help create legacies to build a better working world. This quest for ‘better working’ thus starts with a better question.

Successfully delivering exceptional client service across all our service lines requires the development of innovative, sustainable and creative services that meet our clients’ needs - one of our key priorities in the years ahead. We are not only investing in our own innovation but also supporting the game changers of today and tomorrow by engaging our talent and our (international) network. Our EYnovation program is just one great example of this.

Creating the right context for quality

We actively participated in extensive discussions with stakeholders to improve and enrich our audit profession, and worked hard on implementation of the measures resulting from the In het publiek belang initiative of The Netherlands Institute of Chartered Accountants (NBA - <https://toekomst.nba.nl>).

With effect from 2015/2016, which commenced on 1 July we put in place a new Supervisory Board, which will embark on its duties from 2015/2016. I am confident that its members’ wide range of relevant knowledge and invaluable professional and governance expertise will provide the best possible support in the drive to improve our industry and will help us strike just the right balance when weighing the interests of all of our stakeholders. I would like to take this opportunity to thank the Public Interest Committee for their extremely useful work in mapping the way forward in terms of assuring the public interest within our accountancy organization.

This year we continued to invest heavily in enhancing the quality of our teams and in training and coaching our people, and also bolstered the quality and efficiency of our audits by using smart innovations and leveraging IT opportunities. And we added significantly to our partner team in charge of Quality Risk & Regulatory Affairs.

Letter from the Managing Partner

To further enhance the quality of our work, we have to focus on culture and people; we need to attract people with the right DNA for the job: passion for the profession, eagerness to innovate and improve, enthusiasm to collaborate with colleagues from different backgrounds. We strive to be a firm where we trust and support, stretch and challenge one another, and one that is marked by a healthy discipline. A key of a quality-focused culture is that we learn from our mistakes and share knowledge and information about incidents and near-misses.

Our [2015 Transparency report](#) has a comprehensive review of all the activities launched as part of our audit quality improvement program.

Revenue growth on track

Achieving market-leading growth for our business is a Vision 2020 ambition. Overall our revenue grew by 5%, from €674 to €710 million in 2014/2015, in line with our objectives. Assurance expanded its revenue by €8 million to €297 million. Tax reported a €12 million increase, to €253 million. Advisory saw its revenue add €8 million, to €97 million. In a reviving market, TAS staged a strong recovery, boosting its revenue by €7 million to €37 million. Profit increased by 6% to €147 million in line with our revenue growth.

Our growth strategy is based on a combination of organic growth and selected acquisitions to extend our portfolio of service offerings to our clients.

We have further strengthened our market leadership in advisory services to the financial services industry by acquiring two companies, Centre and CFORS, while we expanded our position in the SAP governance, risk & compliance services by acquiring Integrc. The year ahead we will continue with this growth strategy.

A challenging year ahead

We mainly achieved growth in line with our objectives and further strengthened the foundations of our organization by investing in people and quality across all our service lines. Meanwhile, we have firmly contained costs and maintained our profitability; all of which gives us confidence for the coming fiscal year. We have managed to build a balanced business portfolio consisting of both audit and non-audit engagements, and our biggest priority now is delivering exceptional client service to all our clients.

To conclude

On behalf of all the partners I would like to thank our people for their enormous input and commitment this year. I am confident that together we will also be able to manage the challenges of the year ahead.

Likewise, I would also like to thank our stakeholders for their suggestions - both sought and unsought - and valuable feedback on our efforts. I am counting on them doing the same this year: it keeps us focused and provides great guidance for our mission: Building a better working world.

Marcel van Loo

Country Managing Partner, EY The Netherlands

About EY

Profile

EY is a global leader in Assurance, Tax, Advisory and Transaction Advisory Services (TAS). We are 212,000 people based in 700+ offices in 150+ countries, organized into 28 Regions and four Areas. In the Netherlands we have 3,958 people* and also offer legal and notarial services through a strategic alliance with Holland Van Gijzen Advocaten en Notarissen LLP. Our history in the Netherlands dates back to 1883, making us the country's oldest firm in this field.

For us, client-centricity means focusing on our clients' diverse needs and tailoring our services to them by drawing on our knowledge of their business environments and industries. With this in mind, we have focused our go-to-market strategy on seven industrial market segments, together with a regional close-to-the-market approach through our four regions and fourteen offices in the Netherlands. We support, amongst others, innovation, entrepreneurship and family business with dedicated strategic growth markets programs that allow for the specific characteristics of a business in each particular phase.

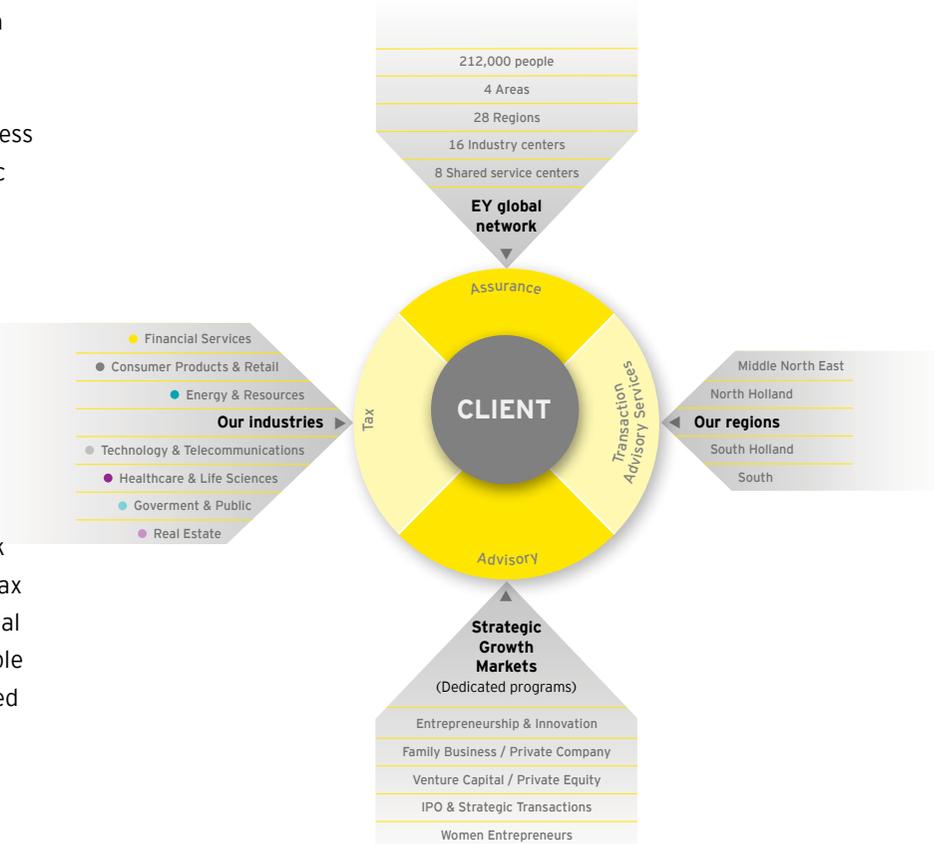
Our Services

Assurance - Our Assurance service line provides assurance to investors and others regarding companies' financial statements, as well as accounting compliance & reporting, forensic, sustainability and financial accounting advisory services.

Tax - Our Tax service line advises clients on meeting their tax compliance and reporting obligations and resolving any tax issues. We help them assess, improve and monitor their tax function's processes, controls and risk management, and to maintain positive and effective relationships with the tax authorities. Next to advisory services we also support our clients in the actual compliance and risk management of their tax positions worldwide for example by taking over tax compliance processes. Legal and notarial services provided by Holland Van Gijzen Advocaten en Notarissen LLP include: corporate & commercial, mergers & acquisitions, real estate, financial, employment law, intellectual property and IT services.

Advisory - Our Advisory service line works with enterprises and government institutions on their management and operational challenges. We help them manage risk, improve performance and enable change to achieve measurable and sustainable results.

TAS - Our TAS service line helps clients make better and more informed decisions on strategic management of capital and transactions in a changing world. Our aim is to help businesses drive competitive advantage by proactively managing their capital agenda, which determines how they strategically raise, invest, preserve and optimize their capital.



* Headcount end of 2014/2015.

About EY

Profile

Global organization and governance

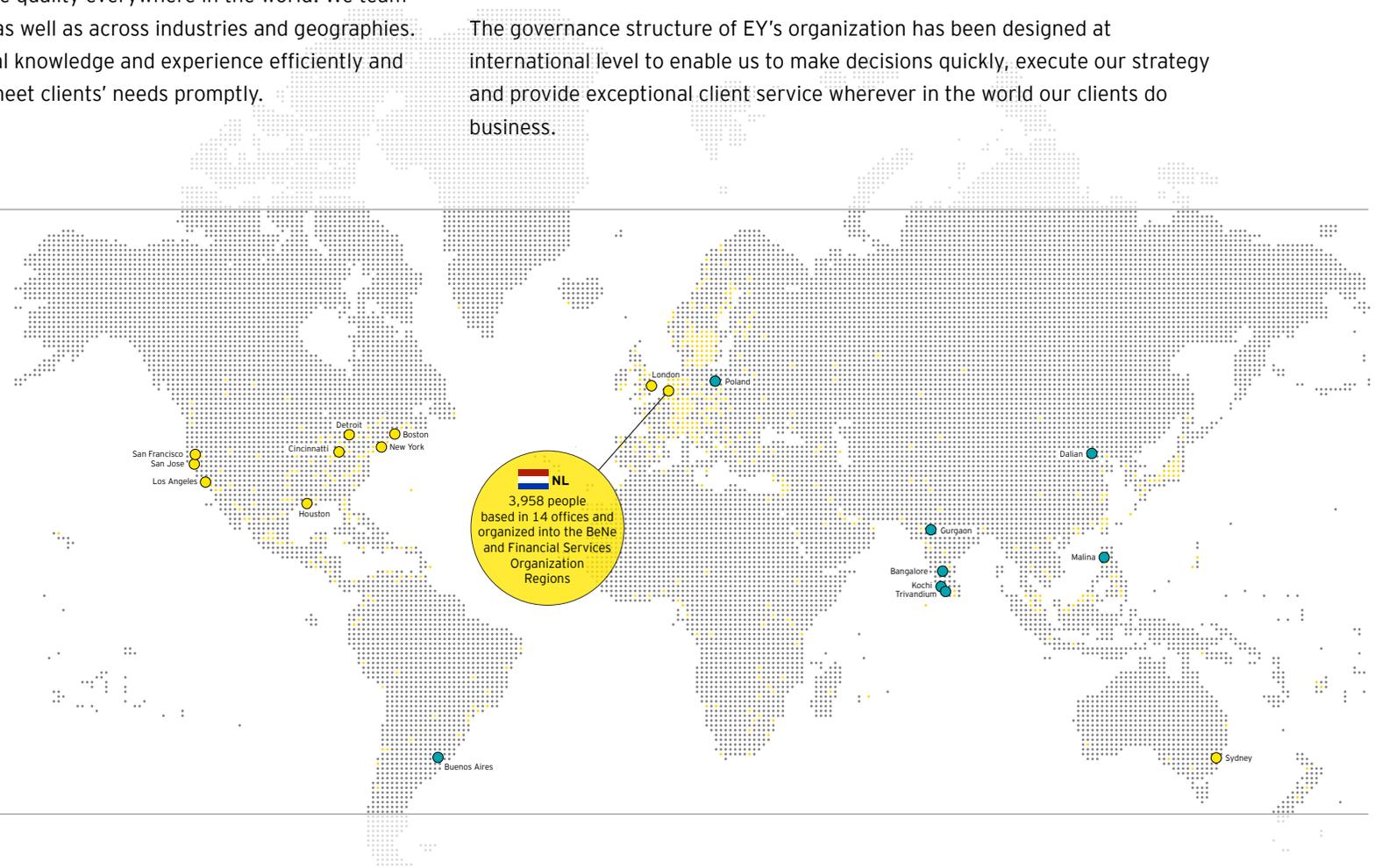
Being a global multidisciplinary professional services organization enables us to efficiently and effectively meet our clients' demands for multidisciplinary services of the same recognizable quality everywhere in the world. We team seamlessly across service lines, as well as across industries and geographies. We are able to bundle exceptional knowledge and experience efficiently and select international teams that meet clients' needs promptly.

Worldwide, we share a commitment to building a better working world and are united by shared values and an unwavering commitment to quality, independence and integrity.

The governance structure of EY's organization has been designed at international level to enable us to make decisions quickly, execute our strategy and provide exceptional client service wherever in the world our clients do business.

212,000 people based in **700+** offices in **150+** countries organized into **28** Regions and **four** Areas.

- Global Industry Center ●
- Global Shared Service Center ●
- Office ●



About EY

Profile

Vision 2020: Building a better working world

Vision 2020 is our roadmap to make EY the leading professional services organization by 2020. It sets out our purpose, ambition, strategy and positioning for Building a better working world - the purpose to which all EY's people are committed. As part of Vision 2020, we are striving to improve every aspect of EY, from how we recruit our people to how we manage our knowledge.

EY is committed to doing its part in building a better working world, one with increased trust and confidence in business, sustainable growth, development of talent in all its forms, and greater collaboration. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. Every day, every EY person is part of this commitment for their clients, their communities, and for themselves and their families. We believe that everything we do, every service we provide, every interaction with a client or colleague should make the working world better than it was before.

The search for better working starts with a better question - to challenge, inspire and unlock a new solution. Better questions are at the heart of what we deliver, helping clients operate more efficiently, manage risk, foster growth and inspire confidence.

The better the question. The better the answer. The better the world works.

Ambition

Our ambition sets out what we want to achieve:

- ▶ The best brand
- ▶ The most favored employer
- ▶ No. 1 or 2 in terms of market share in our chosen services
- ▶ Leading growth and competitive earnings to attract and retain world-class talent
- ▶ Positive and strong relationships with our stakeholders

This should result in a €900 million distinctive professional services organization in the Netherlands in 2020.

Our strategy: built on three pillars

Focus on winning in the market

- ▶ Deliver exceptional client service
- ▶ Maximize opportunities in markets and services

Create the highest performing teams

- ▶ Attract, develop and inspire the best people
- ▶ Commit to a culture of world-class teaming

Strengthen global, empower local

- ▶ Press our global advantage
- ▶ Empower local teams by enabling their success

Positioning

Our positioning, the difference to which we aspire, is to be known for having the highest performing teams, delivering exceptional client service, worldwide.

About EY

Profile

Shared values & quality

Our shared values inspire our people worldwide and guide them to do the right thing; and our commitment to quality is embedded in who we are and in everything we do.

Our values define who we are:

- ▶ People who demonstrate integrity, respect, and teaming
- ▶ People with energy, enthusiasm, and the courage to lead
- ▶ People who build relationships based on doing the right thing

They are the fundamental beliefs of our organization and guide the actions and behaviors of every one of us. They influence the way we work and interact with each other, as well as the way we serve our clients and engage with all our stakeholders.



About EY

Key figures

Combined statement of Ernst & Young Nederland LLP and Holland Van Gijzen Advocaten en Notarissen LLP

FINANCIAL (€ million)

Revenue

	2014/2015	Δ	2013/2014	Δ	2012/2013	Δ	2011/2012	Δ	2010/2011	Δ
Assurance	297	3%	289	1%	287	0%	288	-2%	293	-5%
Tax	253	5%	241	1%	238	4%	229	-2%	234	1%
Advisory	97	9%	89	3%	86	3%	84	11%	75	-9%
Transaction Advisory Services	37	23%	30	-29%	43	26%	34	1%	33	13%
Rendering of services	684	5%	649	-1%	654	3%	635	0%	636	-2%
Corporate Business Services (Other income)	26	4%	25	7%	23	-18%	28	47%	19	25%
Total	710	5%	674	0%	677	2%	663	1%	655	-2%

Financial results

Profit for the fiscal year	147	6%	138	24%	111	-2%	113	-12%	128	-10%
Income available for distribution	123	8%	114	0%	114	25%	92	-19%	113	-8%
Average partner income (in €000)	537	5%	511	1%	505	28%	394	-18%	481	-6%

PEOPLE

Average number of FTE staff and partners

Client serving staff	2.977	8%	2.754	4%	2.660	-3%	2.748	4%	2.630	0%
Support staff	525	0%	526	-30%	750	-10%	831	-5%	875	-11%
Total staff	3.502	7%	3.280	-4%	3.410	-5%	3.579	2%	3.505	-3%
Partners	229	2%	224	-1%	226	-3%	232	-1%	234	-2%
Total	3.731	6%	3.504	-4%	3.636	-5%	3.811	2%	3.739	-3%

ENVIRONMENT

Emissions (tCO₂)

Travel	13,589	2%	13,357	-4%	13,956	-3%	14,455	-2%	14,732	-1%
Offices including paper usage and waste	3,032	4%	2,918	-37%	4,600	11%	4,154	-14%	4,804	-31%
Total	16,621	2%	16,275	-12%	18,556	0%	18,609	-5%	19,536	-11%

What is important for our stakeholders: material topics

In addition to year-round stakeholder engagement, periodic materiality assessments are used to ensure that EY's strategy and integrated report are consistent with internal and external expectations for the specific EY themes. In February and March we held a comprehensive stakeholder consultation. The results of this consultation served as the basis to select and prioritize the topics covered in the report.



Further details can be found in [About this report](#).

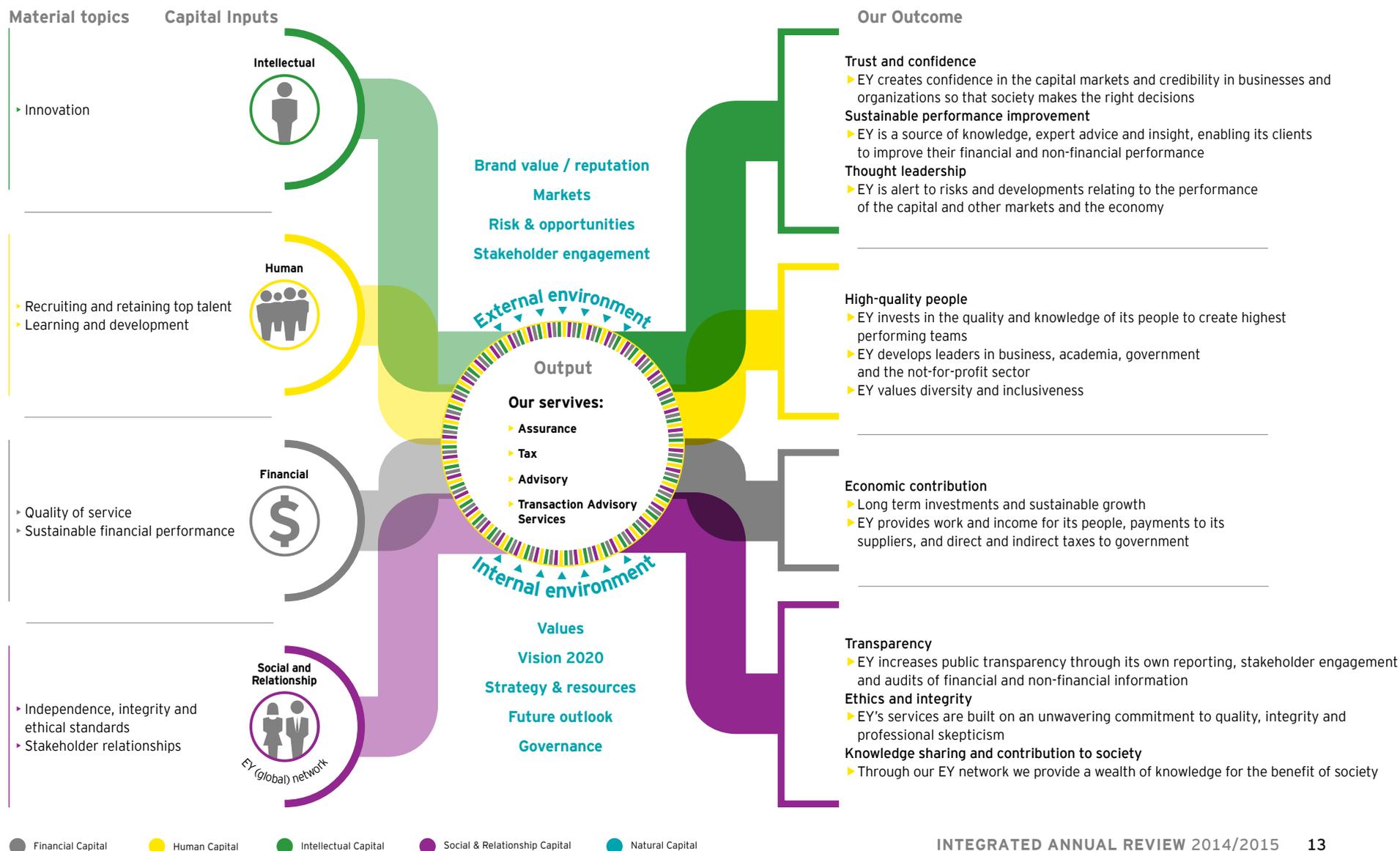
Below we give an overview of our stakeholders and the outcomes of the 2015 materiality assessment. It describes the topics that affect EY's value creation and that matter most to our stakeholders, linking these to our functions and different forms of capital (resources). These material topics are connected to our [business model of value creation](#) (financial and non-financial) and they are linked to the implementation of [EYs Vision 2020 in the Dutch market](#).

Material topics	Topics include
Markets	
1 Innovation	<ul style="list-style-type: none"> Use of technology and data analytics Develop innovative, sustainable and creative services
2 Quality of service	<ul style="list-style-type: none"> Safeguarding and further improving the quality of our service by delivering exceptional client service: connected, responsive and insightful Full insight into the sectors, businesses and needs of our clients
3 Stakeholder relations	<ul style="list-style-type: none"> Positive and strong relations with all EY's stakeholders EY's position in the public debate Knowledge transfer to society and other stakeholders
Talent	
4 Recruiting and retaining top talent	<ul style="list-style-type: none"> Diverse and inclusive teams Personal career design
5 Learning and development	<ul style="list-style-type: none"> Investing in personal development Training on the job
Operations	
6 Sustainable financial performance	<ul style="list-style-type: none"> Leading growth and competitive earnings Investment in innovation and quality
7 Independence, integrity and ethical standards	<ul style="list-style-type: none"> Integrity and independence are hallmarks of our opinions, services and ethical standards

Financial Capital
 Human Capital
 Intellectual Capital
 Social & Relationship Capital

Business model of value creation

We are committed to a multidisciplinary business model in a global professional services organization because we believe an effective governance environment improves audit and non-audit quality. It helps us create sustainable growth for our clients and attract and retain the best talent and it enables us to provide exceptional client service. In response to the outcomes of the stakeholder consultation below we have connected the material topics to the types of capital (resources) relevant to EY and the added value we generate for our external environment. This is how we are Building a better working world.



Vision 2020 in the Dutch market

Building a better working world

Vision 2020 includes our long-term ambition and strategy. Each year we evaluate progress and assess the strategic priorities, performance indicators, the targets and performance in the fiscal year and the targets for next year.

The table below connects the material issues for value creation to our long-term strategy, strategic priorities, performance indicators and short-term performance and targets.

Material topics	Vision 2020 ambition	Vision 2020 strategy	Relevant capital	Strategic priorities in 2014 / 2015	Performance Indicators	2014/2015 Targets	2014/2015 Performance	2015/2016 Targets
MARKETS <ul style="list-style-type: none"> Quality of service Innovation Stakeholder relationships 	<ul style="list-style-type: none"> No. 1 or 2 in terms of market share in our chosen services Best brand Positive and strong relationships with our stakeholders 	MARKETS Focus on winning in the market <ul style="list-style-type: none"> Deliver exceptional client service Maximize opportunities in markets and services 	<ul style="list-style-type: none"> Financial Capital Human Capital Intellectual Capital Social & Relationship Capital 	<ul style="list-style-type: none"> Deliver exceptional client service initiatives Grow revenue Invest in innovation Invest in brand Foster stakeholder relationships 	<ul style="list-style-type: none"> Recommendation score 7 or higher in % Revenue growth in % % of revenue from innovative services Brand score Stakeholder engagement score 	<ul style="list-style-type: none"> 90 5 n/a 1st place Good 	<ul style="list-style-type: none"> 91 5 n/a 1st place Average 	<ul style="list-style-type: none"> 92 5 5 1st place Good
TALENT <ul style="list-style-type: none"> Recruiting and retaining top talent Learning and development 	<ul style="list-style-type: none"> The most favored employer 	TALENT Create highest performing teams <ul style="list-style-type: none"> Attract, develop and inspire the best people Commit to a culture of world-class teaming 	<ul style="list-style-type: none"> Human Capital Financial Capital Intellectual Capital Social & Relationship Capital 	<ul style="list-style-type: none"> Teaming program Talent recruitment, retention and development program Diversity & inclusiveness program Workplace of the future program 	<ul style="list-style-type: none"> Engagement score in % Retention rate of above average rated individuals in % Female ratio in % Workplace implementation in % 	<ul style="list-style-type: none"> 73 93 42 35 	<ul style="list-style-type: none"> 78 91 40 37 	<ul style="list-style-type: none"> 78 93 42 50
OPERATIONS <ul style="list-style-type: none"> Sustainable financial performance Independence, integrity and ethical standards 	<ul style="list-style-type: none"> Leading growth and competitive earnings to attract and retain world-class talent 	OPERATIONS Strengthen global, empower local <ul style="list-style-type: none"> Press global advantage Empower local teams by enabling their success 	<ul style="list-style-type: none"> Financial Capital Human Capital Intellectual Capital Social & Relationship Capital 	<ul style="list-style-type: none"> Maintain operational excellence Promote culture of quality and integrity Execute personal independence compliance testing program Carbon reduction in operations 	<ul style="list-style-type: none"> Operating cost ratio in % of revenue Quality review rating 1 or 2 in % Independence violation in % Emissions in tCO₂ 	<ul style="list-style-type: none"> 80 100 0 16.100 	<ul style="list-style-type: none"> 78 99 0 16.621 	<ul style="list-style-type: none"> 78 100 0 16.100

COMMITMENT TO QUALITY

LIVE OUR VALUES

Financial Capital
 Human Capital
 Intellectual Capital
 Social & Relationship Capital

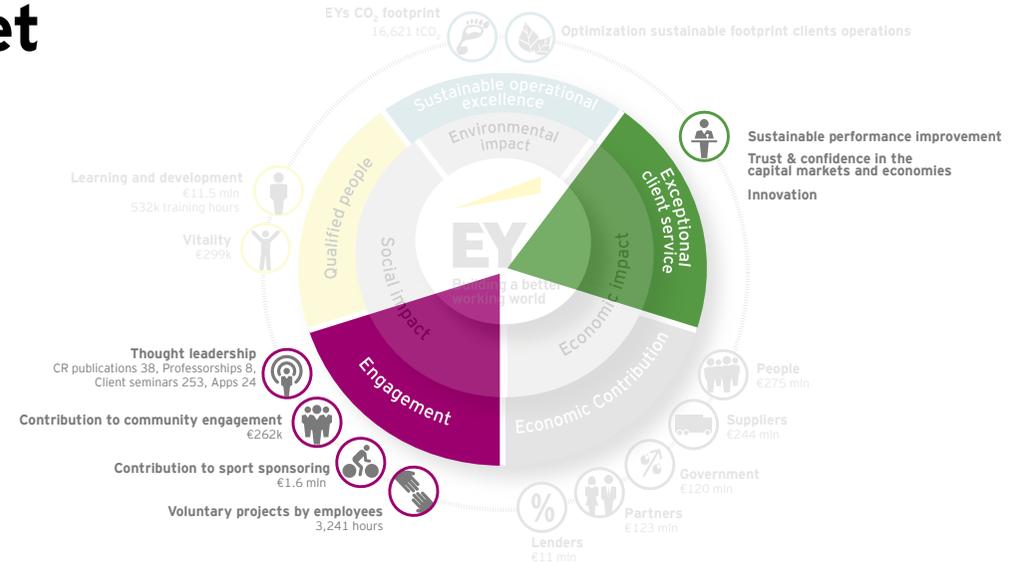
Markets - Winning in the market

A relentless focus on winning in the market is the first strategic pillar of our strategy to build a better working world and achieve our Vision 2020 ambition. To create a truly differentiated client experience, worldwide and every time, we have a single vision of the difference that defines EY: our exceptional client service framework, delivered by the highest performing teams, worldwide.

Deliver exceptional client service

Exceptional client service is a fundamental part of how we operate, both strategically and tactically. We work with our clients to solve the problems of today, and to make the most of the opportunities of tomorrow, through our unique industry experience, deep knowledge, sharp insights, multidisciplinary teams and through the strong global network that sets EY apart. And by asking the right questions. This will lead to new opportunities.

One of the ways we do this is through an EY Growth Navigator™ session, which allows CEOs and their management teams to benchmark their current business practices against comprehensive maturity models. These are brought to life with insights from leading businesses that provide new perspectives on how to approach key issues. The session gives our clients the opportunity to step back from their business and gain a fresh perspective on best practices to accelerate growth. These new insights can be used to determine the next steps, tailored to their specific circumstances and ambitions.



The three elements of exceptional client service		
<p>Connected</p> <p>Bringing all of EY to our clients with the right people in the right locations, building trust and enriching relationships</p>	<p>Responsive</p> <p>The desire and commitment of every person in EY to be proactive, visible and timely</p>	<p>Insightful</p> <p>Sharing EY experiences and a point of view tailored to our clients, thereby advancing their thinking</p>

Markets - Winning in the market

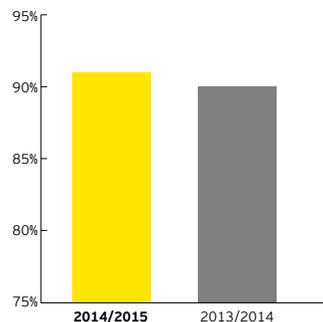
Deliver exceptional client service

We aim to completely satisfy our clients' demands by consistently raising the quality of our services. This means entering far more intensively into dialogue with our clients both before and after completing engagements.

We use our Expectations of Service Quality (ESQ) framework to understand client expectations before work begins, and subsequently measure how well we perform against those expectations through our Assessment of Service Quality (ASQ). ASQ gives our clients the opportunity to tell us what is working well and what needs to be improved. It is about having a dialogue, making sure we understand their needs and then responding accordingly.

This year's percentage of ASQ recommendation scores 7 or higher (on a scale of 1 (never) to 10 (always)) of 211 Dutch based clients slightly increased compared to last year. We are committed to improving our score next year in line with our long term target of 95%

Assessment of Service Quality: recommendation score 7 or higher

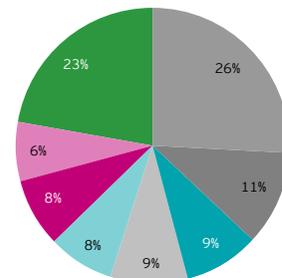


Grow revenue

Achieving market-leading growth for our business is a Vision 2020 ambition. Our growth strategy is based on a combination of organic growth and selected acquisitions to extend our portfolio of existing and new service offerings, a better balanced client portfolio as a result of the audit firm rotation, and continued investment in innovation and quality.

Our revenue grew this fiscal year by €36 million (5%) to €710 million. All of our industry market segments saw rising revenues, with Healthcare & Life Sciences (12%), Energy & Resources (8%) and Financial Services (7%) being the top performers. Financial Services remains our biggest market segment. The chart below provides more detail, while a breakdown of revenue from an operations/service lines perspective is given on page 34.

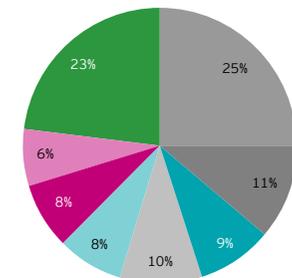
Revenue by industry market segment 2014/2015



180
79
64
67
54
58
46
162
710

- Financial Services
- Consumer Products & Retail
- Energy & Resources
- Technology & Telecommunications
- Government & Public
- Healthcare & Life Sciences
- Real Estate, Hospitality & Construction
- Other, including Transport & Logistics and Industrial Products

2013/2014



169
76
59
66
53
52
45
154
674

Markets - Winning in the market

Grow revenue

Revenue Industries (€ million)	2014/2015	2013/2014	Δ%	Notes
Financial Services	180	169	7%	▶ Despite the audit firm rotation that is impacting our audit market leadership in Financial Services, our strategy to build a more advisory-led Financial Services sector paid off well and resulted in an overall increase in revenues of 7% on last year. This provides a solid starting point for 2015/2016.
Consumer Products & Retail	79	76	4%	▶ EY continued to invest in the Consumer Products and Retail industry through partnerships with leading industry networks and research on trends in the sector, such as innovation and omni-channel. Revenue increased by 4%. Growth is evident in retail apparel and supermarkets, reflecting a slow but clear recovery of the retail industry.
Energy & Resources	64	59	8%	▶ With a great portfolio of inbound accounts, Energy & Resources market segment achieved a revenue growth of 8%. Growth has mainly been achieved in the Chemical and Oil & Gas sectors. EY closely works with clients in Oil & Gas and Power & Utilities to face the challenges in the competitive landscape and improve collaboration with the government.
Technology & Telecommunications	67	66	2%	▶ EY realized further growth in the Technology sector and benefited from its leadership and initiatives such as EYnovation and Startupbootcamp High Tech XL. However, there was a small drop in revenue from the Telecoms sector owing to audit transitions. Revenue was 2% up.
Government & Public	54	53	2%	▶ Government and Public sector showed a small increase of 2% in revenue. Great wins of new clients came on the back of slightly lower rates. Significant potential has been unlocked in services like IT security, transformation and innovation & growth.
Healthcare & Life Sciences	58	52	12%	▶ Revenue in this market segment rose substantially (12%) compared to last year, both in Healthcare and Life Sciences. Healthcare showed double-digit growth in Advisory services.
Real Estate, Hospitality & Construction	46	45	2%	▶ Real Estate achieved a minor growth of 2%. Price pressure was offset by new wins and new service offerings, particularly in construction and corporate real estate.
Other, including Transport & Logistics and Industrial Products	162	154	5%	▶ In this segment Transport & Logistics saw its revenue decrease by 7%, while growth was achieved in others areas, including Industrial Products (3%), Professional Firms & Services (14%) and Automotive (5%). Overall increase was 5%.
Total	710	674	5%	

Markets - Winning in the market

Grow revenue

Highest performing team effort key to our wins

2014/2015 was the second year of mandatory audit firm rotation for listed companies and other public interest entities (PIEs). Thanks to timely and thorough preparations by our strategic Our New World steering and working groups, we were able to profit from this sweeping operation both in audit and in our non-audit business. But the other decisive key factors in this success are our highly engaged teams and the chemistry both within the teams and with our clients. We improved our market position in the listed companies segment, and our portfolio is also now more balanced and spread over more sectors.

Following on from last year's client wins, 2014/2015 saw us land a number of high-profile (AEX) accounts, including ABN AMRO, ASR Nederland N.V., Ballast Nedam, Fugro, Heijmans, Koninklijke BAM Groep, Koninklijke Boskalis Westminster, Koninklijke KPN, Koninklijke Philips Electronics, Lucas Bols, PostNL, RELX Group, Royal Dutch Shell, Royal Reesink, TKH Group and TomTom.

We also made substantial progress in our non-audit business this fiscal year, creating new but solid relationships at accounts in which EY did not have a large footprint prior to the rotation. We once again achieved considerable success with accounts where we are rotating off the audit engagement as well as with those where we are continuing our existing non-audit relationship. We will give priority in the coming period to further consolidating the engagements we have won and investing in solid long-term relationships.

Acquisitions in 2014/2015

Organic growth as well as acquisitions support our Vison 2020 growth plans across the various range of services we offer. In October 2014, we further strengthened our market leadership in advisory business in the financial services industry by acquiring two companies Centre and CFORS. Centre provides Enterprise Performance Management (EPM) services to major international clients including financial consolidation, budgeting, planning and forecasting. CFORS develops software solutions for banks and insurers to help them comply with new regulatory standards such as Solvency II, CRD IV and IFRS 4.

In August 2015 our Advisory business also acquired Integrc, a global provider of SAP governance, risk & compliance (SAP GRC) services, thus enhancing our market-leading position in the SAP GRC services industry. Integrc's 100 experts provide their services from the Netherlands, the United Kingdom, Dubai and India.

In addition, our international TAS activities and presence in the corporate finance community were strengthened by the takeover of Parthenon, a global consultancy with 300 specialists and offices in Boston, London, Mumbai, San Francisco, Shanghai and Singapore.

Markets - Winning in the market

Invest in innovation

All our service lines invest in technology, tools and data analytics to develop innovative service offerings. A couple of examples are described below.

Innovation in audit tools

At EY we are making significant investments to transform the audit process so as to deliver higher quality audits and provide relevant business insights. In 2015 we began rolling out EY Canvas, our new audit tool that will replace the current audit support platform in our Assurance practice. This will enhance audit quality and performance by better aligning the risks identified during an audit enabling our teams to better tailor audit procedures to the specific characteristics of the entity being audited.

Our goal with this and other new tools is to improve audit quality and project management. Our investment in the greater use of analytics enables us to capture, analyze and interpret vast quantities of audit data to support strong, fact-based audit conclusions and higher-quality audits. By analyzing entire data populations, we will bring new discovery techniques and unique evidence to our audits, enabling our auditors to better identify financial reporting, fraud and operational business risks. Through the investments we are making in our people, processes and technology, combined with our advanced analytics, we will help increase value beyond the traditional audit.

In addition, with greater ability to identify risks, obtain new evidence and generate unique insights from advanced analytics, we can enhance the confidence in our audits upon which all stakeholders rely.

Innovation in tax reporting tools

Our service offering in Tax is becoming increasingly responsive to globalization and the more complex fiscal climate in which our clients operate. Tax transparency is becoming the new norm as stakeholders call for a clearer understanding of tax policy's and the amounts of tax paid to governments. More tax transparency obligations are being put in place. The OECD, the European Commission and national governments are all demanding more data from our clients. The Action Plan on Base Erosion and Profit Shifting (BEPS), on which the OECD is working with the G20, addresses this growing demand. Multinationals with revenues of more than €750 million must comply with the new BEPS guidelines as from financial years commencing on or after January 1, 2016. The guidelines require the implementation of country-by-country reporting and the preparation of transfer pricing master and local files.

Preparation, communication and flexibility are instrumental for our clients facing this new transparency environment. The trust an organization builds with its stakeholders is critical. Transparency on tax, as a measure of the contribution an organization makes to the economies in which it operates, is a key dimension in building that trust.

To respond to the demand for more transparency, we have developed an innovative country-by-country reporting tool. It shows at a glance how a business's income, revenues, financial performance, employees and income tax are distributed across the world. This sophisticated system generates fiscal analyses and reveals anomalies. The insights it gives make processes more transparent and can help manage reputational risks.

This tool helps clients take a new look at their tax risks and fiscal footprint by generating information that would otherwise have been concealed.

Markets - Winning in the market

Invest in innovation

Innovation of business models

In Advisory we invested a great deal in digital enterprise strategy services last year. The digital innovation of products, services and business processes plays a key role in transformation processes. Digital technology has fundamentally changed the way businesses and clients interact with each other. Economic and geographical borders are blurring, while IT-driven innovations are creating new sales openings and cost savings. Internet businesses are not the only ones to be affected by this development. All businesses, of every size and shape, are undergoing a digital transformation. The accompanying challenges demand a comprehensive digital strategy and a reconsideration of business and operational models. EY has developed clear and leading-edge digital business models, enabling EY to help businesses to prosper in the digital age.

Innovative approach of data analytics

With an ever-increasing volume and variety of data available, turning this data into real insights that help to improve business performance now sits at the top of the business agenda. Analytics is not just a technology issue, it's a strategy and operational issue that has the potential to improve the efficiency and effectiveness of just about every decision or action an organization undertakes. Big data is growing in importance for our clients. Nearly everything we do generates vast amounts of data that can be mined. Companies that can use data effectively are becoming more efficient, innovative and responsive to the market.

EY has focused strongly on the great potential of data analytics, especially in Advisory. Our innovative approach has enabled our clients to gain valuable insight into their processes and challenges. We show businesses how to use data analysis tools to interpret big data and how to use these findings strategically in their operations.

Innovation through the capital agenda

Driving value through integrated approach

Value creation and cost synergies are playing a more decisive role in corporate acquisitions and divestments. Corporate clients are taking well-considered decisions on their capital management and only entering into transactions that match their core strategy. The capital agenda concept of our Transaction Advisory Services (TAS) meets their needs by putting their capital requirements first. Using a holistic, integrated approach, we advise clients on how best to apply and make optimum use of their capital during all phases of the business cycle in order to build and maintain investor confidence and seize acquisition opportunities.

Markets - Winning in the market

Invest in innovation

EYnovation

Engaging our network to develop entrepreneurial talent

Through EYnovation we support innovative businesses and start-ups. We are one of the initiators of the [Startupbootcamp](#) High Tech XL in Eindhoven, which gives the best high-tech startups from all over the world an opportunity to accelerate their operations over the course of three months. Last year we also became a partner in [StartupDelta](#): a new initiative for fast-growing innovative start-ups with an international focus.

This program, launched by the Ministry of Economic Affairs, is headed by former European Commissioner Neelie Kroes. Its aim is to improve and promote the Netherlands as a home for start-ups.

We also started to participate in a startup boot camp on the [Brightlands Chemelot Campus](#) in Geleen, which specializes in smart materials. We offer first-line assistance in financial, fiscal and legal areas to startups at the universities of Rotterdam (maritime and logistics), Twente (innovation) and Delft (high tech). In Amsterdam, we support the Venture Lab at the University of Amsterdam and the Free University (specializing in ICT). We also help foreign startups wishing to do business in the Netherlands, for example with licensing agreements and the transfer of intellectual property.

EY offers these startups high-quality services and access to our worldwide network, and share relevant know-how. By doing so, we aim to support smart innovations that create sustainable profits. This arrangement has benefits for all parties: we make our services easily accessible to this target group, the startups enjoy EY's excellent quality and our staff learn from growing their entrepreneurial skills.

To give a new and wider boost to innovation and support entrepreneurial spirit within our own organization, we have strengthened the EYnovation concept within EY. We want to encourage innovation and entrepreneurship within our own organization by using the bootcamp model to develop new services. We will also work more closely with high-potential startups that can help improve our own internal processes. An example of this is our collaboration with Declaree, a startup that has developed an app that scans and submits staff expense claims, thus enabling our organization to process the claims efficiently.

Social impact bond

EY supports intermediaries and (local) governments in the design, validation and valuation phases of smart solutions for financing social entrepreneurs. For example, EY supported the introduction of a successful alternative financial instrument, the social impact bond (SIB). An SIB is issued by an organization that raises capital from investors and is based on a contract with the government. In the contract a commitment is made to pay for improved social outcomes that are expected to result in public sector savings. These savings are used as a basis for raising investments for prevention and early intervention services that improve social outcomes.

Markets - Winning in the market

Invest in innovation

Social entrepreneurship

Through the EYnovation initiative, our Climate Change and Sustainability Services practice directly supports social entrepreneurs in their endeavors - from business case development to financial management and impact measurement advisory services. And with the right mix of expertise and experience, we support financials in growing their business with social entrepreneurs. Our multiple Enterprise Growth Services (EGS) and impact investing advisory and assurance services support financials from thought to finish in implementing or enhancing their EGS and impact profile.

New tool for family business: Strategic Approach to Succession

We offer family businesses a wide range of professional services and events tailored to their and their successors' unique needs. In 2014/2015 we carried out a [study](#) with the University of Amsterdam into the strategic approach to succession at family businesses. This is an important theme, as between now and 2020 some 90,000 family businesses will be handed down. The study's findings were used to develop a model that clarifies the factors that make family businesses successful over many generations: Strategic Approach to Succession (SAS). The model covers the four main themes of business succession (business governance, family governance, internal interaction and external interaction) and the relationships between them. It provides guidance that opens up all aspects of business succession to discussion and helps manage them, adding a whole new spectrum to our family governance and business succession services.

Rewarding entrepreneurship

The Entrepreneur Of The Year award is an international award program to celebrate the important contribution that entrepreneurs make to their communities, their countries and to the global economy. It is presented every year in more than 60 countries. In the Netherlands, the EY Entrepreneur Of The Year award was presented for the 18th time last year. The award recognizes and rewards successful entrepreneurs so that they can inspire and encourage others with their vision, passion, conviction and excellent leadership. It features three categories for businesses in different phases of their life cycle:

- ▶ Emerging Entrepreneur Of The Year (entrepreneurs who have been active for less than ten years)
- ▶ Accelerating Entrepreneur Of The Year (growth accelerators)
- ▶ Master Entrepreneur Of The Year (established companies). The winner of the Master category goes on to compete for the World Entrepreneur Of The Year title.

In 2014/2015 the winners in the Netherlands were:

Emerging category: Janneke Niessen of Improve Digital B.V.

Accelerating category: Paul Koppert of Koppert Biological Systems

Master category: Bert Meulman and Willem Blijdorp of B&S International B.V.

Markets - Winning in the market

Invest in brand

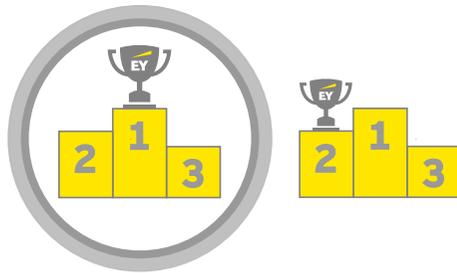
Invest in brand

Vision 2020 calls for us to be the best brand among professional services organizations. Building a better working world is the key distinguishing message underpinning the EY brand.

Brand score

2014/2015

2013/2014



The Global Brand Survey 2014/2015, based on a representative sample of client and non-clients interviews, has been conducted by the market research agency Kantar, part of the WPP group. According to this bi-annual survey EY has made strong gains on brand health since 2012/2013. We continue to fight for the brand lead in Netherlands. We lead in Audit, Tax and Governance, Risk, Investigations and Compliance. We have an overall lead in awareness and maintained our #2 in favourability and distinctiveness among the Big4. EY leads across almost all brand attributes: 11 out of 15. Our strongest areas are: best mix of talent, knowledge and skills, strongly recognised for technical quality, industry and sector expertise, globally connected and consistent, diverse teams and culture, expertise in disruptive forces and support entrepreneurs and we fight for #1 regarding delivers exceptional client experience, questions and challenges and thought-provoking points of view.

Stakeholder engagement

Foster stakeholder relations

We are committed to building positive and strong relationships with our stakeholders. We believe that bringing the right business and policy insights to the table is an important complement to being connected, responsive and insightful.

We make an active contribution to the public debate and are eager to learn what is going on in the market, which issues are important and what challenges arise. We initiate discussion, actively engage in dialogue to gain insight into specific problems and seek solutions. We think it is important to create added value by sharing our insights into trends and underlying factors, and our expert knowledge, with stakeholders.

Through our Stakeholder Dialogue Steering Committee, we planned and structured our stakeholder dialogue in the past year. Our annual stakeholder dialogue plan identifies the groups we will approach, the participants from EY and the themes we will discuss.

For 2014/2015 the theme was 'Nurture confidence':

- ▶ How can we nurture confidence in the financial markets?
- ▶ How can we nurture society's confidence in auditors?
- ▶ What can we learn from other industries that have faced a loss of confidence, such as banking, insurance and healthcare?

In September we held a series of workshops especially for politicians to discuss the substantive aspects of the audit profession. We also hosted a debate with students from Erasmus University to learn what they thought of the audit profession and what questions or considerations they had regarding the public debate around auditing. The students were still very positive about the auditing profession but also showed a keen interest in renewing the profession.

Markets - Winning in the market

Stakeholder engagement

Our roundtables with supervisory board members are an important feature of our stakeholder dialogue. Last year we organized these to discuss various themes that occupy us at EY, and that we encounter in our professional practice, not only within Assurance but also in Tax and Advisory. These included supervisory board members' responsibility for and engagement in tax ethics, cyber security management, integrated thinking and reporting, and the relationship between supervisory board members and auditors. The outcomes of these roundtables have been summarized in a [white paper](#).

We welcome opportunities to share our vision and expertise in relation to key issues on the (international) tax agenda and the impact of policy decisions. For example we also took part in a roundtable meeting with Dutch politicians to discuss plans to revise the tax system in the Netherlands. One of the topics discussed was how the new system could best stimulate innovation and sustainable growth in the Netherlands. EY put the case for encouraging innovation, reducing burdens on labor and simplifying the tax system. We believe it is vital for an enterprise in the Netherlands to be given the freedom it needs to consolidate the country's international competitiveness and [create jobs](#).

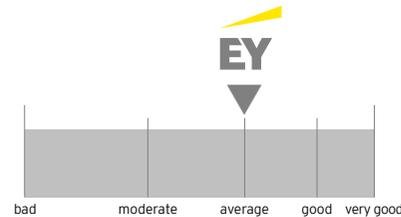
We also participated directly and indirectly (via our professional body NOB, Nederlandse Orde van Belastingadviseurs) in the debate about the future of the Netherlands as an attractive country for foreign investors and which preferred tax strategy should be chosen. We also raised the issue of tax policy in meetings with tax directors and at boardroom level.

For a more detailed overview of our dialogue with stakeholders, see [GRI G4 Content Index 2014/2015](#).

Stakeholder engagement score

We foster solid relationship with our stakeholders. To measure stakeholders' appreciation of EY's stakeholder engagement we asked stakeholders to rate the quality of our stakeholder engagement (frequency of stakeholder engagement, satisfaction with the quality of interaction and the outcomes of stakeholder engagement). This first-time measurement of our performance yielded a stakeholder score of 'Average' and we aim to improve this score further going forward.

● Stakeholder engagement score 2014/2015



Community engagement

We make our most significant impact on society by concentrating our efforts on the areas where society's needs intersect with our own business strategy and the distinctive skills, services and experience of our people. By extending the reach of our core business and competencies in the areas of entrepreneurship, developing future generations of talent and building a more diverse and inclusive society, we can support global, regional and local economic stability and growth, and address some of the major issues that the world is facing.

Markets - Winning in the market

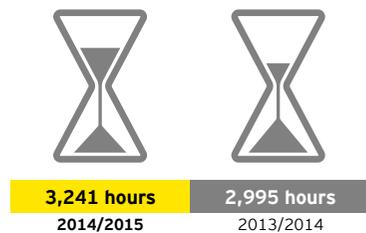
Stakeholder engagement

The community engagement activities are coordinated by the EY Foundation which was set up especially for this purpose. Founded in 2010, the EY Foundation adds value to the non-profit organizations and social enterprises we partner with. The Foundation not only benefits social entrepreneurs and society as a whole, EY and the employees involved also gain from the experience. By participating in volunteering and pro bono projects, the Foundation offers our employees opportunities to broaden their horizons, see what sustainable and social entrepreneurship means in practice, gain new insights and develop valuable personal skills. At the same time, we create value by sharing our expertise and commitment to the non-profit organizations and social enterprises we work with.

Organizations that, like us, want to accelerate sustainable and responsible entrepreneurship.

In 2014/2015 we spent 3,241 community engagement hours.

● Community engagement hours



Partnerships

The EY Foundation focused on three main partnerships in the year: [De Ondernemende School](#) (The Entrepreneurial School Programme), [BiD](#) (Business in Development) [Network](#) and [Urgenda](#).

Sport sponsorships also plays a prominent role in our community engagement. Love of sport is in our genes and complements what we stand for: talent development, optimal performance and ambition. In 2014/2015 we spent €1,613k on sport sponsoring.

Thought leadership

We invest not only in the professional know-how and quality of our people but also in market-leading intelligence. Our global organization offers a strong competitive edge, enabling us to draw on a rich international vein of expertise, any time, any place.

We conduct many national and international studies and publish newsletters, reports and white papers on a variety of issues. We actively share our knowledge with our clients and other stakeholders, in part by issuing thought leadership publications and organizing seminars, courses, lunch meetings and workshops. Examples are our Tomorrow's Economy seminar and the Hofstad Lecture, an intellectual platform for decision-makers from the public and private sectors to discuss pressing issues in society.

We also play a role in research and education with a view to developing and disseminating knowledge. We encourage our staff to affiliate themselves to a university or higher education college and are closely involved in a number of graduate and postgraduate programs such as those offered by Erasmus University Rotterdam, Nyenrode Business University, Tilburg University and the University of Groningen. We believe it is crucial for students to combine academic knowledge with practical experience, and welcome students as interns and trainees on an ongoing basis. In 2014/2015 a total of eight EY partners/managers hold chairs at universities in the Netherlands and abroad in the fields of assurance, tax and corporate finance.

Markets - Winning in the market

Stakeholder engagement

An overview, including a sample of our main publications, studies, apps and events, as well as our Dutch partners' professorships, is published in our [GRI G4 Content Index](#).

● Thought leadership 2014/2015



Talent - Creating highest performing teams

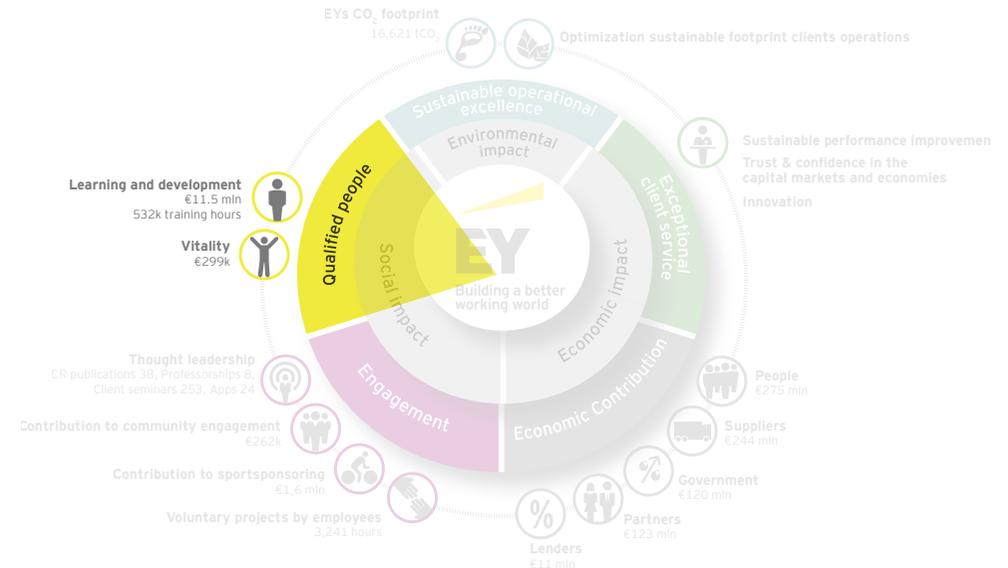
At EY, our people are our most important asset. Success depends on the quality and commitment of our people and how they work together as a team. That is why our second strategic pillar, creating the highest performing teams - attracting, developing and inspiring a diversity of people with different backgrounds and promoting a culture that supports them in working together - is central to EY's Vision 2020.

We gave high priority to three aspects of the strategy during the year:

- ▶ Teaming
- ▶ Talent recruitment and development
- ▶ Diversity & inclusiveness.

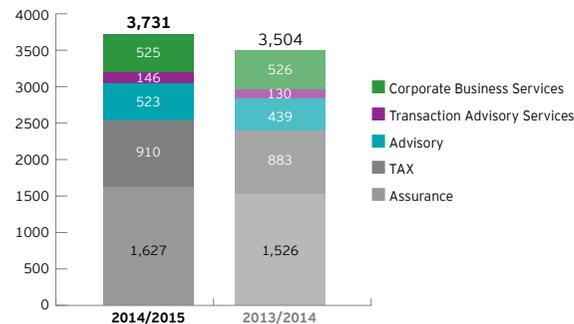
Our Workplace of the Future and Vitality programs complement our strategy of creating a flexible and healthy working environment.

The upward trend in our results is also reflected in the development of our staff numbers: after declining for two years, these are now growing again at 6% this fiscal year. The average number of FTEs during the fiscal year was 3,731, including 229 partners, compared with 3,504 FTEs and 224 partners in 2013/2014.

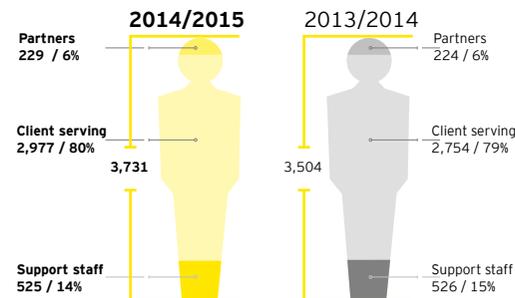


We took on 971 new people (headcount), chiefly client-serving staff. The number of people leaving the firm was 762. So, at a typical 20% level for our business. Fiscal year end we were 3,958 people (3,776 FTEs).

● Average number of FTEs by service lines (including partners)



● Partners, client serving and support staff (FTEs)



Talent - Creating highest performing teams

Teaming

We see effective teaming as an important way to support our strategy to deliver exceptional client service. To consistently select the right people to respond to a client's needs, we have to learn to do more together, to work with others and to ensure a team performs to the best of its ability and not just as a collection of individuals.

We rolled out our teaming program further in 2014/2015 by:

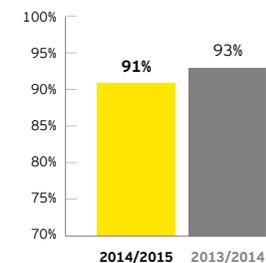
- ▶ organizing events and setting up learning programs to promote teaming;
- ▶ prioritizing team selection and leadership skills;
- ▶ strengthening the Counseling Families to increase cohesion between people.

Counseling Families are small groups of professionals from all levels who have regular contact and discuss our strategy as well as internal and external developments. A Counseling Family acts as a forum for members to stay connected, share information, and address work-related topics, and provides strong support for performance management, career development and experience management processes.

Retention rate

A measure of our attractiveness as an employer, retention rates for top talents, slightly fell by 2 percentage points to 91% compared with the year-earlier period due to an increased demand for financial specialists in both our own industry and in other sectors. Supported by our Personal Career Design Program we aim is to improve this rate again next fiscal year towards our target of 93%.

● Retention rate above average rated people



External surveys also confirmed that people like working for us and appreciate us as an employer. A survey quoted in career magazine Careerwise and a survey by Universum again acclaimed EY as the most attractive employer among the Big4.

Talent - Creating highest performing teams

Talent recruitment and development

Differentiating by profiles and career frames

We are convinced that teams with the greatest diversity have the most chance of success. We repositioned ourselves in the market last year and we will be increasing team diversity by attracting different types of people. A key point this year is to diversify our staff profile. This begins with recruitment, ensuring that we have talent with a variety of cultural and educational backgrounds, skills, competences, age ranges, experiences, leadership styles and ambitions, as well as a healthy gender mix.

As well as these profiles, we have also made our career lines more diverse. The EY Personal Career Design Program provides individual guidance to top talents with very diverse backgrounds and skill sets. Working at EY now offers more career opportunities than just partnership. For instance, academics can choose to work for EY for just a few years to gain national and international experience in a variety of service lines. This will enable them to position themselves in the labor market and prepare for the next step in their careers outside our firm.

Personal talent development

To complement our differentiated career track, we are making greater use of personal development assessments, looking at individual learning requirements and the qualities required to deliver the best performance as team members. Because we believe in teams that are made up of people with different but complementary competences and cultures, we offer our staff personal talent development. What goals, skills and competences do people need? What people and skills are we lacking? In short, what does someone still need to learn to strengthen the team?

During the year, for example, we launched a pilot personal talent development program for newly appointed senior managers in the Tax and TAS service lines. We will be rolling this out further in the coming year.

Blended learning integrated into learning and development

Training and development courses are only successful if they are timed to optimize staff development. We therefore prioritized blended learning during the year: a combination of contact learning and technology enhanced learning e.g. e-learning. As a partially location-independent and time-flexible study method, blended learning is an excellent means to strike a better work/study/life balance.

Our learning is also better tailored to individual staff requirements. We have developed a multiyear program with a varied delivery mix that includes classroom, mobile, electronic and social learning.

The trainers event, organized to keep up the didactical quality of the internal EY trainers, providing workshops on, among others, training techniques and group dynamics was successful and well-attended.

This year preparations have been made for the new Digital Employee program as part of the implementation of the Global Talent Strategy's vision on the new ways of working. This learning program mainly provides e-learning on Office 2013 as well as classroom learning on output based performance management and on how to collaborate and effectively use technology when working in more and more virtual teams. This program will be rolled out next fiscal year.

Learning and development expenses during the year increased by 21% to €11.5 million (€3,097 per FTE, up 16%). This year around 1,350 training courses have been organized locally. In addition, international courses have been joined in the EMEIA Region. The average number of hours spent on learning and development was 143 per FTE (up 9%), the total hours being 532,005.

Talent - Creating highest performing teams

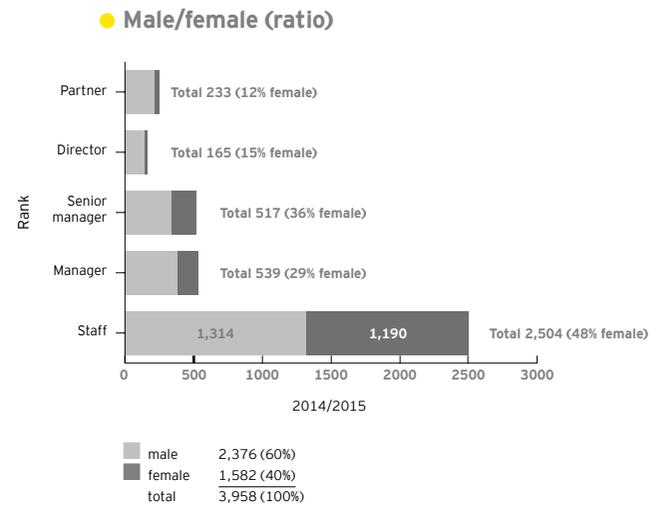
Global access to experience, coaching and learning through EYU

Many of our learning and development programs are international in nature. We have a dedicated career development framework: EYU (short for EY and You). It reflects a holistic approach that combines learning, experience and coaching to help our people take ownership of their own potential, whether social, emotional or professional, and of their own personal wellbeing. The approach enables people to improve their performance and maximize their career opportunities. It deepens knowledge, skills and competences by providing learning opportunities combined with on-the-job experience and stimulates a coaching mindset that enhances every employee's daily interaction with clients, colleagues and superiors. EYU gives everyone at EY member firms around the world what they need to build successful, fulfilling careers - both in EY and beyond.

More information on learning and development can be found in our [GRI G4 Content Index](#).

Diversity & inclusiveness

Our teams must be a true reflection of the diversity of talent available in society at large. We embed diversity and inclusiveness in our key processes, from how we define our expectations for each level of seniority in EY to the metrics we use to measure our partners' performance. The percentage of women was unchanged at 40%, and we have set a firm target for this to reach 50% in 2020/2021. To achieve this, we have sharpened up our special diversity and inclusiveness programs, including our Career Watch program to retain female managers, senior managers and directors and our Top Parent and Women's Leadership programs.



Talent - Creating highest performing teams

Engagement score

Engagement

Employee engagement is all about how our people think, act and feel about their work. It includes pride, commitment, advocacy and satisfaction. Our bi-annual Global People Survey (GPS) is one of the ways we listen to our people. It helps us understand those areas where we are getting it right, and those where we need to try harder. We conducted the GPS again in 2014/2015, with 79% of our employees responding to the survey.

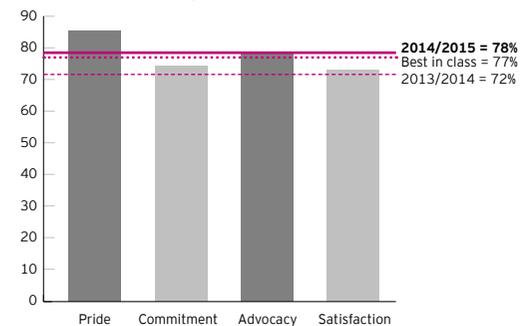
All-time high overall people engagement of 78%

Our overall engagement of people has increased by six percentage points to 78% when compared with People Pulse 2014, and is one percentage point above the best in class. 24% more respondents reported actions taken to make a positive change to their work experience compared with the previous Global People Survey 2013. 86% of our people feel the benefit of being part of a global organization, up 16% on the 2013 Global People Survey results. More people (up 15%) feel they understand how their job contributes to EY's strategy and execution of Vision 2020.

At EY, we define and measure engagement through four survey items ('the Engagement Index') in the Global People Survey:

- ▶ **Pride:** 'I am proud to work for EY'
- ▶ **Advocacy:** 'I would recommend EY as a great place to work'
- ▶ **Satisfaction:** 'Overall, I am extremely satisfied with EY as a place to work'
- ▶ **Commitment:** 'I would prefer to remain with EY even if a comparable job were available in another company'

● People survey: engagement score

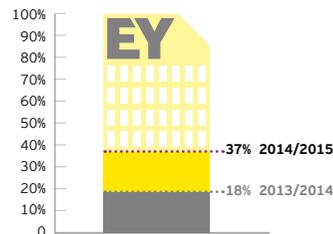


Talent - Creating highest performing teams

Workplace of the Future

Flexible working practices are essential for the sustainable employment of our people. Our staff are increasingly working outside the traditional office environment: at client sites, at home, across borders and on the move. To enable flexible working we are redesigning a number of workplaces at several offices. Our offices in Groningen, Utrecht and Leeuwarden are now up and running as 'Workplaces of the Future'. This program was launched to enable a trust-based, work-anywhere environment that supports the delivery of exceptional client service and helps attract and retain the best talent. This year we overhauled our office in Rotterdam; Amsterdam and Eindhoven will follow. With 37% we amply reached our implementation target.

● Workplace of the future implementation



The GPS showed that 69% of employees feel they have the flexibility they need to achieve their personal and professional goals and 73% experience that their managers encourage flexibility in when and where they work (5% more than in 2013). Moreover, 78% of our people believe they have access to the tools (e.g. materials, equipment, technology) they need to do their job effectively.

Vitality

We make high demands on our talent and encourage them to grow and get the best out of themselves. That's why we invest in dedicated programs to foster a healthy, dynamic and safe environment. In 2014/2015 we invested €299.447 in the health and wellbeing of our staff. We continued our successful vitality program [Fit4TheJob](#) to make a lasting contribution to a healthy work/life balance. The program is designed to improve energy management through better dietary habits and lifestyles, and by helping people avoid slipping into a rut. As of the start, more than 1,300 people have joined this program.

The [Vitality Strategy](#) consists of six programs tailored to different target groups. A survey found that the feedback score of the Fit4theJob program is a 4.5 out of 5. After the program people felt more energetic and vitality scores have been improved overall.

The Vitality program and other efforts to optimize working conditions kept absenteeism to the level of 3.2%, well in line with the previous year (3.1% in 2013/2014).

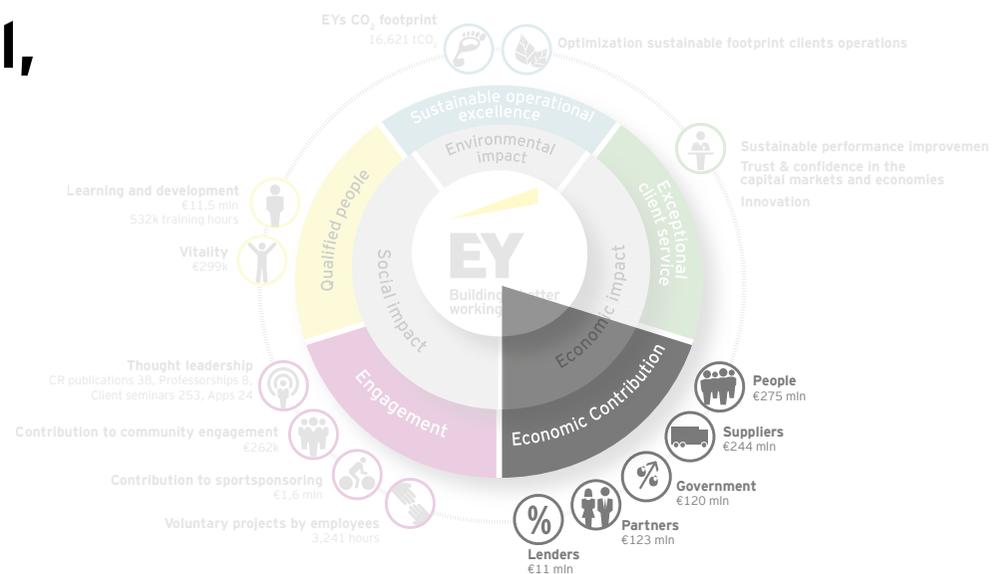
Working in a team with people from different backgrounds and with a variety of working methods can be stressful. We therefore also use fun ways to teach our people to be true team players through our Fit2Team program to strengthen team building and develop the skills of team members and the teams as a whole to be high-performing teams.

More information on our Fit4TheJob programs can be found in our [GRI G4 Content Index](#).

Operations - Strengthen global, empower local

Our financial contribution

Combined income statement	2014/2015	Δ	2013/2014
(€ million)			
Assurance	297	3%	289
Tax	253	5%	241
Advisory	97	9%	89
Transaction Advisory Services	37	23%	30
Rendering of services	684	5%	649
Corporate Business Services	26	4%	25
Revenue	710	5%	674
Purchased services	86	10%	78
Employee expenses	301	7%	282
Depreciation and amortization	6	-25%	8
Other operating expenses	163	2%	160
Operating expenses	556	5%	528
Operating profit	154	5%	146
Finance income and expenses	-7	-13%	-8
Profit before tax	147	6%	138
Income tax expenses	0	0%	0
Profit for the fiscal year	147	6%	138
Undistributable and exceptional items and interest on capital	-24	0%	-24
Income available for distribution	123	8%	114



Our third strategic pillar - strengthen global, empower lower - balances the global and local aspects of our business. At EY, globalization means using our global footprint wisely to serve global clients better, while creating operational efficiencies within our network to generate incremental earnings and investment capacity. But we are clear that globalization must not mean sapping the energy and entrepreneurialism from what happens on the ground every day in every one of our local market segments around the world. That's why we operate through regions and approach the market through local market segments. Strength at local level is essential for superior results – the revenues we need to maintain competitive pay, to invest in building a leading global organization and to deliver competitive partner earnings.

Operations - Strengthen global, empower local

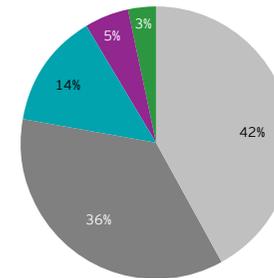
Our financial contribution

Revenue from our core operating activities - Assurance, Tax, Advisory and TAS - increased by €35 million in 2014/2015 to €684 million (5%).

Our Corporate Business Services reported a €1 million increase in revenue to €26 million. As a result, overall revenue grew by €36 million to €710 million (5%).

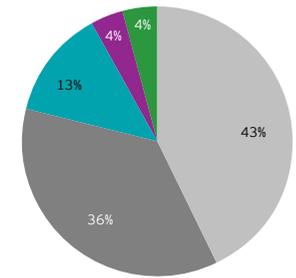
Volume (number of hours billed) rose substantially, driven almost entirely by an increase in client-serving staff and a 53rd week this fiscal year. Revenue per hour billed, however, was lower, though it stabilized in the last quarter of the fiscal year. The drop reflects a rise in non-billable engagement hours at the quality investment programs in our service lines, continued fierce competition and price pressure.

Revenue by service line
2014/2015



297	Assurance	289
253	Tax	241
97	Advisory	89
37	Transaction Advisory Services	30
26	Corporate Business Services	25
710		674

2013/2014



289	Assurance	289
241	Tax	241
89	Advisory	89
30	Transaction Advisory Services	30
25	Corporate Business Services	25
674		674

Operations - Strengthen global, empower local

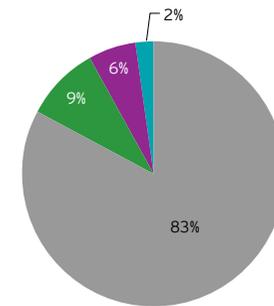
Our financial contribution

Assurance

In 2014/2015 Assurance still felt the effects of mandatory audit firm rotation, while a great deal of our focus went into quality improvement with a view to a sustainable future for the audit profession. In 2014/2015 we recorded revenue of €297 million, up €8 million (3%) on the year-earlier figures. The average workforce increased from 1,526 to 1,627 FTEs in 2014/2015.

Our audit business performed well all round, and we gained sizeable market share. The volume of audit hours charged was up steeply, partly because of the extra work involved in mandatory audit firm rotation and quality investments. Overall audit, revenue went slightly up by €2 million (1%). We notched up significant growth of €6 million (44%) in our specialized advisory services for complex accounting and reporting issues and annual closing processes (FAAS). Our financial services industry business grew particularly strongly and we landed a number of high-profile advisory projects at large financial service providers and insurers. Fraud Investigation and Dispute Services (FIDS) also showed revenue growth of €1 million (27%), while our Accounting Compliance and Reporting (ACR) practice reported revenue down by €1 million (-3%).

Assurance
2014/2015



- Audit of financial statements
- Accounting Compliance and Reporting (ACR)
- Financial Accounting Advisory Services (FAAS)
- Fraud Investigation & Dispute Services (FIDS)

Operations - Strengthen global, empower local

Our financial contribution

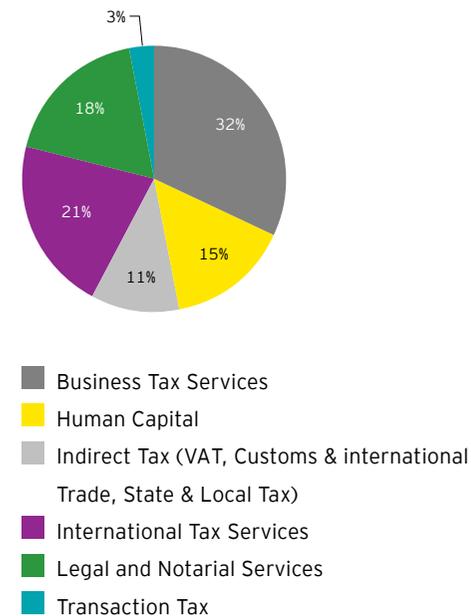
Tax

Our Tax practice again turned in a solid performance. Revenues increased by €12 million (5%) to €253 million on a higher volume of hours. Our traditionally strong International Tax Advisory practice again recorded growth in cross-border and inbound markets. Activity in both Indirect Tax and Transaction Tax increased. Business Tax Services reported another slight decrease, however: in addition to the weakness of the economy, the simplification of tax legislation and automation reduced the volume of work.

Human Capital felt the impact of mandatory audit rotation for public interest entities (PIEs), most keenly. We unfortunately had to end several large, multiyear contracts with a number of public interest entities. At the same time, many large multinationals recalibrated their strategy of working with one advisor, resulting in many new clients - though it will take some time before the benefits fully feed through into revenues. Nevertheless, in this transition year Human Capital overall benefited and saw its revenue increase by €2 million (5%).

Our long-term strategic alliance with Holland Van Gijzen Advocaten en Notarissen LLP had a strong year. Revenues in the Law practice increased by €7 million to €46 million (18%). The increase was the clear outcome of well-judged choices made in the past. Total average workforce at Tax went up from 883 to 910 FTEs.

Tax
2014/2015



Operations - Strengthen global, empower local

Our financial contribution

Advisory

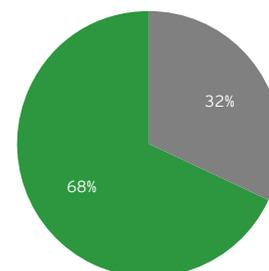
Advisory Services has managed to excel in several important areas, resulting in further growth in terms of volume and market share. Mandatory audit rotation had a negative impact on revenues owing to the direct loss of existing advisory clients calling for new assurance proposals. Our client-centric approach gave us a clear competitive advantage and Advisory has managed to replace the lost revenue by gaining new engagements and clients. Overall business revenue was up by €8 million to €97 million (9%). Our Financial Services business contributed substantially to revenue growth.

In a world where cybercrime and data leaks are all over the international news, information security is vital. Moreover, EU and international legislation increasingly requires businesses to have a sound IT policy. The challenges are significant. This is reflected in our performance improvement business, which grew by €4 million (18%). Our risk advisory business grew by €4 million (6%). Average workforce at Advisory increased with 20% from 439 to 523 FTEs.

Transaction Advisory Services (TAS)

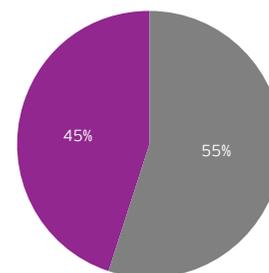
The upturn seen on the transaction market since mid 2014 continued in 2014/2015. There was a pick-up in deal activity and TAS won a substantial number of new clients. In addition TAS saw a considerable shift in its client portfolio following the compulsory audit rotation. Together with the investments we made last year to broaden the scope of our services, this created a solid platform for further growth. Revenues in the transaction support business increased from by €5 million (34%) whilst revenues in the capital transformation segment rose by €2 million (8%). Overall TAS revenue was up by €7 million to €37 million (21%).

Advisory 2014/2015



- Performance Improvement
- Risk Management

Transaction Advisory Services 2014/2015



- Transaction Support
- Capital Transformation

Operations - Strengthen global, empower local

Our financial contribution

Our average workforce increased by 12% from 130 to 146 FTEs. We added a leading specialist in infrastructure project financing to our team and are working with even more diversified teams in order to maximize the interdisciplinary approach.

Higher expenses on the back of brisker activity

Operating expenses added 5% as (third-party) sourcing and employee expenses all rose as a result of brisker business activity. This rise is reflected in the increase of the average number of client service staff by 8% to 2,977 FTEs although the average number of support staff remained at the previous fiscal year level of 525 FTEs. The remaining operating expenses basically were at last year's level too. Meanwhile, we continued to invest in the quality of our services and our people, business development staff, training and activities during the audit firm rotation, IT and the Workplace of the Future program.

Profitability in line with revenue growth

On balance, operating profit increased by €8 million to €154 million. Finance income and expenses improved by €1 million to €7 million negative. As a result profit for the fiscal year increased by €9 million to €147 million (6%).

Income available for distribution

The profit for the fiscal year is distributed to the partners' B.V.s after settling exceptional and undistributable items, like pension obligations for retired partners and release of the vacancy provision, and interest on capital.

These amounted to €24 million in 2014/2015 (2013/2014: €24 million).

As a consequence, income available for distribution to partners amounted to €123 million (2013/2014: €114 million).

Prospects

Investments in people and innovation coupled with continuous improvements in service quality and sustainability performance should underpin further growth. We have managed to build a balanced portfolio in both audit and non-audit, and our biggest priority now is to consolidate and assure our new accounts. We will keep tight control of costs to maintain the quality of earnings at the same level.

In terms of revenue, 2015/2016 is bound to be a very challenging year indeed. The audits we have lost will bite in as will the non-audit losses attending audits gained, while the benefits of our new wins may not percolate at the same pace. So, 2015/2016 will be a year of transition.

Operations - Strengthen global, empower local

Partner remuneration

The remuneration criteria for partners and other professionals include specific quality and risk management indicators, covering both actions and results. The mainstay of our remuneration policy is the Global Partner Performance Management (GPPM) process, a globally consistent evaluation process for all partners in EY member firms around the world. It reinforces the global business agenda by linking their performance to wider goals and values. GPPM is an ongoing cyclical process that includes goal setting, personal development planning, performance review and recognition and reward. It is used as the cornerstone of the evaluation process to document partners' goals and performance.

The remuneration criteria recognize different market values for different skills and roles and are designed to attract and retain high-performing individuals. The following factors are considered in determining the partner's contribution level: seniority, role and responsibility, long-term potential and mobility.

Partners are assessed annually on global goals: quality and effective risk management, people engagement and teaming, exceptional client service and quantitative metrics: revenue, sales/pipeline and margin. The overall rating scale runs from 1 (lowest) to 5 (highest). There is a cap on the overall rating if the assessment of either the quality and effective risk management or the people engagement and teaming metric is 'did not meet expectations'.

This means that a partner cannot receive an overall rating higher than 3 if the quality assessment is 'did not meet expectations' (and may be considered for a 2 rating depending on the circumstances that gave rise to the particular assessment).

Quality rating data is recorded in the EMEIA Quality Measurement Tool leading to a 3-point rating scale (did not meet expectations, met expectations and exceeded expectations).

Specific quality rating measures have been developed to account for:

- ▶ Technical excellence
- ▶ Living the EY values as demonstrated by behaviors and attitude
- ▶ Demonstrating knowledge of, and leadership in, quality and risk management
- ▶ Compliance with policy's and procedures
- ▶ Compliance with laws, regulations and professional duties
- ▶ Contributing to protecting and enhancing the EY Brand.

Instances of non-compliance with quality standards result in remedial actions, which may include compensation adjustment, additional training, additional supervision, or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in separation from our firm.

The overall rating determines the partner reward that includes a profit per unit contribution level remuneration and can include a performance award. Outperforming partners can be granted a performance award generally ranging from 5% to 20% of their profit per unit remuneration. To qualify for a performance award the quality rating should at least meet our quality expectations.

Operations - Strengthen global, empower local

Partner remuneration

More specific information on the remuneration policy of Ernst & Young Accountants LLP in the Netherlands, can be found in the [Transparency Report 2015](#).

The Board of Directors of Ernst & Young Nederland LLP receive their remuneration through their private limited liability company (Besloten Vennootschap met beperkte aansprakelijkheid, B.V.). Information about the remuneration is included in the Financial Statements 2014/2015 of the LLP.

Income available for distribution amounted to €123 million (2013/2014: €114 million). Average income for 229 partners (2013/2014: 224 partners) therefore amounted to €537k (2013/2014: €511k).

Partner income covers such items as salary, pension, business expenses, depreciation, insurance premiums, wage tax, social security, income tax, dividend tax and the B.V.'s own corporate income tax liability.

Operations - Strengthen global, empower local

Quality management

At the heart of providing exceptional client service is our unwavering commitment to quality and service that is professional and globally consistent. This means service that is based on objectivity, professional scepticism and adherence to EY and professional standards.

Setting the right 'tone at the top' is a key responsibility of our combined Leadership Team. We communicate to our people that quality and professional responsibility starts with them and are the most important aspects of their work every day. Our approach to ethics, integrity and compliance is embedded in our culture of consultation, our training programs and internal communications. Our Global Code of Conduct provides a clear set of standards and behaviors that guide our actions and interaction with society and our business conduct. In addition, we have specific confidentiality, anti-bribery and insider trading policy's in place.

Through various forms of communication, senior management regularly reiterates these expectations and the importance of performing quality work and complying with professional standards and our policy's. We assess quality of professional service as a key metric in evaluating and rewarding all our professionals.

We continually strive to further improve our quality and risk management processes. Vision 2020 has reinforced the ownership of quality within all our service lines. Our service lines are accountable for the delivery of quality in our engagements, including managing quality reviews and real-time quality assurance, which measures compliance with professional standards and all EY policy's. Our central Risk Management function oversees the application of policy's and practices that support and improve quality and independence.

Industry-wide improvement measures at Assurance

The quality management system relevant to our audit practice is described in detail in the [Transparency Report 2015](#) issued by Ernst & Young Accountants LLP. The description relates only to the Assurance service line, but similar quality and risk management systems are in operation within the other service lines.

In September 2014, The Netherlands Institute of Chartered Accountants (NBA) published *In het publieke belang* (which translates as 'In the public interest'), a report outlining 53 measures to improve the quality and independence of audits in the Netherlands. EY implemented a large number of these measures in this fiscal year. Progress towards implementation can be tracked online via our website and the [NBA Monitor Publiek Belang](#).

Operations - Strengthen global, empower local

Quality management

The main quality management processes include quality control programs, client and engagement acceptance and continuance and independence.

Quality control programs

We have implemented quality control programs for all our service lines. Their primary goal is to determine whether our quality policy's and procedures are appropriately designed and observed in the execution of engagements.

The control programs are implemented annually by the service lines, for which engagements are selected according to their (inherent) risk profile. The aim is to review engagements of approximately one-third of our partners each year. The programs' results are evaluated and communicated so that quality improvements can be made. This fiscal year 148 engagements have been reviewed resulting in a similar outcome as last year. Our target remains to increase rating 1 and have zero rating 3 engagements.

Client and engagement acceptance and continuance

EY's client and engagement acceptance policy sets out the principles used to determine whether to accept or to continue with a client or engagement. The acceptance process involves a careful consideration of the risk characteristics of a prospective client or engagement and includes several due diligence procedures. In addition, our global conflicts policy defines categories of conflicts of interest, the process to identify such conflicts and provisions to manage them.

To coordinate client and engagement acceptance and continuance efficiently, we have developed the intranet-based Global Tool for Acceptance and Continuance (GTAC) to take users through the acceptance and continuance requirements step by step. In 2014/2015, 18,725 assessments were processed.

Quality review

	2014/2015		2013/2014	
Rating 1	130	88%	164	86%
Rating 2	17	11%	26	13%
Rating 3	1	1%	1	1%
Total	148	100%	191	100%

1 = There were no or minor findings

2 = The findings were more than minor but less than material

3 = There were material findings

Operations - Strengthen global, empower local

Quality management

Independence

We consider and evaluate independence from several perspectives, including our financial relationships and those of our people, employment relationships, business relationships, the permissibility of non-audit services we provide to audit clients, partner rotation, fee arrangements, audit committee pre-approval, where applicable and partner remuneration and compensation. We have implemented EY's global applications, tools and processes to support us in complying with independence policy's:

- ▶ The EY Global Independence Policy contains the independence requirements for member firms, professionals and other personnel. It is a robust policy predicated on the IESBA Code of Ethics, supplemented with more stringent requirements following the ViO ('Verordening inzake Onafhankelijkheid van Accountants') and it will incorporate the new requirements following the EU Audit reform. The EY Global Independence Policy is readily accessible and easily searchable through EY's intranet. The Dutch Independence Supplement explains the specific Dutch statutory requirements for all EY professionals.
- ▶ The Global Independence System (GIS) is an intranet-based tool that helps our professionals identify the listed entities from which independence is required and the independence restrictions that apply. The tool includes family-tree data relating to affiliates of listed audit clients and is updated by client-serving engagement teams. Starting last year, we have substantially increased our review of both existing audit clients but also of other significant public entities as part of our readiness process for mandatory audit firm rotations. We currently track Dutch PIEs to assess the expected rotation date and have developed internal screening and decision protocols to assess our independence well ahead of the expected request for proposal dates.
- ▶ The Global Monitoring System (GMS) is another important global tool that assists in identifying proscribed securities and other impermissible financial interests. Professionals ranked as manager and above are required to enter any securities they hold, or those held by their immediate family, into the GMS. When a person enters a proscribed security or if a security they hold becomes proscribed, they receive a notice and are required to dispose of the security. Identified exceptions are reported through the Global Independence Incident Reporting System (GIIRS) for regulatory matters. GMS also facilitates annual and quarterly confirmation of compliance with independence policy's as described below.
- ▶ EY has established a number of processes and programs aimed at monitoring the compliance with independence requirements of EY member firms and their people. These include timely and accurate completion of annual and quarterly independence confirmations by all partners. All other EY professionals are required to confirm compliance with independence policy's and procedures at least once a year. Also annually, EY in the Netherlands is included in an Area-wide process to confirm compliance with the Global Independence Policy and requirements and to report identified exceptions.
- ▶ EY assess and monitor its portfolio of services on an ongoing basis, confirming that they are permitted by law and professional standards, and to make sure that EY has the right methodologies, procedures and processes in place as new service offerings are developed. EY restricts services from being provided that could present undue independence or other risks. The Service Offering Reference Tool (SORT) provides EY people with information about their service offerings. SORT includes guidance around which services can be delivered to audit and non-audit clients, as well as independence and other risk management issues.

Operations - Strengthen global, empower local

Quality management

- ▶ The Business Relationship Evaluation Tool (BRET) process helps to support our business relationships' compliance with independence requirements. Our people are required to use BRET in many circumstances to evaluate and obtain advance approval of potential business relationship with an audit client.
- ▶ EY Global Internal Audit (GIA) conducts a number of testing and member firm visits to assess compliance with independence matters. The most recent GIA review took place during visits in December 2013 and June 2014. The GIA is a bi-annual process. The next visit takes place in 2015/2016.

Each year, a program for testing compliance with personal independence confirmation requirements is executed through our Personal Independence Compliance Testing (PICT) program. For the 2015 testing cycle, 52 partners and directors were tested.

The outcomes of the tested partners and directors are shown in the table below.

● Independence review*

	2014/2015		2013/2014	
No violations	35	67%	43	86%
Administrative violations	17	33%	5	10%
Independence violations	0	0%	2	4%
Total	52	100%	50	100%

For the next fiscal year we need to reduce the administrative violations. A dedicated program to this end is being implemented. We are pleased to have zero independence violations in line with our target.

*Data including other ranks can be found in the Transparency Report 2015.

Operations - Strengthen global, empower local

Risk management

As a professional service provider, EY is active in various markets and is exposed to market, strategic, operational, regulatory and compliance risks that are inherent in its activities. EY's risk management and operational processes are designed to identify and mitigate risks at an early stage. We monitor the various risks and their potential impact, and take appropriate measures to reduce them.

Strategy	Risks and opportunities	Impact	Principal mitigations*
Focus on winning in the market	<ul style="list-style-type: none"> Not meeting clients' needs or changes in demand and/or introduction of new competing solutions/ technology Audit firm rotation, fierce competition and continued price pressure Loss of trust of stakeholders 	<ul style="list-style-type: none"> Obstacle to sustainable growth Increased investments to build/maintain client relationships and to win new engagements Lower rates and margins Reputational damage Loss of clients Negative effect on recruitment and retention of talent Increased regulation 	<ul style="list-style-type: none"> Exceptional client service framework Invest in technology and resources to innovate service offerings Acquisitions Global firm to source expertise and people Our new world program Operational excellence program Markets program Quality and risk review on price setting Stakeholder engagement program Transparent communication Talent program Implementation of the 53 measures resulting from the <i>In het publiek belang</i> initiative of The Netherlands Institute of Chartered Accountants (NBA) Public Interest Committee since 2013 Supervisory Board since July 2015
Create the highest performing teams	<ul style="list-style-type: none"> Inadequate ability to recruit or retain the right talent Leave or retirement of leaders without adequate succession planning 	<ul style="list-style-type: none"> Obstacle to sustainable growth Service quality Lack of leadership and management Not meeting the strategic or operational objectives 	<ul style="list-style-type: none"> Strong recruitment program targeted at both young talent and experienced hires Personal talent development program EY experience program: work at EY be a life experience Monitoring staff satisfaction and take appropriate actions Succession planning, Support of recruitment agencies Vision 2020 in the Dutch market
Strengthen global, empower local	<ul style="list-style-type: none"> Professional misconduct, including fraud and non-compliance and breaches of laws, regulations and policy's Information systems failure and security 	<ul style="list-style-type: none"> Reputational damage Loss of clients Claims and litigation Harm our operations Reputational damage Loss of clients Claims and litigation 	<ul style="list-style-type: none"> Quality and risk management framework, including compliance testing Audit culture change and quality improvement program Learning & development programs Professional liability insurances in place Global Code of Conduct and related policy's Global IT system and infrastructure meet high security and continuity criteria Standard load set on local PC's to continue client services Global governance and infrastructure

* Principal mitigations may apply to various risks and opportunities. They are mentioned once only.

Operations - Strengthen global, empower local

Risk management

The risks identified represent not only threats to our organization but also opportunities to achieve our ambitions. We are a private business, operating in a competitive, partially regulated environment. Taking well-managed risks is part of our strategy to achieve our ambition. Global and local internal quality review programs are an important tool to monitor compliance with all prescribed policy's and procedures and their documentation, and to identify appropriate remedial measures.

With respect to litigation and claims in our increasingly litigious society, there will always be tension between the desire to be transparent in the public interest about lessons learned on the one hand, and the need to be prudent from a legal point of view and not to weaken our position in existing litigation or induce new litigation on the other. What is more, in many cases there will be legal and contractual restrictions on our transparency, or our external communication may be limited by our duty to respect the privacy of the individuals involved. In this report we share the number of proceedings (see table); more detail is provided in our [Transparency Report 2015](#).

●● Proceedings

	2014/2015	2013/2014
Civil proceedings	6	7
Disciplinary proceedings	3	9
Total	9	16

Operations - Strengthen global, empower local

Risk management

In-control statement

The Board of Directors of Ernst & Young Nederland LLP has overall final responsibility for designing and operating an effective risk management and internal control system. This includes implementing and, if necessary, adjusting international EY policy's and procedures, establishing and maintaining processes as well as guiding people's behavior in such a way that the firm can achieve its objectives. In the year under review, we analyzed and evaluated the risk management and internal control system, and considered the risks to which our organization is exposed.

Based on this review and cognizant of its inherent limitations as described below, the Board concluded that there was reasonable assurance that in the year under review:

- ▶ it understood to what extent the strategic and operational objectives were realized;
- ▶ the internal and external financial and management reports were reliable; and
- ▶ applicable laws and regulations were observed.

Furthermore, there is no reason to believe that the internal risk management and control system will not work properly during the current year.

It is important to note that a risk management and internal control system, no matter how well designed and operated, provides only reasonable assurance regarding achievement of an entity's objectives. Achievement of objectives is affected by limitations inherent in all management processes, including the inherent risk that errors and violations can occur as a result of human failure, the possibility of poor judgment in decision-making, control processes being deliberately circumvented by professionals, management overriding controls, and unforeseen circumstances. Another limiting factor is the need to consider the relative costs and benefits of risk responses.

Properly designed and implemented risk management and internal control systems will therefore provide reasonable but not absolute assurance that EY is not hindered in achieving its business objectives or in the orderly and legitimate conduct of its business. In this context, reasonable assurance refers to the degree of certainty that would be satisfactory for a prudent business manager in the management of his or her affairs in the volatile and changing business environment in which EY operates.

Any assessment of effectiveness in future periods is subject to the risk that the risk management and internal control system may become inadequate because of changes in conditions.

Rotterdam, 28 September 2015

Marcel van Loo
Jeroen Davidson
Michèle Hagers

Governance

Corporate governance

We constantly monitor our independence, integrity and results. Safeguards are in place in the form of governance rules, codes of conduct, quality measures and controls. The main aspects have been considered in this report and below we provide a high level overview of our governance model. More detail is included in the separately issued [Transparency Report 2015](#), which provides detailed insight into the structure, organization, management, quality control system and performance of Ernst & Young Accountants LLP.

Structure

Global

EY refers collectively to the global network of member firms of Ernst & Young Global Limited (EYG). EY's central entity, EYG, coordinates the member firms and promotes cooperation among them. EYG does not provide services, but its objectives include promoting the provision of exceptional, high-quality client service by its member firms worldwide. Each member firm is a legally distinct entity. The member firms' obligations and responsibilities are governed by the regulations of EYG and various other agreements.

In July 2013, EY streamlined its operating model by creating the Executive and the Regions. The Executive includes the Global Executive (GE), its committees and teams, and the leadership of four Areas. This streamlined structure allows EY to further enhance its global scale and the delivery of consistent exceptional client service worldwide, with the Executive responsible for one global approach to strategy, quality, risk management, business planning, investments and priorities. At the same time, this new operating model allows for greater stakeholder focus in the 28 Regions, permitting member firms to build stronger relationships with clients and others in each country and be more responsive to local needs.

EY member firms are grouped in four geographic Areas: Americas, Asia-Pacific, EMEIA (Europe, Middle East, India and Africa) and Japan. The Areas comprise a number of Regions, which consist of member firms or sections of those firms.

Global Governance Council and Independent non-executives

The Global Governance Council (GGC) is the main advisory body of EYG. It comprises a representative from each Region and four independent non-executives (INEs). The regional representatives, who otherwise do not hold senior management roles, are elected by their Regional Partner Forums (RPFs) for a three-year term, with provisions for one successive re-appointment. The GGC advises EYG on policy's, strategies and the public interest aspects of their decision-making. The approval of the GGC is required for a number of significant matters that could affect EY. INEs are appointed from outside EY and bring the global organization, and the GGC, the significant benefit of their varied perspectives and views. Together with several other GGC members they form the Public Interest Sub-Committee of the GGC, which addresses public interest matters including stakeholder dialogue. The INEs are nominated by a dedicated committee.

EMEIA Area

EY's activities in the Netherlands are part of the EMEIA Area. The EMEIA Area consists of 99 countries divided into 11 geographical Regions and the EMEIA Financial Services Organization Region (EMEIA FSO), which facilitates all services provided to the financial sector in the EMEIA Area.

Together with Belgium, the Netherlands forms the BeNe Region. This Region does not include the financial sectors in both countries, as these industry sectors are part of the EMEIA FSO Region. Dutch partners are allocated to either the BeNe or the EMEIA Financial Services Organization Region.

Governance

Structure

Ernst & Young (EMEIA) Limited (EMEIA Limited), an English company limited by guarantee, is the principal coordinating entity for the EYG member firms in the EMEIA Area.

EMEIA Limited facilitates the coordination of these member firms and cooperation between them, but it does not control them. EMEIA Limited is a member firm of EYG and has no financial operations and does not provide any professional services.

In Europe, a holding entity, Ernst & Young Europe LLP (EY Europe) was formed in conjunction with EMEIA Limited. EY Europe is an English limited liability partnership, owned by partners of the EYG member firms in Europe. It is an audit firm registered with the Institute of Chartered Accountants in England and Wales (ICAEW), but it does not carry out audits or provide any professional services. To the extent permitted by local legal and regulatory requirements, EY Europe has acquired or will acquire control of the EYG member firms in the European countries in the EMEIA Area. EY Europe is a member firm of both EYG and EMEIA Limited.

EY in the Netherlands

In the Netherlands, the two main EY entities are Ernst & Young Accountants LLP (including Assurance, Advisory and Transaction Advisory Services) and Ernst & Young Belastingadviseurs LLP (Tax). Both entities are owned by the private practice companies of EY's partners in the Netherlands ("members"). The members of Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs LLP are also co-owners of Ernst & Young Nederland LLP.

Ernst & Young Accountants LLP is licensed by the Netherlands Authority for the Financial Markets to carry out statutory audits (including audits of public interest entities).

The EY network operates from 14 offices in the Netherlands and in 2014/2015 consists of:

- ▶ Ernst & Young Nederland LLP
- ▶ Ernst & Young Accountants LLP
- ▶ Ernst & Young Belastingadviseurs LLP
- ▶ Ernst & Young Actuarissen B.V.
- ▶ Ernst & Young CertifyPoint B.V. - independent and impartial certification institute
- ▶ Ernst & Young VAT Rep B.V. - VAT representation services
- ▶ Ernst & Young Real Estate Advisory Services B.V. - real estate investment advisory and valuations
- ▶ Stichting Ernst & Young Foundation - supports initiatives by non-profit organizations regarding sustainability and environmental issues
- ▶ Beco Groep B.V. - advises clients on sustainability and environmental issues
- ▶ Centre B.V. - provides Enterprise Performance Management (EPM) services
- ▶ CFORS B.V. - develops software solutions for banks and insurers.

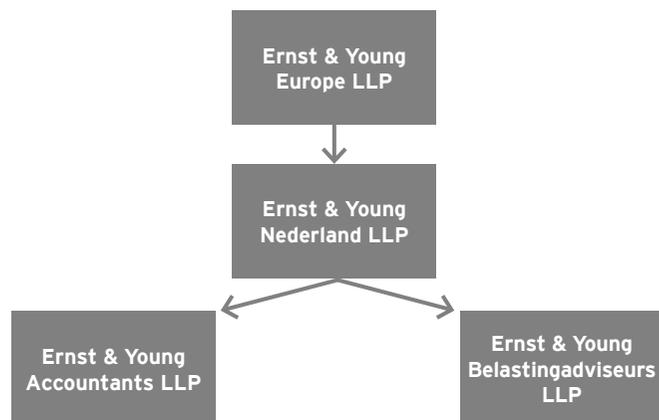
Ernst & Young Belastingadviseurs LLP has a strategic alliance with Holland Van Gijzen Advocaten en Notarissen LLP.

Ernst & Young Nederland LLP coordinates and facilitates EY's activities in the Netherlands, but does not provide services to external clients. The economic profits of Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs LLP are distributed to partners of Ernst & Young Nederland LLP.

Governance

Structure

Ernst & Young Europe LLP has indirect control of Ernst & Young Nederland LLP.



Ernst & Young Nederland LLP is governed by a Board of Directors elected by Ernst & Young Europe LLP. Current Directors are Marcel van Loo (Chairman), Michèle Hagers and Jeroen Davidson.

Board of Directors

The Board of Directors provides coordinating leadership in order to optimize the shared course of the business and practices of Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs LLP and promote their joint strategy. The Directors receive, through their respective practice firms, their separate remuneration for their roles as Directors. The Board is responsible for the commercial and financial policy's and reputational standing of EY.

In addition to the legal structure for the Netherlands, depicted on the previous page, we operate our non-Financial Services Organisation in Belgium and the Netherlands (BeNe) through the current combined Leadership Team:

Responsibility	Name	Joined EY in	Member since	Diversity	
				Gender	Nationality
Regional Managing Partner	Rudi Braes	1990	01-07-2011	Male	B
Country Managing Partner	Marcel van Loo	1989	01-07-2013	Male	NL
Assurance	Michèle Hagers	1989	01-07-2014	Female	NL
Tax	Jeroen Davidson	1990	01-07-2013	Male	NL
Advisory	Thomas Sileghem	1999	01-01-2013	Male	B
TAS	Marc Guns	1985	01-07-2008	Male	B
Markets & Talent	Bea Haring*	1990	01-07-2008	Female	NL
Risk	Herman Schepers	1981	01-07-2011	Male	B
Operations	Erik Kamphuis	2002	01-07-2012	Male	NL

* Hanne Jesca Bax resigned as Markets Leader during the fiscal year and was succeeded by Bea Haring. As of 1 September 2015, Lorenzo van Wieringen succeeded Bea Haring as Talent leader.

The Financial Services Organization in the Netherlands is led by:

Managing Partner	Rob Lelieveld**	1980	01-07-2008	Male	NL
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** As of 1 September 2015, André ten Damme succeeded Rob Lelieveld.

Governance

Board of Directors

Supervisory Board

On 24 July 2015 EY announced the composition of its newly incorporated Supervisory Board. This Board consists of three external members and one dependent member, who originates from EY’s international organization. A fifth member is expected to be appointed next year. Members have been appointed for a 4-year period. EY’s new Supervisory Board began exercising its supervision with effect from 2015/2016, which commenced on 1 July 2015.

Name		Diversity	
		Gender	Nationality
Pauline van der Meer Mohr	Chair	Female	NL
Steven van Eijck		Male	NL
Monique Maarsen		Female	NL
Jean-Yves Jégourel		Male	FR
Vacancy			

Regional Partner Forum (RPF)

The RPF is an advisory body for the combined Leadership Team on behalf of the partners. It convenes on a regular basis to discuss matters of strategy and operations and advises and acts as a sounding board to the Regional Managing Partner and the combined Leadership Team. It also provides input to the EMEIA Advisory Council and to the Global Governance Council.

The Partner Forum has ten members, seven from the Netherlands and three from Belgium. The partner elected as Presiding Partner of the RPF also serves as the Region’s representative on the EMEIA Advisory Council and the Global Governance Council. For every meeting of the RPF two partners (FSO and Law) receive a standing ‘invitation’.

Members of Leadership Teams and management cannot be elected to the Partner Forum. The members are elected by EY partners in Belgium and the Netherlands in three-yearly election cycles; membership of the Regional Partner Forum is in principle limited to a maximum of two terms of three years each.

Corporate Responsibility Steering Committee

The Country Managing Partner is responsible for corporate responsibility. Within the combined Leadership Team, there is a Corporate Responsibility Steering Committee with specific responsibilities for entrepreneurship, employees, environment and community engagement in the Netherlands. They meet during the fiscal year and discuss the Corporate Responsibility (CR) strategy, progress and new actions to be taken to achieve the CR targets. They are accountable to the full board as well as externally through this Integrated Annual Review and its appendix GRI G4 Content Index 2014/2015.

Public Interest Committee (Commissie Publiek Belang, CPB) and Stakeholder Dialogue Steering Committee

The CPB focused exclusively on the public interest and acted as an independent supervisor. It consisted entirely of independent members. With the Supervisory Board in place from 1 July 2015, we have dissolved the CPB. In 2013/2014, EY established a Stakeholder Dialogue Steering Committee to manage its stakeholder engagement in the Netherlands.

Governance

Code of Conduct

Our organization is built on strong internal structures and frameworks. These include policy's, checks and balances that form the foundations for our organization. They guide the behavior of each EY individual, help us limit risk, ensure independence and support anti-corruption and similar measures. Our Global Code of Conduct provides a clear set of standards to guide our actions and our business conduct.

Organized into five categories, the Code contains principles that are to be followed by everyone within EY. And we ask everyone at EY, no matter where they are in the world, to make a personal commitment to abide by our Global Code of Conduct, specifically,

- ▶ Working with one another
- ▶ Working with clients and others
- ▶ Acting with professional integrity
- ▶ Maintaining our objectivity and independence
- ▶ Respecting intellectual capital.

Regulations

EY has various regulations in place that set the frameworks for the performance of its constituent bodies or implement the rules applying within EY. They include:

- ▶ Anti-bribery and insider trading policy's
- ▶ Confidentiality policy
- ▶ Client acceptance and continuance policy
- ▶ Conflicts of interest policy
- ▶ Data privacy regulations
- ▶ Document retention regulations
- ▶ Fundamental rules
- ▶ Global Code of Conduct
- ▶ Independence policy
- ▶ Members' agreement
- ▶ EY/Ethics, a global ethics hotline to provide EY people, clients and others outside the organization with a confidential means to report activity that may involve unethical or improper behavior that may be in violation of professional standards or otherwise inconsistent with our Global Code of Conduct.

Governance

Board of Directors

Marcel van Loo (1962) is presently Country Managing Partner of EY Netherlands LLP and the Global Lead Audit Partner for ING and is based in Amsterdam. From 2010 to 2012 he was the EMEIA Banking & Capital Markets leader and a member of the Sub-Area Leadership Team for Financial Services in EMEIA. Marcel has been a partner since 1999 with 23 years experience serving international financial services clients. Marcel has extensive experience with audit, and advisory engagements in the banking industry, as well as international experience in different locations around the world. He has gained practice experience in the US with considerable exposure to ABN AMRO's operations in North America, both LaSalle Bank and WCS North America 2004-2006 and practice experience in Brussels, Belgium from 1990-1994. In addition to his experience as an auditor, Marcel has also led major advisory relationships with clients including RBS and ABN AMRO. He was the Global Client Service Partner for RBS from 2008-2011 based in our London office.

Jeroen Davidson (1963) joined EY in 1990 and made partner at the firm in 2000. Since 2013 he is responsible for our Tax and Law practices in The Netherlands and Belgium. His responsibilities include market growth, human resources development, quality and service line operations. Jeroen has a broad experience in advising multinational clients on reorganizations and international planning. His primary focus is on Dutch and international taxation of financial institutions, mainly banks and other multinationals, in The Netherlands.

Michèle Hagers (1966) has been a member of our Assurance Management Team since February 2011 and chairman since July 2014. Michèle joined EY in 1989 and became partner in 2000. In recent years Michèle was, amongst other roles, Managing Partner of our Amsterdam office. Michèle is specialized in Asset Management and her clients' experience lies mainly in the fashion and retail industry as well as the health sector. Michèle has served various multinational clients and helped solve significant, complex audit and accounting matters. She has also worked with clients facing complex organizational changes.

Supervisory Board

Pauline van der Meer Mohr, Chair

President of the Executive Board of the Rotterdam School of Management ("RSM") of Erasmus University until the end of 2015. Worked for Shell, TNT and ABN AMRO, holding various different managerial positions. Currently Supervisory Director at ASML and DSM, as well as Chair of the Supervisory Board of NDT (Nederlands Dans Theater). Non-Executive Director at HSBC as of 1 September 2015.

Steven van Eijck

President of Major Alliance Netherlands (Maatschappelijke Alliantie Nederland), and Chair of the RAI Association for the Mobility Industry and of Stichting Verantwoord Alcoholgebruik (STIVA), as well as fulfilling several advisory roles. Chair of the Dutch Association of General Practitioners (Landelijke Huisartsen Vereniging) until 2014. Former Dutch politician (State Secretary for Finance from 2002 to 2003) and Chair of the Public Interest Committee of Ernst & Young Accountants until FY16.

Monique Maarsen

Chief Executive of the Maarsen Groep in Amsterdam, bearing general ultimate responsibility for the commercial operation and financing of the group's investment activities. Specializing in initiating development activities. Currently also a member of the Supervisory Committee of Stichting KiKa, as well as fulfilling various advisory roles.

Jean-Yves Jégourel

Since July 2014, Jean-Yves is a member of EY Executive for Europe, Middle East, India and Africa, leading the Assurance practice. He was previously vice chair of Quality and Risk Management for the Americas region over the period 2012-2014. He joined EY in 1984 and became partner in 1993. He is an audit partner in charge of large and international companies and has been along his career relocated in the UK and in the U.S. as part of his client service role.

About this report

Scope of this report

This is the third Integrated Annual Review published by EY in the Netherlands. It relates to the fiscal year ended 30 June 2015. It is designed to bring together material information about our strategy, performance, prospects and governance in a way that reflects the economic, social, environmental and society context in which we operate. It was prepared taking into account the framework of the International Integrated Reporting Council (IIRC). We present our financial statements separately.

This report discusses the activities carried out in the Netherlands by the entities Ernst & Young Nederland LLP, Ernst & Young Accountants LLP, Ernst & Young Belastingadviseurs LLP, Ernst & Young Actuarissen B.V., Ernst & Young CertifyPoint B.V., Ernst & Young VAT Rep B.V., Ernst & Young Real Estate Advisory Services B.V., Beco Groep B.V., Centre B.V., CFORS B.V. and Stichting Ernst & Young Foundation. Ernst & Young Nederland LLP is the coordinating and facilitating entity of the Dutch EY organization but does not provide any services to clients. Ernst & Young Belastingadviseurs LLP has a strategic alliance with Holland Van Gijzen Advocaten en Notarissen LLP. Holland Van Gijzen accordingly falls within the scope of this report.

In this Integrated Annual Review we set out our vision and aspirations for the future. Such forward-looking statements can be recognized by the use of words like aspire, strive, attempt and aim. Those statements are subject to uncertainties, which is why our assurance provider cannot provide assurance on such forward-looking statements.

GRI G4 Content Index

EY bases its Corporate Responsibility reporting on the fourth generation Global Reporting Initiative (G4) guidelines. The topics presented are consistent with our corporate responsibility policy and are based on a materiality analysis.

The [GRI Index](#) is published as a separate report on our website. The GRI G4 Content Index report has been prepared in accordance with the 'Comprehensive' criteria. This report, including the GRI G4 Content Index, but excluding the in-control statement, was fully subject to both an internal audit by EY's auditors and an external audit by BDO, EY's independent auditor.

XBRL

The Integrated Annual Review and the financial statements are also available in XBRL-format. XBRL is a standards-based way to communicate and exchange business information between business systems.

Transparency

In addition to this report, Ernst & Young Accountants LLP publishes a Transparency Report. This is a statutory requirement for firms auditing the financial statements of public interest entities. The main topics included in the Transparency Report are governance, quality (policy and assurance), independence and remuneration policy.

All reports are available online on our corporate reporting website www.ey.com/nl.

About this report

Materiality determination process

We enhance transparency by disclosing our main issues and impacts in our Integrated Annual Review. They are identified by means of a materiality determination process. This year's process elaborates on the analysis we made in previous years but we have tried to present a more focused and concise set of material topics.

The process consists of the following six steps (as shown in the picture below):

1. Conducting desk research
2. Performing stakeholder consultation (internal and external)
3. Aligning outcomes with EY's vision and strategy - Vision 2020
4. Validation with Regional Partner Forum
5. Finalization with the combined Leadership Team/Board of Directors
6. Determining materiality 2014/2015.

By conducting desk research, we identify potentially relevant issues. This year's extensive stakeholder consultation was performed to assess and prioritize relevant material issues and explore potential new ones. Stakeholders were asked about the key added values EY has for society at large, and factors that create value over time. We approached a broad range of stakeholders for consultation, including clients, politicians, industry organizations, investors, NGOs and employees.

After analyzing the outcomes of the desk research and stakeholder consultation, we aligned the vision and strategic themes of EY's Vision 2020 to produce a first version of material topics. It was then validated by a selection of partners representing the Regional Partner Forum in the Netherlands. During the meeting, the Regional Partner Forum decided upon the importance of the material issues. The outcome of this materiality determination process was presented to EY's combined Leadership Team/Board of Directors in the Netherlands. The combined Leadership Team/Board of Directors took the ultimate decision on the final material topics disclosed in the Integrated Annual Review.

About this report

Materiality determination process

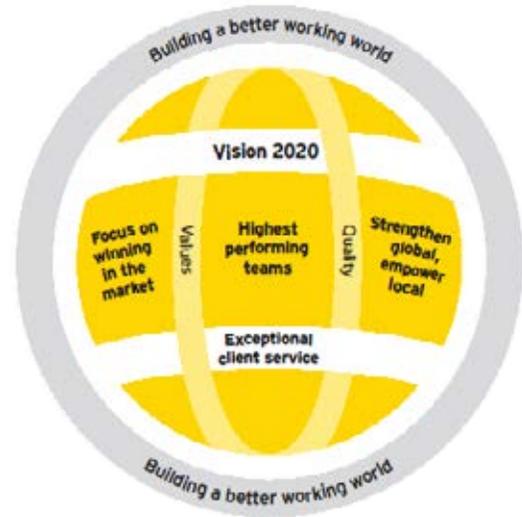
Steps in the Materiality determination process

1 **Desk research**

2 **Input stakeholder consultation (internal and external) regarding materiality and value creation**

MATERIAL TOPICS	
▶	Strong brand
▶	Independence
▶	Innovative and creative services
▶	Insight into client sector, business and needs
▶	Recruiting and retaining top talents
▶	Attractive employer (including diversity)
▶	Human / personal development and on-the-job training
▶	Quality
▶	Audit firm rotation, services switch (audit vs. non-audit) and ViO
▶	Building client relationships
▶	Client satisfaction
▶	Transparency
▶	Governance model
▶	Integrity and ethical standards
▶	Stakeholder relations
▶	Sustainability (transport, energy, resources)

3 **Vision & Strategy EY - Vision 2020**



4 **Validation Regional Partner Forum**

5 **Finalization combined Leadership Team/ Board of Directors**

6 **Materiality 2014/2015**

Material topics	Topics include
Markets	
1 Innovation	<ul style="list-style-type: none"> ▶ Use of technology and data analytics ▶ Develop innovative, sustainable and creative services
2 Quality of service	<ul style="list-style-type: none"> ▶ Safeguarding and further improving the quality of our service by delivering exceptional client service: connected, responsive and insightful ▶ Full insight into the sectors, businesses and needs of our clients
3 Stakeholder relations	<ul style="list-style-type: none"> ▶ Positive and strong relations with all EY's stakeholders ▶ EY's position in the public debate ▶ Knowledge transfer to society and other stakeholders
Talent	
4 Recruiting and retaining top talent	<ul style="list-style-type: none"> ▶ Diverse and inclusive teams ▶ Personal career design
5 Learning and development	<ul style="list-style-type: none"> ▶ Investing in personal development ▶ Training on the job
Operations	
6 Sustainable financial performance	<ul style="list-style-type: none"> ▶ Leading growth and competitive earnings ▶ Investment in innovation and quality
7 Independence, integrity and ethical standards	<ul style="list-style-type: none"> ▶ Integrity and independence are hallmarks of our opinions, services and ethical standards

- Financial Capital
- Human Capital
- Intellectual Capital
- Social & Relationship Capital

About this report

Reporting standards and data compilation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union.

Financial and non-financial information is derived from a variety of sources. Where possible, it is taken from existing systems and supplemented with information provided by the line managers responsible for the subject concerned.

EY NL at a glance - reporting principles

KPI	Scope	Measurement
Financial	Combined	Revenue: sum of revenues as disclosed in the financial statements Operating cost ratio: operating expenses as disclosed in the financial statements as percentage of revenue Profit for the financial year: Profit for the year as disclosed in the financial statements Revenue by service line: allocation of revenues to service lines Revenue by industry market segment: allocation of revenues to industry market segments
Average number of FTEs by service lines	Combined	Year-average FTE
Partners, client serving and support staff	Combined	Year-average FTE
Gender ratio	Combined	Year-end headcount
People survey: engagement score	EYNL	Global People Pulse survey conducted by external party (IBM) across a range of topics relevant to our organization and our employees.
Retention rate	Combined	Retention of people at end of financial year with personal performance scores of 4 and 5 over the previous financial year (on a scale of 1 to 5)
Workplace of the Future	EYNL	Percentage of employees working for offices (Amsterdam, Rotterdam, Groningen, Utrecht, Leeuwarden) on which Workplace of the Future is implemented, calculated based on headcount. 37% of employees working for offices Amsterdam, Groningen, Utrecht, Leeuwarden and Rotterdam (Boompjes) on which Workplace of the future is implemented, calculated based on headcount. Office Rotterdam (Boompjes) is fully included in the calculation, ingratitute the re-construction is still ongoing. It is expected that it is ready in the short-term.
Assessment of service quality (ASQ)	EYNL	% recommendation score ≥ 7 of 211 interviewed clients headquartered or located in the Netherlands (on a scale of 1 (never) to 10 (always)).
Quality Review	EYNL	Internal reviews of engagements selected on the basis of risk emphasizing clients that are large, complex or of significant public interest. Primary goal of the review is to determine compliance with quality control systems, policy's and procedures, professional standard, and regulatory standards. Is one of the remuneration criteria for partners. For comparative purposes the 2013/2014 figures have been adjusted.
Proceedings	EYNL	Pending and initiated civil and disciplinary proceedings
Brand score	EYNL	Outcome of bi-annual global brand survey for Big4 firms and IBM, McKinsey and Accenture conducted by market research agency Kantar amongst clients and non-clients during 2014/2015 The Brand score is based on 15 brand attributes
Thought leadership	EYNL	CR publications: EY external publications or published (news) articles based on interviews with EY partners/employees Professorships: professorships at universities or colleges by EY partners/employees Client seminars: events organized by EY or in which EY has participated App's: EY global applications offered in the Apple App store
Stakeholder engagement score	EYNL	<ul style="list-style-type: none"> ▶ Satisfaction about the frequency of stakeholder engagement ▶ Satisfaction about the quality of interaction ▶ Satisfaction about the result of stakeholder engagement (outcome and feedback)

Scope EYNL Ernst & Young Nederland LLP and subsidiaries, HVG Holland Van Gijzen Advocaten en Notarissen LLP and subsidiaries, Combined Aggregation of EYNL and HVG without elimination of any transactions between the two groups

Assurance Report of the independent auditor

To: Ernst & Young Nederland LLP

Engagement

We have performed a reasonable assurance engagement of the Integrated Annual Review 2014/2015 (hereafter 'Integrated Report') of Ernst & Young Nederland LLP (hereafter 'EY') for the year ended 30 June 2015. The separate Appendix to the Integrated Report, the GRI G4 Content Index 2014/2015 (hereafter 'the GRI Index 2014/2015'), falls within the scope of this engagement. The references in the Integrated Report (to www.ey.com/nl, external websites and other documents) are excluded from our engagement, with exception of the GRI-index 2014/2015.

Identification of criteria

The criteria EY used for the preparation of the Integrated Report were:

- ▶ Sustainability Reporting Guidelines of the Global Reporting Initiative (G4);
- ▶ 'Handreiking maatschappelijke verslaggeving van de Raad voor de Jaarverslaggeving';
- ▶ The accounting principles of EY as included in the chapter 'About this report' of the Integrated Report.

Inherent limitations

In the Integrated Report, prospective information such as ambitions, strategy, plans, expectations and estimates is included. Inherent to this prospective information is that achievability is uncertain. Therefore we will not provide any assurance relating to the achievability of the prospective information.

Management's responsibility

Management is responsible for the preparation of the Integrated Report in accordance with the applied criteria, including the identification of stakeholders and the selection of material topics.

The choices made by management regarding the scope of the non-financial information and the reporting policy are set out in in the GRI reporting tables in the website version of the 2014/2015 Audit.

Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation of the Integrated Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the Integrated Report based on the evidence we have obtained. We conducted our assurance engagement in accordance with Dutch Law, including the Dutch standard on auditing 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen'. This requires that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain reasonable assurance about whether the Integrated Report is free of material misstatements.

A reasonable assurance engagement in accordance with Dutch Standard of auditing 3810N involves performing procedures to obtain evidence about the correct and complete presentation of the Indicators in the Integrated Report. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error in the Integrated Report and the Indicators. In making those risk assessments, we considered internal control relevant to the preparation of the Integrated Report. In order to get reasonable assurance on the Integrated Report, we performed substantive procedures to determine the correctness and completeness of the reported information.

Assurance Report of the independent auditor

To: Ernst & Young Nederland LLP

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion with respect to the Integrated Report

In our opinion, the Integrated Report 2014/2015 for the year ended 30 June 2015 is prepared, in all material aspects, in accordance with the applied criteria. This opinion is subject to the inherent limitation outlined elsewhere in this assurance report.

Rotterdam, 28 September 2015

For and on behalf of BDO Audit & Assurance B.V.

W.A. de Jong RA

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EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate Legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

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