

Sustainability report 2021

It's time to walk the talk

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A person is paragliding over a vast landscape filled with numerous wind turbines. The paraglider is silhouetted against a bright, hazy sky, with their orange parachute spread wide. The wind turbines are arranged in rows across the horizon, creating a sense of scale and sustainable energy. The overall atmosphere is one of freedom and progress.

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Focusing on sustainability is a vital element of building a better working world. We are proud of the steps we have taken so far, but the sustainability transformation has just begun.

Anja Vanhatalo

EY Sweden internal sustainability lead

Who we are

All EY people live by a set of shared values that define who we are. These values are the fundamental beliefs of the EY organization. They guide our actions and behavior. They influence the way we work with each other, and the way EY professionals serve clients and engage with our communities.

We are:

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


Building a better working world is EY's purpose and the foundation for our business model, ensuring we remain at the forefront of stakeholder expectations. We strongly believe that we go a long way toward fulfilling that purpose by building trust and confidence in capital markets, helping our clients tackle their toughest issues, running our business according to our values and offering our people exceptional opportunities. This forms the core of who we are and what we do every day.

We believe in a better working world where economic growth is sustainable and inclusive. We serve several different stakeholders who count on us to deliver quality and excellence in everything we do. We are committed to promoting sustainable business and acting responsibly in relation to our employees, clients and communities.

In addition to what we do at work every day, we also believe that business has a role to play to help tackle some of the world's toughest challenges. This commitment is deeply rooted in our employees' engagement and everyday actions to bring EY's purpose to life. We want to deliver true impact in terms of *Building a better working world* through EY's global strategy NextWave – our ambition to create long-term value for clients, people and society as the world's most trusted, distinctive professional services organization.

This year we expanded our reporting on progress toward realizing that value – by incorporating increased environmental, social and governance (ESG) disclosures; using the World Economic Forum's (WEF) International Business Council (IBC) Stakeholder Capitalism Metrics, Global Reporting Initiative (GRI), and EY NextWave key performance indicators; as well as reporting on EY's commitment to the UN Global Compact and the Sustainable Development Goals (SDGs).

EY's sustainability report is organized around the four pillars Principle of Governance, People, Planet and Prosperity from WEF-IBC Stakeholder Capitalism Metrics.



■ Principles of Governance

- Our purpose, governance and accountability

■ People

- Our responsibility to our people to create a diverse, safe, and developing work environment

■ Planet

- Our role in protecting the planet to support the needs of current and future generations

■ Prosperity

- Our role in furthering economic, technological and social progress for our communities

This is a journey — as it is for many organizations — as we more effectively measure and report value creation, focus on stakeholder impact, and integrate ESG into the core of what we do every day. We believe this is the most important way for us to execute our purpose.



CEO letter

Welcome to the EY Sustainability report FY21 for EY Sweden.

For me, this year has been very special. The COVID-19 pandemic has affected us all, with personal effects primarily but also on a business level. For EY as a company, as well as for our clients. I am incredibly proud of what we have achieved and impressed by our handling of the past year. We could have put our heads in the sand, suspended all development initiatives and put investment in technology and acquisitions on hold. But instead we chose another path. We have been responsive to customers' challenges, adapted our range of services and strengthened our position in the market. Sustainability has been at the core of our actions.

Here are some of my highlights from the year.

This year we have moved into a new, LEED Platinum certified office in Stockholm. The move is part of our ambition to change how and where we work and act as a catalyst for implementing our global NextWave strategy. With the help of new technology, we have created a workplace that reduces our climate footprint and is adapted to the needs of our employees.

As our employees' well-being are our primary concern, we have deep dived into the topic by implementing transformation labs, focusing on how we can become a better employer. In these labs we have explored the experiences among our employees through direct discussion, leveraging their creativity and ideas for innovation. The results will form the basis for many actions during the coming year, with particular focus on work-life balance.

One key topic for our employees is how we are working according to our purpose. EY is proud to be the core partner for HEART 17. It is a global initiative, in partnership with the United Nations Development Programme (UNDP), raising awareness and engagement around the 17 Global Goals via private sector partners and by letting youth leaders and other changemakers across the globe guide and inspire to hope and action at heart17.com. EY is supporting HEART 17 in multiple ways. For example, the development of the digital platform heart17.com and by letting consultants from EY help be part of the HEART 17 team.

To further boost our environmental work, we have created a stronger structure around it and built a system that we are currently seeking an ISO14001 certification for. The main aim has been to make it easier for our employees to make more environmentally friendly decisions and to see the impact from the choices that they make.

Now I encourage you to dive into this sustainability report and learn more about the important work we are doing.

As we look forward, I am confident that by working together, we can build a better working world.



Anna Svanberg
CEO EY Sweden

EY Nordics Sustainability Roadmap

Based on all our activities and in order to easily present how EY works with long-term value creation, and how this is integrated into our strategy NextWave, we have summarized the main themes and focus areas into a sustainability roadmap. This gives all our stakeholders a good overall picture of our sustainability compass.

NextWave is our global strategy and our ambition is to create long-term value as the world's most trusted, distinctive professional services organization.

Building a better working world is EY's purpose and the foundation for our business model. We believe a better working world is one where economic growth is sustainable and inclusive.



Our ambition is to embed sustainability into every aspect of our business at EY. Principles of Governance, Planet, People and Prosperity are the pillars supporting our sustainability agenda using the SDGs as a practical framework and the WEF-IBC Stakeholder Capitalism Metrics to report and measure progress.

	Principles of Governance	Planet	People	Prosperity
High-level ambition	To become the most trusted professional services organization	Protecting the planet to support the needs of current and future generations	Empower EY people to build their own exceptional EY experiences	Building a better working world in the communities where we live and work.
FY2025 Targets & focus areas	<ul style="list-style-type: none"> ▶ Code of Conduct and anti-corruption training, 100% ▶ Exceptional Client Service ▶ Suppliers signing code of conduct, 100% 	<ul style="list-style-type: none"> ▶ Absolute CO2 emissions -40% ▶ Business travel reduction ▶ Increase share of recycled waste 	<ul style="list-style-type: none"> ▶ Diversity & Inclusion ▶ Learning & Development ▶ Exceptional experience ▶ Employee wellbeing 	<ul style="list-style-type: none"> ▶ 1000 participants ▶ Community volunteering through EY Ripples ▶ Lives impacted through volunteering. Aligned with Global Target to impact 1 billion persons by 2030
Actions	<ul style="list-style-type: none"> ▶ Require Code of Conduct training and Annual Independence Confirmation from all employees ▶ Require suppliers to sign Supplier code of Conduct 	<ul style="list-style-type: none"> ▶ Implement new travel policies ▶ Reduce overall office electricity usage ▶ Improve waste sorting in our offices 	<ul style="list-style-type: none"> ▶ Support competence development ▶ Programs to build resilience and monitor working hours to support wellbeing ▶ Fair representation in promotion and recruitment rates 	<ul style="list-style-type: none"> ▶ Encourage and engage employees to participate in Ripples projects ▶ Introduce new initiatives to support local communities
SDGs Most relevant highlighted				



Create long-term value

Our strategy: NextWave

In today's rapidly advancing world, what clients, EY people, and all stakeholders want and need from EY is changing - innovation and agility are more important than ever. NextWave is our global strategy and ambition to create long-term value as the world's most trusted, distinctive professional services organization.

With the launch of NextWave in 2019, EY made a commitment to drive deeper engagement around our purpose and what it means for all our stakeholders. Back then, nobody could foresee how dramatically the world would change, with the COVID-19 pandemic. Yet in these challenging times, NextWave has put us in a strong position to adapt and innovate, and our purpose of ***Building a better working world*** has never been more relevant.

It continues to inspire EY people to not only serve EY clients, but to also use our knowledge, skills and experiences to support the communities in which we live and work.

For clients, creating long-term value is about helping them grow, optimize and protect value so they can address today's challenges and move forward into the next wave of innovation and technological as well as social change. Looking ahead, EY will continue to make investments in digitization and technology to better serve clients.

For EY people, long-term value is about creating an exceptional experience for them, one that includes investing in new experiences and learnings, and honing the leadership skills that EY clients need.

For society, long-term value is created through the work that EY people do every day - fostering confidence and trust in the world's capital markets and broader business. We also believe that businesses can do more to foster inclusive economic growth that benefits all stakeholders.



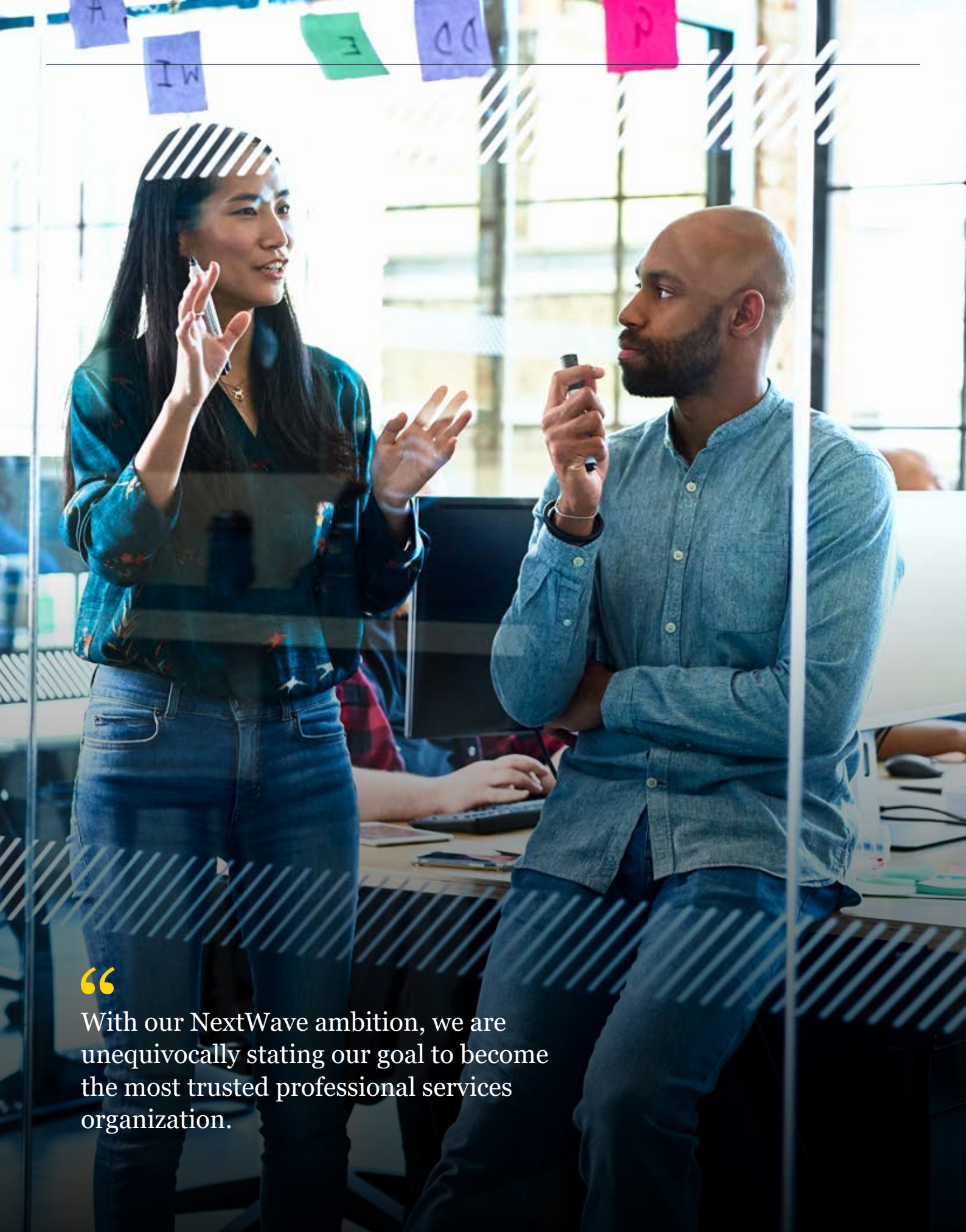
Value creation model

We have defined long-term value as a strategic lens for value creation across a broader group of stakeholders. This is a step beyond the typical view of value creation that is focused solely on the financial value dimension.

Our value creation model is based on making the best use of our inputs of human, social, intellectual, financial and natural capital. Leveraging these inputs, through the services in each of our service lines and functions and our strategic pillars, we aim to create long-term client, people, societal and financial value.

Nordic Value creation model **Building a better working world**





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With our NextWave ambition, we are unequivocally stating our goal to become the most trusted professional services organization.

Contributing through our strategic pillars

We deliver on our purpose *Building a better working world*, and achieve our ambition to create long-term value as the world's most trusted, distinctive professional service organization through four strategic pillars:

■ Client centricity

Client centricity means putting client relationships at the heart of our strategy, operations and processes. It's also about understanding the wider issues that clients face. Then, developing the solution - drawing on our expertise across EY and our wider ecosystem, packaged with excellent delivery and the latest technology. That's how we deliver long-term value for clients.

■ Exceptional and diverse people

As clients' needs become more complex, we need people from a broader range of backgrounds. To continually sharpen our peoples' skills, we are making investments to empower EY people with the right mindsets and skillsets. This helps to navigate what's next, become the transformative leaders the world needs, pursue careers as unique as they are, and build their own exceptional EY experiences. These changes will help create agile and engaged teams and will drive long-term value for clients and all EY people.

■ Global integration and teaming

The way we team across our globally integrated organization differentiates us and drives value for all stakeholders. We are in a strong position. But we need to take further steps in the right direction - to make sure our operating models are efficient, we free up capital to invest in technology and innovation, and better enable teaming.

■ Data and technology

Technology and data are changing everything - from how we create value to how we relate to each other and clients. Until now, we have used technology to improve what we already do. Going forward, we'll use it to do new things - powered by data, which we'll use to differentiate our offerings. Transforming means accelerating our global investment in innovation and emerging technologies, and collaborating with alliance and ecosystem relationships.

Contributing through our services

Furthermore, we provide long-term value through the services we deliver.

Assurance

EY Assurance business line provides audit and accounting services for many of Sweden's largest listed companies, subsidiaries of global corporations and private entities. Our services within Assurance - including Audit, Financial Accounting Advisory Services, Climate Change and Sustainability Services, and Forensic and Integrity Services, provide insights and technical know-how to all of our clients.

EY is the leading audit firm for public companies in Sweden. We also audit thousands of small- and medium-sized companies, foundations, associations, etc. Assurance serves the whole of Sweden with our network of many regional offices.

Through high-quality audits, we help enhance trust and confidence in the capital markets. In the last couple of years, we have deployed new, world-class technological tools that improve the quality of EY audits. Our digital tools also enable our audit professionals to execute an analytics-driven audit to bring a new level of insight and perspective to the audit.

We further the public interest by proactively addressing stakeholders' needs for trust and confidence in business and the capital markets.

By investing in our people, we keep up with the changing world. We have continued training our assurance professionals, from trainees to partners. This, among other things, ensures that our people are also prepared to audit information other than finance, i.e., sustainability information.

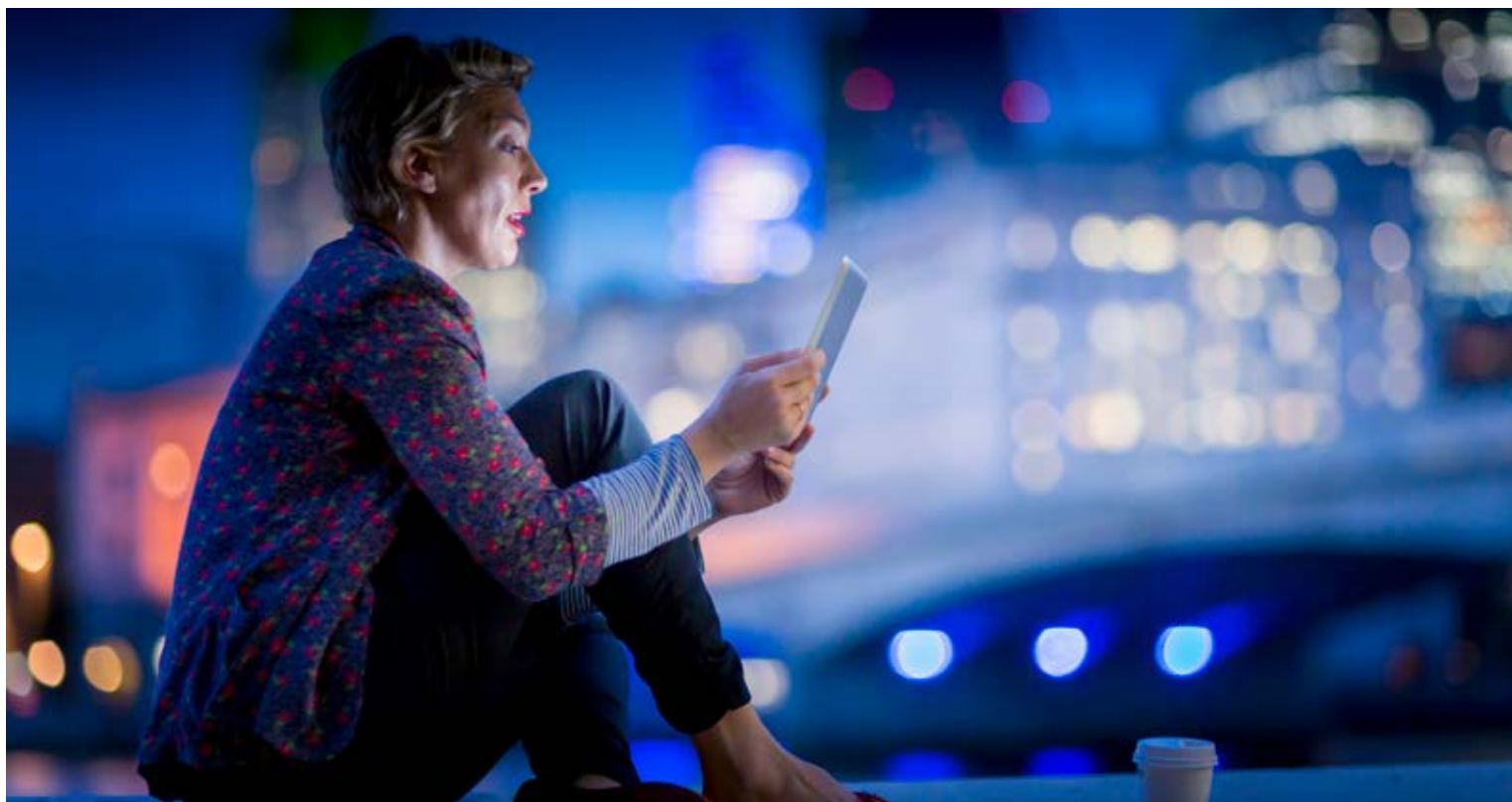
Our multidisciplinary Climate Change and Sustainability Services team help companies understand the risks and opportunities arising from climate change and sustainability issues.

We work for the public interest by proactively addressing stakeholders' needs for trust and confidence in business and the capital markets.

1 774

employees in EY Assurance





Tax and Law

EY Tax business line helps clients understand and manage their tax compliance and reporting obligations responsibly and proactively. EY has one of Sweden's strongest tax practices with competencies in business tax, international tax, transaction services and tax-related issues associated with people, compliance, reporting and technology. We advise our clients on resolving uncertain tax positions, and we help them assess, improve and monitor their tax functions' processes, controls and risk management.

We also maintain effective relationships with the tax authorities and foster open dialogue with tax administrators, government officials and other

stakeholders about tax issues, the impact of policy decisions, and the contributions that companies and individuals make to society by paying the correct amount of a variety of taxes. International measures, such as the European Union (EU) directive on the Mandatory Disclosure Regime (MDR), also turn a greater focus to the tax arena.

Our legal professionals provide clients with the detailed guidance they need to navigate the increasingly complex legal environment of the global economy. They draw on their diverse perspectives and skills to give our clients seamless service through all the challenges of law while ensuring a single point of contact for all our clients' questions.

Enabling business decisions through insights on government policy, regulatory obligations and operations.

297

employees in EY Tax and Law

Enabling business decisions through insights
on government policy, regulatory obligations
and operations.



Strategy and Transactions

EY Strategy and Transactions brings together world-class strategy services in EY-Parthenon with teams with Transactions and Corporate Finance experience. Bringing our clients the full spectrum of Strategy, Corporate Finance, Buy and Integrate, Sell and Separate, and Reshaping Results

capabilities helps them define their strategic direction, drive actionable plans and deliver on their transformation strategies.

The combination means that Strategy and Transactions teams can be agile in how their capabilities, know-how and experience are brought together. It puts clients at the heart of every

engagement, and it opens exciting opportunities for EY people to accelerate their careers and realize their full potential in an inclusive, high-growth environment. Enabling clients to reimagine their eco-systems, reshape their portfolios and reinvent themselves for a better future.

166

employees in EY
Strategy and Transactions

Consulting

EY Consulting is a diverse team of consultants and industry professionals with a global mindset and a collaborative culture, building a better working world by realizing business transformation through the power of people, technology and innovation. Within EY Consulting, we are also helping people grow by embracing innovative new opportunities, technologies and working practices.

In Consulting, we can help our clients see what's now, next and beyond through our unique transformation approach and methodology. We drive transformative change and help our clients harness new core drivers of business value. We will bring together our wide range of capabilities, skills, solutions and tools to create long-term value for our clients, making a meaningful impact throughout the broad range of constituencies they serve. For example, we simplify complex issues and create actionable insights using technology and data, bring structure to project activities, or utilize the lessons learned, based on our experiences from similar situations.

By placing humans at the center, leveraging technology at speed and enabling innovation at scale, we're helping clients create long-term value and thrive in the transformative age.

495

employees in EY Consulting



Core Business Services (CBS)

The Core Business Services (CBS), EY's internal functions, comprise Administration, Business Development, Facility Management, Finance, IT, Human Resources, Legal, Marketing and Communications, Real Estate and Risk Management.

We are a creative, curious and consultative community of specialists helping day-to-day business run efficiently and smoothly, eventually leading EY to business success. CBS professionals work closely within their Nordic, EMEA and Global teams.

Functions develop initiatives that support the organization- and service line-level strategies, as well as market execution plans that helps define and support points of synergy across multi-business activities.



213

employees
in CBS



Contributing through value-led sustainability services

At EY, we are committed to making business work for sustainability and making sustainability work for business. In 2021, we launched the EMEA Sustainable Business Service initiative to further help our clients create value by adopting business strategies, innovations, operations and technologies that achieve environmentally sustainable growth.

EY has developed a value-led sustainability framework to help design and deliver on the business and investment case for sustainability. With this framework, we want to help our clients by shifting sustainability from a reporting-led conversation to a value-based narrative, engaging with governments and the private sector to turn sustainability into a business opportunity and help companies create and protect value.

We can aid by accelerating our clients' net zero transition journey and helping them execute change projects in their public and private sector organizations.

Finally, we can help our clients by evaluating the strategic and business value of improving ESG ratings, improved access to capital or increased investor confidence. We can support this by activating a roadmap and working with wider stakeholders to accelerate key components of our clients' ESG strategy.

Global challenges of this scale demand a global approach. The EY ecosystem of service lines, areas, sectors, alliances and 312,000 people in 150 countries are positioned to help organizations navigate sustainability across their entire value chain and embed it as a key driver of creating long-term value.

Contributing through stakeholder engagement

At EY, we engage with a broad range of stakeholders every day, locally, globally, internally and externally. Engaging with our stakeholders is important for us to identify, understand and act upon concerns, market trends and expectations from clients, employees and society. Each stakeholder is important to EY and understanding their needs and expectations is central to our purpose.

As a professional services firm, our key stakeholders are identified through their affiliation with EY's service offerings, functions and roles. We engage with our stakeholders and maintain strong relations in structured and ad hoc ways.



■ Employees and alumni

We develop our employees and inspire them, so that they can see the relationship between their day-to-day work and building a better working world. We engage with different teams on a daily basis, through Nordic, country or department level meetings, town halls and regular counselor conversations.

We nurture a culture of openness and easy accessibility to leadership. Employee engagement, diversity and inclusion are our corporate KPIs. We measure our performance through regular employee surveys.

We engage with our alumni through social media and via targeted events.

■ Clients

We support our clients through our services, enabling them to achieve sustainable growth and create long-term value. We provide auditing and assurance around public reporting and provide advice and quality services to help build trust and market stability. We are in regular dialogue with our clients and ensure follow-up on deliverables to ensure value creation. We conduct formal client satisfaction surveys every year.

■ EY Global/EMEIA

We interact with EY Global and EMEIA via our leadership structure, in the EY Global Governance Council and other forums that support and influence global decision-making for our member firms. We leverage our truly globally integrated organization when forming teams with special competencies, sector knowledge or local insights to benefit our clients.

■ Regulators and government

We work for the government and public institutions and specialize in public sector issues. EY senior advisors and specialists are represented in various industry bodies, public committees and forums that debate and advice on new legislation and issues.

We offer our sector-specific knowledge to public authorities to support policy-making and engage in the development of new initiatives for the benefit of citizens and society. We develop thought leadership in support of public policy development and regulations pertaining to matters such as sustainability, urban development and reporting.

■ Universities

We recruit talent from universities and business schools and commit to their continued education, from trainees to state-authorized public accountants. EY people give lectures at universities to provide insights and business perspectives to students. We host competitions and events for students and offer mentorship programs to attract students to EY and professional services in general and we engage regularly on social media platforms.

■ Non-governmental organizations (NGOs) and start-ups

Through the EY Entrepreneur of The Year program and EY Ripples, the corporate volunteering program, we engage with start-ups and NGOs in our daily business. We share information via press releases and news on a regular basis with the media and via our home page and social media channels. Our EY Private practice supports entrepreneurs, private businesses and their owners.

■ Media

We share information via press releases and news on a regular basis with the media and via our home page and social media channels. We share opinion pieces and thought leadership and we are in regular dialogue with journalists to offer facts and our specialist knowledge on issues concerning the public debate. We answer requests from media about information on EY. We cooperate with media on EY-driven programs, events and agendas.



■ **Unlocking new value with EY alliances and ecosystem relationships**

In this age of disruption, the pace of change has never been faster, the need for resiliency has never been more critical and embracing transformation has never been more vital. Achieving digital transformation is extremely difficult for a single organization alone. In collaboration with our alliance and ecosystem relationships, EY teams help companies rapidly and digitally transform with minimal risk. Together, we provide the technologies and insights that our clients need to create new forms of customer value helping them achieve the transformational outcomes to be more agile, innovate at speed and be more resilient and better equipped to respond to disruptive change.

Driven by people and powered by technology, EY alliance and ecosystem relationships spark true business transformation to build a better working world.

With EY alliance and ecosystem relationships, we unlock new value and together with our partners, we help organizations find answers to the world's toughest challenges. As an example, we are very proud to have been awarded as Microsoft Sweden's sustainability partner of the year for our work in during FY21.

■ **Memberships of association and external initiatives**

Both on a global and a Nordic level, EY endorses initiatives that drive sustainability and have a positive impact on the wider community we live in. Examples of such initiatives are UN Global Compact, SHE Index powered by EY and HEART 17.

Since 2009, EY has supported the UN Global Compact, the UN's strategic initiative for sustainability. This means that we are committed to showing commitment and working for the Global Compact's ten principles in the areas of human rights, labor law, environmental issues and the fight against corruption. We follow up annually on how we work with these issues. More information can be found in EY's global annual report Value Realized.

EY Nordics is the proud founding partner of HEART 17, a new global initiative in partnership with the UNDP. We are supporting HEART 17 in a number of other ways as well, e.g., development of the platform heart17.com, EY consultants provide project support, and we are using our voice and network to create awareness about HEART 17 to get more people and companies to join.

EY Nordics is contributing to transparency in gender equality by participating in the SHE Index powered by EY. The SHE Index is a voluntary measurement of how companies perform on gender balance, gender equality policies and diversity and inclusion.

With EY alliances and ecosystem relationships, we unlock new value and together with our partners, we help organizations find answers to the world's toughest challenges.

Megatrends affecting EY

Megatrends shape our business and markets and constitute both risks and opportunities for EY. We see it as strategically important for us to develop plans in line with megatrends and the “next big thing”, rather than planning based on the current status. The identified megatrends have been prioritized according to their relevance to EY’s business.

Climate change

Despite all our technological progress, humanity depends on the environment for air, water, food and shelter. With the population growth, use of pollutants, carbon-intensive technologies and the development of a linear, take-make-waste economy that overexploits ecosystems, we face a set of interconnected environmental challenges. The next wave of disruption in the environment interlinks with and exacerbates these challenges: exponential climate impacts. The earth has passed a climate change threshold.

How this affects EY:

- ▶ EY can, and must, play a leading role in driving decarbonization, enabled by market forces and backed by the right policy and regulatory incentives. Our global presence and expertise make us well-positioned to lead on this journey. Technology is an important part of the solution in the development of the low-carbon economy, and with new and increased service offerings within new sectors – especially renewable energy, EY has an opportunity to support many stakeholders.
- ▶ EY must undertake our own decarbonizing transformation to reposition their business and protect long-term value. Environmental breaches within EY’s value chain can create mistrust among our stakeholders and new and larger players with new solutions can put pressure on our ability to stay relevant.

Circular economy

- ▶ The aim of a circular economy is to limit the pressure on natural resources and the amount of waste. The world’s natural resources are under increased pressure. It is therefore crucial for the climate, nature and the environment that resources are used far more efficiently so that we reduce the need to extract new resources. Electronics and electronic equipment are one of the fastest-growing waste streams in the EU, and valuable raw materials are lost as a result.

How this affects EY:

- ▶ EY has high competence within the circular economy and through our client work, we can influence others to make the right decisions and in turn create positive ripple effects.
- ▶ EY is a big consumer of electronic products and hardware and as such, we generate waste. EY must ensure that the entire supply chain is following applicable regulations and have high standards. Breach within EY’s supply chain could cause mistrust, increase cost and put further pressure on natural resources.

Technology

- ▶ Technological transformation and digital innovation play a critical role in the evolution of society, and technological advances continue to reshape the world as we know it. With technology at the center of business change, it enables organizations to successfully transform and unlock short- and long-term value for stakeholders, employees and communities.

How this affects EY:

- ▶ Supporting our clients to become more sustainable and transparent. ESG’s effect on technology services is an opportunity for EY which in turn can reduce a client’s time spent on reporting, ensuring increased accuracy and fewer sources of error.
- ▶ The demand for faster, more detailed and high-quality performance of services is increasing. A potential risk is that EY does not develop fast enough and is passed by in the technological race. It requires continuous investments, development of services and development of talent to understand and leverage. Fraud or malicious use of technology is also increasing – forcing us to stay at the forefront of technological development. This could potentially damage EY’s reputation, if clients are exposed to fraud and we fail to protect them.

■ Demographics

The world is currently facing demographic changes at a pace that may pose significant challenges and opportunities for businesses. This includes higher demands from new generations (Gen Z and Millennials) on sustainability, business ethics, continuous learning and flexibility. Gen Z and Millennials have high expectations of sustainability and the role of companies in this matter. The new generation of workers expect companies to lead the way with a good example on ESG challenges and in addition, technological development requires a shift in educational focus.

■ How this affects EY:

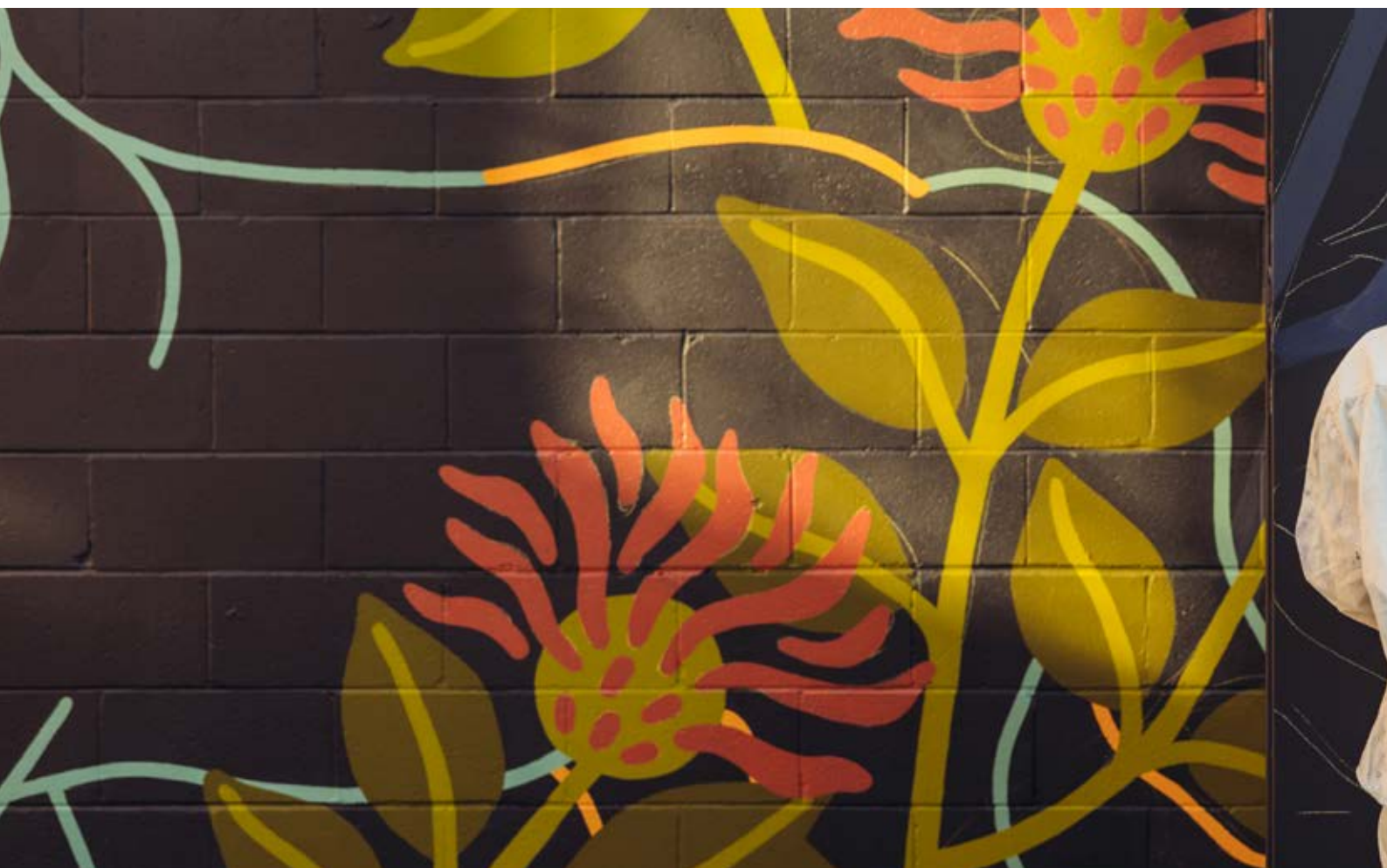
- ▶ We need to be at the forefront of sustainable growth and facilitate changes in the demographics area so that we stay attractive to all relevant competencies and skills.
- ▶ Competition is high for the best talent within our industry, and a good reputation is important for retaining and recruiting talent. Otherwise, there is a potential risk of losing employees or not getting hold of new talent.

■ Globalization

- ▶ Effects from political instability, increasing protectionism, and economic and financial shifts are influencing our clients' investment plans and the overall economic development for different sectors.

■ How this affects EY:

- ▶ By global integration and teaming EY is meeting these challenges through service offerings that support our clients and other stakeholders to navigate through this uncertainty.
- ▶ The potential risk if service quality is not meeting expectations, as a lack of trust in the market. As a large multinational company, EY must be at the forefront of every change of pace that occurs globally.



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The exponential climate impact that we see in the world is creating a force for everyone to change their business model.

Lisa Lindström

CXO, EY EMEA Consulting, Co-founder of Doberman



Risks and opportunities:

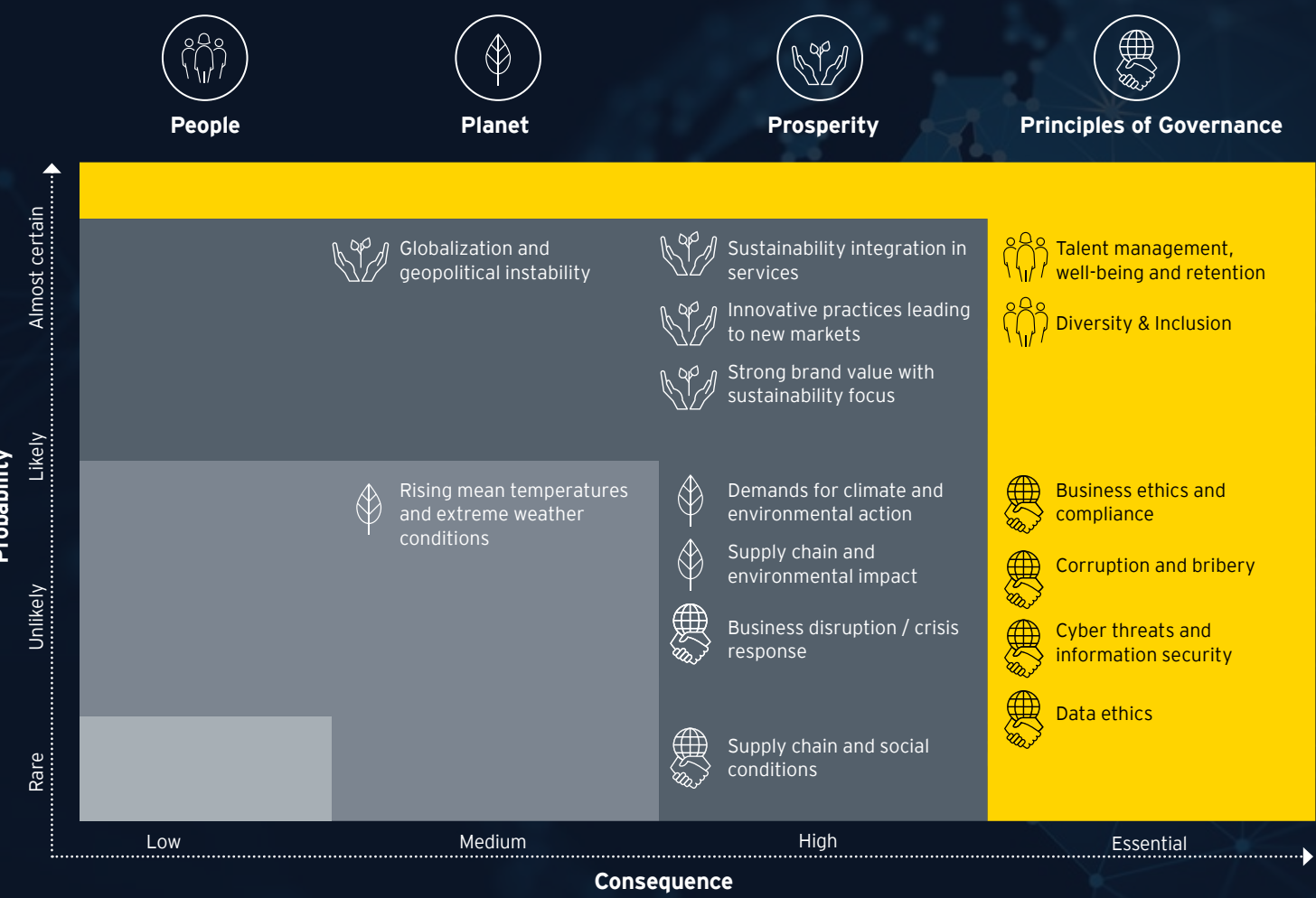
importance to EY's value creation

Global megatrends and stakeholder analyses are important factors in assessing EY's potential risks and opportunities. In addition to assessing external factors, our Risk Management team has evaluated and carried out a maturity analysis of EY, internally. Below is a snapshot in time of our most material long-term risks and opportunities as seen as a consequence

of sustainability-related developments based on external and internal assessments. We have assessed each risk and opportunity in terms of consequence and probability.

We have categorized each risk or opportunity within the four pillars: **Principles of Governance, People, Planet** and **Prosperity**, supported by the WEF-IBC metrics.

Risks/opportunities identified - based on megatrends, stakeholder analysis and a maturity assessment internally at EY- consequence of sustainability related developments



PRINCIPLES OF GOVERNANCE

■ Business ethics and compliance

At a time when information is rapidly transmitted, it is vital for organizations to strive toward consistent ethical behavior. To be a trusted consultant, the EY organization has to act with the highest standards of business ethics and compliance. As an audit and consulting firm, the purpose of our business is to build trust in the capital markets, and ensure that we and our clients comply with the regulations and industry standards that exist. Any ethical lapse could damage the EY reputation and trust in the markets and have serious and far-reaching consequences.

■ Management: EY is working in a highly regulated area and we are subject to external audits by authorities regularly. Employees are subject to rigorous trainings and our quality and risk department undertake regular internal audits of selected clients and engagements and we follow strict independence processes for all client work. Each year EY Sweden is included in an area-wide process to confirm compliance with the EY Global Independence Policy and process requirements and to report identified exceptions, if any. At the same time, all EY professionals are required to confirm compliance with independence policies and procedures at least once a year.

■ Corruption and bribery

Operating as a multinational company, EY, particularly when operating in some locations, faces potential risks associated with corruption and bribery. Involvement in cases of corruption or bribery could severely damage trust and EY's reputation and market position.

■ Management: EY has a strong anti-corruption compliance program in place. We anchor anti-corruption measures across EY, and partners and employees are obligated to complete yearly training. At least once a year as part of EY's procedures, all EY professionals and certain other people, depending on their role, confirm that they comply with EY's policies and procedures. A steadfast commitment to tackling corruption is also embedded in the services, we offer EY clients. We also cooperate with external networks and groups to raise awareness of the fight against corruption.

■ Business disruption and crisis response

Crisis management and business continuity planning is essential to protect people and business from the impact of potential crises. As a global organization with a large workforce and client portfolio, it is important that we have solid contingency plans enabling us to respond to various potential threats, such as pandemics, terrorist attacks, cyber threats etc.

■ Management: EY has both global and local contingency plans implemented. These plans are subject to continuous updates and review. At the same time, we have regular workshops with all key stakeholders to ensure continuous compliance and improvements, and we ensure to communicate our plans to our employees and provide training regularly.

■ Cyber threats and information security

Cyber threat management is more critical than ever as cyber-attacks continue to evolve. The EY organization handles valuable and classified client information which needs to be protected and handled in accordance with legal requirements and guidelines. As cyber threats become more complex, the corresponding risks need to be managed with technology-related intelligence as well as internal procedures to protect the information that EY handles. Oversight or noncompliance can result in large financial penalties and loss of client trust, as well as damage to the EY brand or market position.

■ Management: EY has comprehensive contingency plans and thorough review of all systems and tools. An important element of risk mitigation and management in EY is our data protection and information security framework. We protect information assets, personal data and client information, through their creation, transmission and storage, in accordance with the requirements of applicable laws, regulations and professional standards.

■ Data ethics

As technologies evolves, so does the potential for risk. While data analysis is not new, today we are able to process large amounts of data quickly and make correlations and predictions using disparate data sets. The ease of these efforts may create issues related to privacy, confidentiality, transparency, and identity.

■ Management: Data protection and our information security framework are important elements of risk mitigation and management in EY. We secure information assets of EY clients through our integrated data protection and information security strategy, and we believe that solid data protection and information security programs are the essential components of a leading professional services organization. Our data protection and information security programs and practices are focused on sharing information appropriately and lawfully while preserving confidentiality, integrity and availability. Our data protection framework is based on the principles of the EU General Data Protection Regulation (GDPR). It addresses the issues raised by modern data management tools and systems.

PLANET

■ Demands for climate and environmental action

A lack of environmental focus is likely to cause reputational damage if we fail to incorporate sufficient climate action measures in our own operations. There is an increased environmental focus among all of the EY stakeholders, set to high priority.

■ Management: EY is taking extensive climate action both in our own operations and through our client work, helping clients to transform to more sustainable growth. EY has announced its ambitions to be carbon neutral by the end of 2020 and to become carbon negative in 2021. By reducing our absolute emissions by 40% across Scopes 1, 2 and 3 by FY25, against an FY19 baseline, consistent with a 1.5°C science-based target, approved by the Science Based Targets initiative (SBTi), EY will reach net zero in FY25. An important step to reach our goals will be to reduce our business travel by 65% by 2025. Energy consumption in our buildings, waste management etc. are also important factors we work with.

■ Rising mean temperatures and extreme weather conditions

Insufficient climate measures can lead to rising global mean temperatures. This global warming is expected to cause an increase in the frequency of hurricanes, wildfires and floods. These events can adversely affect people and businesses located in the areas where these extreme weather conditions occur more frequently.

■ Management: To ensure EY has a minimal climate and environmental footprint, we aim to reduce our absolute emissions by 40% across Scopes 1, 2 and 3 by FY25, against an FY19 baseline, consistent with a 1.5°C science-based target, approved by the SBTi, and reach net zero in FY25. Furthermore, as a globally integrated company, we rely on teams in many different regions across the globe, regions that may be exposed. EY is prepared to face the extreme weather conditions, which the current state of climate change is causing, by creating local crisis management plans and safety & action plans for crisis handling to ensure we are able to help our people and serve our clients at all times.

■ Supply chain and environmental impact

There is an increasing demand from stakeholders and clients to integrate environment-friendly initiatives into supply-chain management. As a global professional service organization, our global supply chain is of utmost importance. The EY organization has a large supplier portfolio and there are reputational risks associated with this. Any oversight can result in loss of client trust and damage to the EY brand or market position.

■ Management: EY's Global Supplier Code of Conduct outlines among other things our environmental expectations and asks suppliers to verify their adherence and standards at the RFI/RFP stage (and reaffirming at the time of contract execution). In addition, we monitor supplier performance through our EY Supplier Portal where suppliers complete a self-assessment questionnaire on their social and environmental policies, practices and certifications.

PEOPLE

■ Talent Management, well-being and retention

Our employees are our greatest resource. Their growth – in knowledge, prosperity and well-being and equal opportunities for all is central to the success of our organization. Risks associated with this could be attracting and retaining talent and further developing the organization.

■ Management: We continuously invest in our people to help them build the right skills and experiences through training and a wide variety of development opportunities. We support our people and leaders in achieving greater balance between career and private life while minimizing stressful working situations. We frequently ask about our people's wellbeing, engagement and satisfaction and work hard to stay ahead as an attractive employer through focused employer branding activities engaging many of our employees across our business.

■ Diverse and inclusive organization

The business case for building a diverse organization is clear and failing to see the power of diversity is likely to impact both reputation and growth.

■ Management: Being a globally integrated organization, our teams are naturally diverse, and we recruit broadly from all nationalities, backgrounds and age groups. Our main challenge concerns attracting and retaining female professionals and leaders and we have actions on place to improve gender equality on leadership level such as plans for recruitment and promotions, career conversations, mentoring etc.

■ Supply chain and social conditions

Throughout the supply chain, risks associated with potential violations of human rights and international conventions pose a risk to the EY brand.

■ Management: EY's Global Supplier Code of Conduct outlines our expectations concerning human rights and social conditions and asks suppliers to verify their adherence and standards at the RFI/RFP stage (and reaffirming at the time of contract execution). In addition, we monitor supplier performance through our EY Supplier Portal where suppliers complete a self-assessment questionnaire on their social and environmental policies, practices and certifications.



PROSPERITY


Sustainability integration in services

Country and EU legislation make ever-increasing demands on non-financial reporting, including all ESG factors. This sets new demands for new service offerings and for businesses to keep up and meet new requirements, set the pace and lead the way.

 Management: At EY, we are integrating sustainability into all services to ensure we are at the forefront of the market and ready to meet new demands of increased sustainability focus. Examples include our EMEA Sustainable Business Service initiative that help our clients create value by adopting business strategies, innovations, operations and technologies that achieve environmentally sustainable growth. Through our Value-Led Sustainability framework we help clients design and deliver on the business and investment case for sustainability. At the same time, we work to develop and build the right competence across service lines and to attract and retain top talent to help execute these ambitions.

Innovative practices leading to new markets


With the emergence of new markets, especially in the renewable energy sector such as onshore or offshore wind power and hydropower and the global renewable energy industry is growing fast. This can offer huge potential for those who aim high, commit first and move fast, but also represents a risk for those companies not able to adapt, change and meet new demands.

 Management: EY strives to combine experience, capabilities and tech to support clients in these new service areas and to gain sustainable growth. Our strong sector focus in all markets ensure we stay up to date with industry developments and are able to adapt our service offerings to shifts in demand. EY has

the expertise to create opportunities to maximize shareholder support for long-term value creation strategies, measurement of progress towards new, purpose-driven goals and ensure transparency. Through our ecosystems of alliances, we are able to combine both emerging and widely used technologies with our capabilities to develop new offerings for clients.

Globalization and geopolitical instability

Geopolitical complexity, effects from political instability, increasing protectionism, economic and financial shifts are exposing business to conflict and influencing our clients, their investment plans and the overall economic development for different sectors.

 Management: Supported by our strong global presence and close industry alliance partners, EY' is meeting these challenges through strong service offerings that support our clients in addressing these concerns and helping build a better working world.



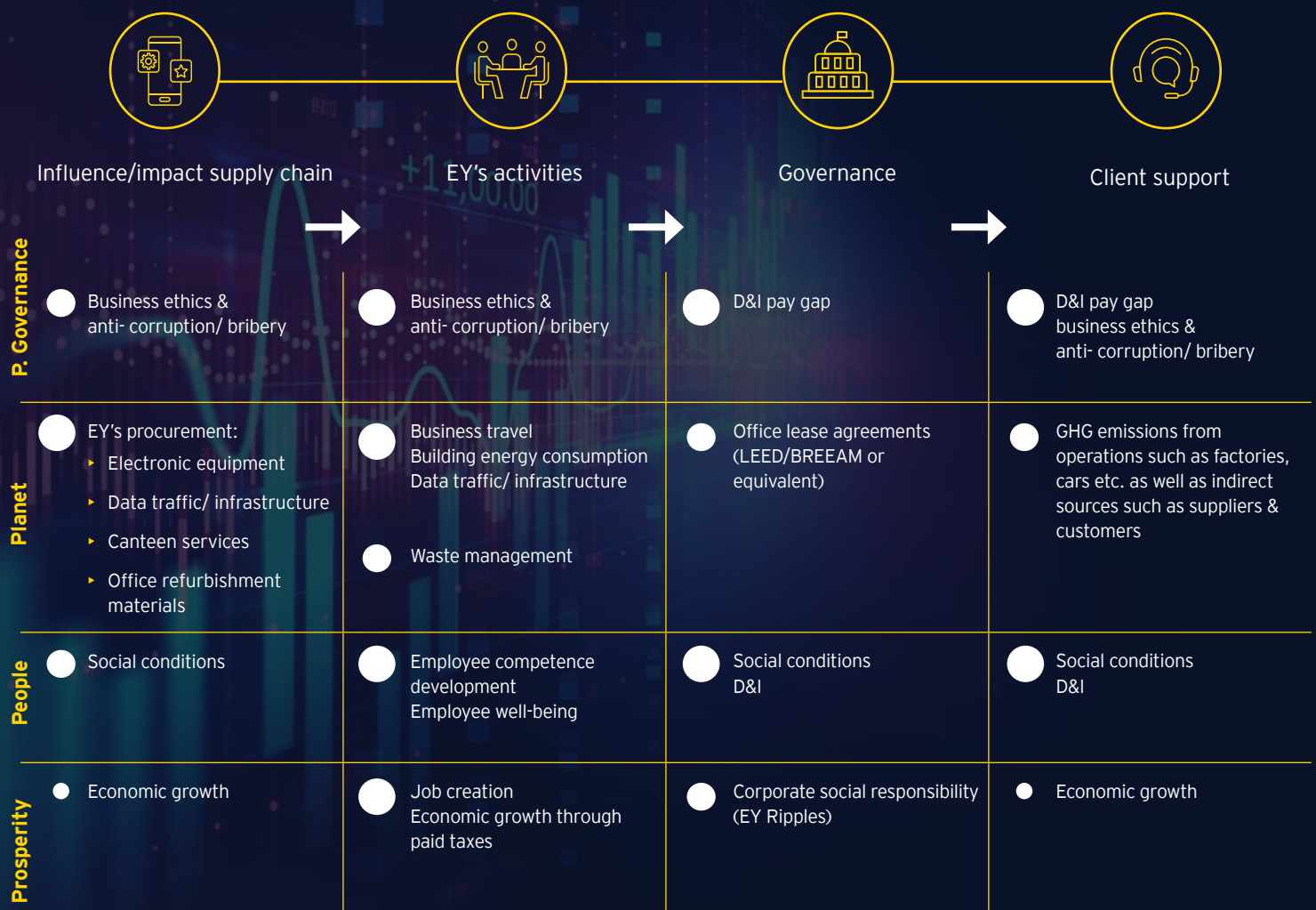
EY's impact on society

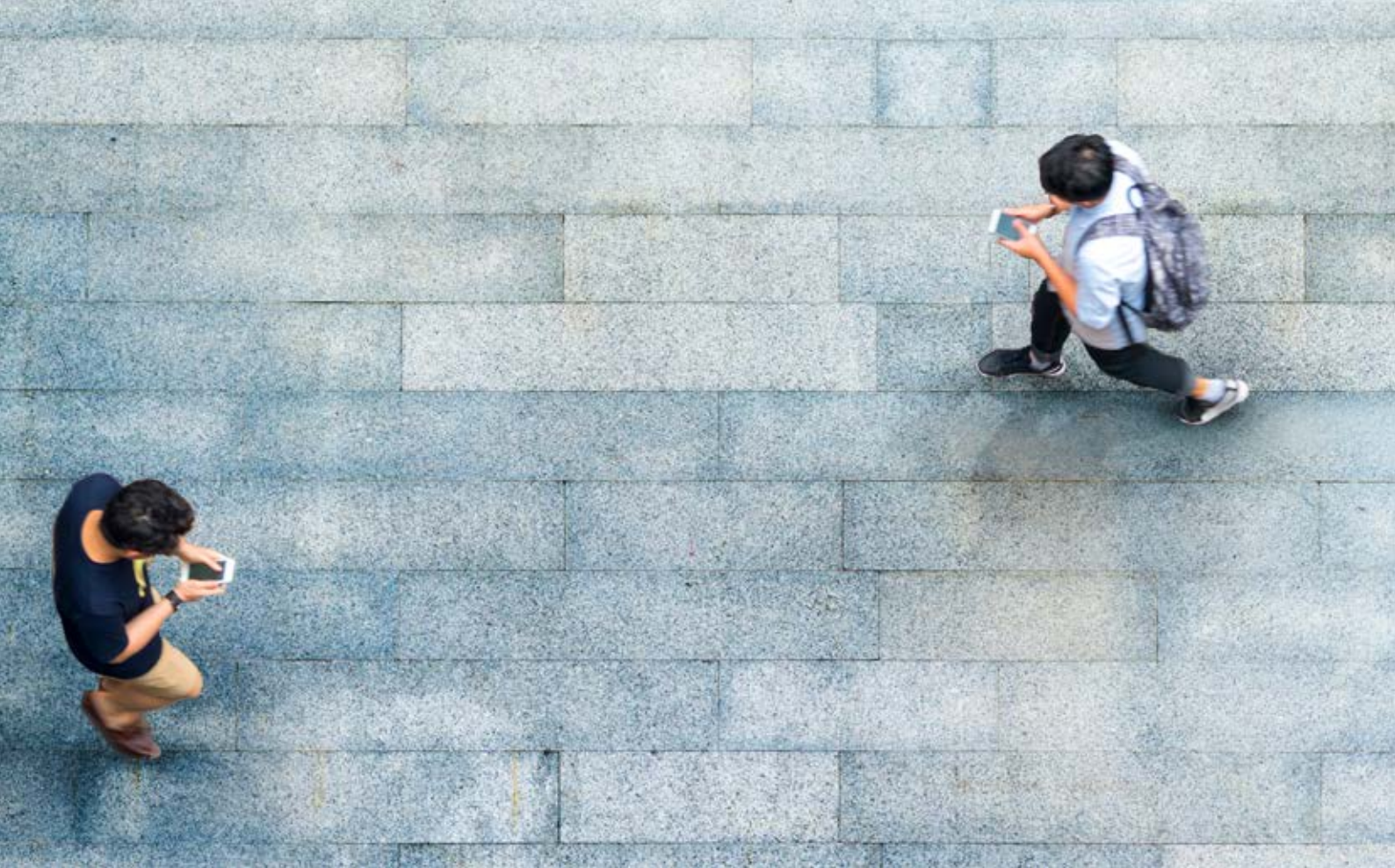
Impact on society entails EY's impact covering significant positive or negative impacts on the economy, environment and people. In order to constantly focus on the right sustainability-related items, and to create value for those that are directly or indirectly impacted by our business, an impact assessment throughout our value chain is continuously being worked on. This work gives us valuable insights into where and in

which areas we should focus now and, in the future, and has enabled us to establish our key sustainable strategic goals and roadmap. Progress is regularly monitored at the management level both locally and at the Nordic level.

EY value chain impact analysis

● Low impact ● Medium impact ● High impact





Each of the significant impact topics (high and medium) is grouped and described below in each sustainability pillar - Principle of Governance, Planet, People and Prosperity:

Impact topic	Impact theme
Business ethics and anti-corruption/ bribery	Principle of Governance
D&I, social conditions, employee competence development, employee well-being	People
Economic growth through paid taxes, job creation, corporate social responsibility (EY Ripples)	Prosperity
EY's procurement, business travels, building energy consumption, data traffic/ infrastructure, waste management, office lease agreements (LEED;BREEAM or equivalent)	Planet

EY's impact through client support is delivered as part of our value-led sustainability services. We help our clients by accelerating our their net zero transition journey and helping them execute change projects in their

public and private sector organizations. Furthermore, we can help our clients by evaluating the strategic and business value of improving ESG ratings, improved access to capital or increased investor confidence. We can also support

by activating a roadmap and working with wider stakeholders to accelerate key components of our clients' ESG strategy.

EY Sweden are taking leaps to become an even more sustainable organization. The focus areas for EY Sweden are sustainability, D&I, employer branding, partner spirit and alumni. Each area has an appointed board representative that is responsible for driving action and report on progress. The board representative for sustainability is Jonas Svensson and as a right hand he has EY Sweden's Internal Sustainability Lead Anja Vanhatalo.

We are convinced that a comprehensive focus on both creating and measuring stakeholder value, will position us as a company for long-term success. Therefore, we are now taking the next step regarding our sustainability reporting. Using the WEF-IBC Stakeholder Capitalism Metrics framework we get a structured approach to do the same, spanning four key areas; Principles of Governance, Planet, People and Prosperity aligned to the SDGs.

We are building on the sustainability strategy that was developed in 2020 but have decided to update the packaging. The focus areas of responsible business, sustainable employees and reduced environmental impact have been integrated into the WEF-IBC framework. We will use the same structure to guide our work going forward. Further, as has been specified in the Nordic sustainability roadmap and the Nordic value creation model earlier

in the report, we are aligning forces cross EY Nordics.

Please dive into this sustainability report and reach out to us if you have any questions. We look forward to receiving insightful queries and being pushed to show further results. To meet the challenges of the moment, we need to all accelerate progress. Because it's not just good business—it's the right thing to do.

Interview



Anja Vanhatalo, EY Sweden internal sustainability lead



Jonas Svensson, EY Sweden sustainability board representative

Sustainability is one of the defining issues of our time. All companies, across all industries, face a challenge and an opportunity in driving sustainability improvements. EY wants to be at the forefront of the sustainability agenda and has a significant role to play in addressing the challenges facing us. Across EY, we have accelerated our focus on embedding sustainability into everything we do for our clients, people and communities.

At the beginning of 2021, we launched our new carbon ambition: to be carbon negative in 2021 and net-zero in 2025. The carbon ambition is building on our 2020 carbon-neutral achievement but, inspired by our clients and encouraged by our people, we understood that we had to go further and faster with our commitments. EY's purpose of Building a better working world compels us to do just that.

A key action to realize the ambition is to invest in products and services to support our clients on their decarbonization journeys. As a Markets leader in the Nordics, I am proud to see how our teams across all service lines are driving this work. We have tightly connected teams, supporting clients in their sustainability transformations - teams working with sustainability reporting, carbon taxes, ESG due diligence, supply chain advisory, change culture, etc.

In my work, I make sure that sustainability is at the core of the Vested and future

workplace offerings that I am driving. And, as with most of our offerings, we are taking our own medicine. For example, we have a Vested partnership together with our facilities management service provider in the Nordics. EY has set very ambitious sustainability goals and our service provider is incentivized to cooperate with us to spur innovation and transform the ways of working to deliver on these targets.

Sustainability is also an important part of our future way of working. In June 2021, we launched the new EY Hybrid Model which is designed to fit the individual needs and preferences of our nearly 8,000 people in the Nordics. The new hybrid working model with a smarter use of space and less travel and commute will support our environmental work.

Finally, to meet the challenges stemming from climate change, companies will need to take big leaps toward sustainability and accelerate the pace of

disruptive innovation. To support this, EY Nordics launched our EY Doberman innovation studio SALLY, focused on sustainable business actions. We have already seen transformative projects from this studio, and I know that it is just the start of the journey.

EY is committed to making business work for sustainability and making sustainability work for business. We have developed

a value-led sustainability framework to support our clients from start to finish on their sustainability roadmap. This positions EY as a leader in providing enterprise-wide sustainability transformation, working with the world's leading organizations to deliver growth and profit with purpose, forging new ways to protect and creating value from sustainability.



Magnus Kuchler, EY Nordics Markets Leader

Interview

EY's Megatrend report 2020 describes how the world is facing a major impact on the environment and climate. The work with innovation is a driving force for adjusting to a more sustainable future. As an auditing and consulting company, it is important that we can support our customers in implementing a transformation in their business which can contribute to new ways of working, skills and collaborations.

In order to focus more on sustainability in our business offering innovation, customer experience and digital design, the design and innovation company Doberman was acquired in 2020. EY's and Doberman's ambition is to support companies in sustainable business, product and service development in new and innovative ways. Together, EY and Doberman launched the innovation studio SALLY in December 2020. SALLY offers a unique solution for design, technology, innovation and customer experience by utilizing EY's and Doberman's different areas of expertise.

One challenge is that many actors working with sustainability see it as something that is done alongside the main business. Therefore, SALLY focuses on finding brave leaders who want to truly transform their business and face climate change upfront. Within the projects,

customers help us find areas of innovation that can enable more sustainable business. This could be, for example, developing a new sustainable product or service, or relocating its core business through a new circular business model.

The projects can be carried out in the so-called sustainability laboratories (s-labs). Focusing on sustainability, the s-labs are innovation units where companies can effectively test new prototypes, products and solutions before they are launched in the market. SALLY also offers collaboration laboratories (co-labs). In the co-labs, companies from different sectors can jointly tackle problems that are too big to address for a single company. Guided by leading innovation methodology, the companies create solutions to complex problems through collaboration and exchange of experiences.

SALLY is an example of how EY integrates sustainability into our business and offers expertise and solutions to develop the best sustainability-driven business models for customers throughout the Nordic region. Sustainability cannot be a short-term initiative –

it should be linked to core business and projects that make a difference and create value for the planet, the business and the users, with all the three playing equally important roles.



Linnéa Becker, Studio Lead SALLY

Interview

Sustainability is at the core of everything we do. It should be easy to do the right thing and we continuously want to improve our work. The environmental work should be structured and well known both internally among our employees and externally among our stakeholders.

Sustainability is at the core of everything we do. It should be easy to do the right thing and we continuously want to improve our work. The environmental work should be structured and well known both internally among our employees and externally among our stakeholders.

To achieve that, we have updated our environmental management system and are seeking ISO 14001 certification for the same during autumn 2021.

The system has been set up during the past year. In the end of 2020, consultants from our Enterprise Risk team conducted a gap analysis, reviewing our existing environmental management system. In spring 2021, we teamed up with resources focused on business transformation, project management, technology and risk, to shape an environmental management system that could help us further step up with our environmental work.

The first step was to identify the environmental aspects that are most relevant

for our business. Based on that analysis we made a risk assessment and decided what aspects that should be in focus for EY's environmental work. We then set a target for all significant environmental aspects, and formulated actions to reach the same during FY22.

A few examples on targets are to reduce the emissions from our business travels and to reduce the energy use in our offices. We aim to leverage tech and data to follow up the results from actions taken and to continuously find ways to tweak our actions to be even more effective.

A big advantage for EY is that we have access to leading in-house expertise. Expertise that has been strengthened via the project so we can deliver even better services to our clients. By seeking an ISO 14001 certification, we get an external quality check as well as make it easier for our clients to trust our work.



Johannes Bedoire Fivel, ISO 14001 implementation lead

Interview

The importance of technology in achieving sustainability goals is undeniable.

With systematic and innovative use of technology, companies will be one step closer to achieving their local and global goals that also benefit people, communities, and society.

Working at the forefront of technology, I have divided its role in sustainability into “four faces”: measurement, process enhancement, technology energy efficiency, and the unknown meaning of innovations and new technologies created in search of sustainable solutions. This fourfold categorization helps us understand the connection between technology and sustainability even better.

Firstly, technology can be used for measurement of, and to follow up on sustainability metrics. Standardized metrics help companies to understand their past and present situation from a sustainability point of view. Sustainability metrics as such are not new concepts, but when we extend them to cover the full value chain, product lifecycle and social and governance dimensions, the importance of technology becomes evident. For example, when measuring supply chains and full product life cycle impact, blockchain technology and its inherent ability to ensure transparency is appealing. When measuring equality and social values in a company, utilizing AI

to interpret long textual content is an attractive solution.

Secondly, technology can also enhance sustainability. With the help of technology, organizations can plan, analyze, and control processes in a more efficient, effective, and environmentally friendly way. For example, by managing assets with enterprise asset management technology, the lifetime of a bridge can be extended by a decade in some cases. This leads to reduced investments and enormous savings in concrete and steel, which are major sources of CO₂ emissions in the world. Increased sustainability is, therefore, a smart outcome of financial savvy and insightful use of technology.

The third face of technology relates to digitalization and how technology-related choices affect energy efficiency. Digitalization does not automatically result in improved energy efficiency – it requires thought and making the right decisions. Because technologies require energy, they also form their own carbon footprint: for

example, the most commonly known crypto currency, Bitcoin, is based on a proof of work algorithm, consuming a whopping 91 terawatt hours of energy annually – almost the equivalent of our entire country, Finland, consuming 107 terawatt hours in 2020. However, not all crypto currencies binge on energy. The ones that are based on an alternative proof of stake algorithm are up to tens of thousand times more energy efficient – it is matter of technology choice.

The fourth and last face is made up of all the innovations and technologies created in search of sustainable solutions. When faced with change and challenges, humanity has always produced innovations and new technology.

Climate change has proven to be no different. It has already stemmed new fields that utilize technology in unprecedented ways – one such example is the combination of wind power and the hydrogen economy.

To summarize, companies need to embrace technology as the enabler and facilitator of more sustainable business. Sustainability goals should be of first priority when choosing and implementing technologies. When harnessed properly, data and technology help us build a better working, more sustainable world.



Kimmo Kaskikallio, Nordic CTO

Interview

A core part of our EY's sustainability work is to create unique experiences for our employees and implement strategic initiatives for gender equality and to boost diversity. In my work as an employer branding manager, I get to focus on the same.

FY21 was shaped by the COVID-19 pandemic and our most important task as an employer has been to ensure that our employees are well, healthy and motivated. If our employees are satisfied and happy, they will be the best ambassadors for EY.

During the darkest time of the year, we were prevented from hosting our Christmas party in the normal way, but instead of canceling it, we decided to adapt. All employees were invited to participate digitally at EY Winter Bash and received a small party kit sent home. It was a fun and successful event.

In addition to this, digital activities have been arranged at various offices around Sweden. All employees have also been offered to order equipment for setting up a home office. We have also chosen to increase the fitness allowance to SEK5,000 to signal that we prioritize the health of our employees.

Another initiative to increase focus on our employees is that we implemented transformation labs. In these labs, we focus on creating a better employee experience

by identifying and discussing the factors that affect well-being. We are evaluating the results and going forward, we will implement programs to address the improvement areas and further enhance the good practices that we have identified.

Several independent surveys show that we are an attractive employer. In the Universum's global survey of "World's Most Attractive Employers", we are the industry best in three categories and in Randstad's survey, we are the only employer in professional services that ended up in the top ten on the list. As we have not been able to meet our potential future colleagues during the past year, we had to think new and increase our presence in social media to be able to show who we are and what it is like to work at EY.

I am excited to continue driving our employer branding work going forward and to further improve the EY experience for our employees.



Felicia Jönsson, EY Sweden, Employer Branding Manager

Interview

Deep dive – Our new Stockholm office

The overall ambition for the new EY Stockholm office has been to create a unique and exceptional experience with sustainability at the core.

A sustainability perspective has been strategically included in all parts of the project to ensure that processes, the physical office, the work environment, and the facilities management services are sustainable from an environmental, social and economic perspective.

Not only does our reduced and optimized office space directly decrease our carbon footprint (we have reduced the space with 50% from our previous office, to 4.8 square meters per employee) but also our decision to move to a LEED Platinum-certified building directly leads to a reduction in CO2 emissions. The Stockholm office is also fully compliant with inclusive design and promotes a paperless organization.



Client centricity

With the LEED certification of the building and the high-standard energy-efficient technology, the EY Stockholm office is a sustainable location for building client relationships and EY culture through networking and teaming, both contributing to the client centric aspect of the global strategy NextWave.

Exceptional and diverse people

By offering a more flexible way of working, an inspirational and sustainable office space, and a culture incubating environment we create a sustainable and exceptional experience for everyone.

Global integration and teaming

The technically optimized office promotes global integration as well as teaming through modern technology. Digital tools enable great networking and collaboration without taking the flight for a meeting.

Activity based work, free seating and the several social areas of the office contribute to a strengthened EY culture and the important social aspect of work.

Data and technology

Investing in technology is an essential part of becoming a paperless organization, and consequently in the possibility of reducing our environmental impact.

Technology in the EY Stockholm office creates all prerequisites for not taking the flight for a meeting. This can have a great impact on the reduction of our carbon footprint but also on the flexibility of work.

The EY Stockholm office is a LEED Platinum certified building

As a professional service firm, our office is an aspect of our business where we can have the greatest control and impact from a sustainability perspective. As part of our ambition, we have made the highest demand on our office space.

About LEED certification

- The certification is the most used rating system for buildings around the world
- The LEED system distributes points with regard to material and waste management, energy and water consumption, and indoor environment
- The new EY Stockholm office is LEED Platinum certified
- Sergelhuset has been awarded the LEED Building of 2020 in Sweden

Location and transportation

- Located in central business district with proximity to transportation.
- Focus on parking spaces for bicycles rather than cars.

Energy and atmosphere

- Supplied by a heat pump connected to a geo-energy storage in an underground aquifer that provides both heat and cooling.

Indoor environment quality

- Excellent ventilation and all conference and meeting rooms have sensors that regulate ventilation based on carbon. This means more people = more air

Water efficiency

- Rainwater barrels for flushing toilets and watering roof parks.
- Water saving toilets and faucets.

Material and resources

- Preservation of concrete frame and granite facade.

Sustainable site

- Roof parks contributing to biodiversity.

Principles of Governance

Global governance

EY Sweden is affiliated with Ernst & Young Global Limited (EYG). EYG coordinates the member firms and promotes cooperation among them. EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by member firms worldwide. Each member firm is a separate legal entity. Each member firm's obligations and responsibilities as a member of EYG are governed by the regulations of EYG and various other agreements. EY companies are located in more than 150 countries with over 312 000 employees. That makes EY one of the world's largest audit and consulting companies in the world. Within EY, the partners have a special responsibility, partly as active auditors and consultants and partly as leaders of the business.

Ernst & Young AB is 100% owned by Ernst & Young Sweden AB.

Ernst & Young Sweden AB is owned by 163 partners who are active in the business, representing approximately 89% ownership (46% voting rights). The remaining shares are owned by

Ernst & Young Europe SCRL. EY Europe is a Limited Liability Cooperative Company (SCRL or CVBA) incorporated in Belgium.

It is an audit firm registered with the Institut des Reviseurs d'Entreprises (IRE-IBR) in Belgium, 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 voting control of the EYG member firms operating in Europe. EY Europe is a member firm of EYG. EY Europe acquired voting control of EY Sweden as of 22 March 2019. The board of directors of EY Europe is made up of senior partners of EYG member firms in Europe. It has authority and accountability for strategy execution and management of EY Europe.

Globally, EY is divided into different geographical areas and EY Sweden belongs to the Nordic region and the region of EMEIA Financial Service. As a global organization, EY has a common shared strategy. This supports exceptional client service wherever in the world EY clients do business.

The EY Global Executive is the most senior EY body and brings together EY leadership functions, services and geographies.

This report is Ernst & Young AB's (556053-5873) statutory sustainability report covering all business conducted by members of the global EY network in Sweden.



Global Executive

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Carmine Di Sibio

EY Global Chairman and CEO

Andy Baldwin

EY Global Managing Partner - Client Service

Steve Krousos

EY Global Managing Partner - Client Service

Trent Henry

EY Global Vice Chair - Talent

Jay Nibbe

EY Global Vice Chair - Markets

Hank Prybylski

EY Global Vice Chair - Transformation

Nicola Morini Bianzino

EY Global Chief Technology Officer

Marie-Laure Delarue

EY Global Assurance Vice Chair

Errol Gardner

EY Global Vice Chair - Consulting

Kate Barton

EY Global Vice Chair - Tax

Andrea Guerzoni

EY Global Vice Chair, Strategy and Transactions (SaT)

Kelly Grier

EY Americas Managing Partner

Patrick Winter

EY Asia-Pacific Area Managing Partner

Julie Linn Teigland

EY EMEA Area Managing Partner

Alice Chan

Chair, EY Global Accounts Committee

Rajiv Memani

Chair, EY Global Emerging Markets Committee

Jack Chan

Emerging Markets Committee Member

Jessie Qin

Member firm Partner on rotation

Whom we work with

We work with more than 200,000 clients in 150 countries, from start-ups to multinationals across all sectors, helping them meet their most pressing challenges.

As industries converge, they create new value and opportunities for business. EY helps organizations identify and capitalize on these new opportunities.

Navigating this fast-changing environment requires agility and fresh thinking. As we reinvent how we work, live and play, EY is helping clients embrace industry disruption as an opportunity.

Nordic governance

EY Sweden works in an integrated Nordic organization that includes Sweden, Denmark, Finland, Norway and Iceland. Our Regional Leadership Team (RLT) is responsible for the regional governance, strategy execution and performance. The RLT is led by our regional managing partner and includes our Nordic country managing partners, service line leaders and market segment leaders.



Jesper Almström, Regional Managing Partner, joined EY in 2001 and since then he has held various leadership roles, including most recently – Nordic TAS Leader and Country Managing Partner (CMP) in Sweden.

Sustainability governance

It requires a combined effort to drive the sustainability agenda across EY Nordics and execute our NextWave strategy. In order to ensure continuous internal work on sustainability by using the synergies from EY's external service offerings, a Nordic sustainability core team was established in 2020. The team is led by the EY Nordic Sustainability Lead and includes sustainability representatives in each Nordic country.

The Nordic Sustainability Lead is responsible for the development of sustainability as a whole and reports to the Nordics Sustainability Steering Committee which consists of regional managing partner, Nordic COO, Nordic sustainability lead and the CEO of each country. The Nordic Sustainability Steering Committee is responsible for the management of sustainability in EY and monitors the progress toward the sustainability goals each quarter.

The sustainability representatives of each country are working closely with both the Nordic sustainability lead and the country leadership teams to discuss the sustainability agenda, targets and actions. Each country has developed a sustainability roadmap aligned with the Nordic sustainability agenda and

objectives to guide the sustainability work at a country level. EY Sweden's board of directors annually evaluates the sustainability work and ensures that it is performed in accordance with the applicable laws or regulations and internal policies.

Local governance

As a part of our Nordic organization, the local service line activities are conducted geographically in regions held together by EY Sweden and the Nordic management. The purpose of this organization is to increase the proximity to local markets, strengthen cooperation, and enable strong local leadership, while benefiting from the Nordic management resources and synergies. The capabilities and perspectives of board members are important for making robust decisions on an ongoing basis.

Members of the Swedish board



Magnus Kuchler

Magnus is Country Managing Partner (CMP) and chairman of the board for EY in Sweden. Magnus started his career at Siemens Elema in 1996, where he worked with BPR and was also an EY client. In 1997, he became an EY employee and started as a consultant. In 2000, EY Global sold the consulting practice to Capgemini, where Magnus worked for six years, during the last one as vice president and part of the management team. Magnus returned to EY in 2006.

When returning to EY, Magnus's responsibility was to build and lead an Outsourcing Advisory team in Sweden and later also in the Nordics. In 2007, Magnus was appointed as a partner. As a consultant, Magnus has spent most of his time in Outsourcing Advisory and he is passionate about creating value-adding partnerships and cooperation between companies. Magnus has studied at the Royal Institute of Technology in Stockholm and the University of Skövde.



Gunilla Andersson

Gunilla is an authorized public accountant since 1994. For the last 15 years, she has served as head of region Mid-West in Sweden. Prior to her current role, she was the Örebro and Västerås office managing partner. Gunilla has committed her career to audit small- and medium-sized private and public companies. She is a member of EY Real Estate Group in Sweden and assists clients in real estate, manufacturing and professional services.

Gunilla has extensive experience in accounting matters, restructurings, ownership transactions, and consolidated financial statements. In addition to client work, she is teaching auditing and accounting within EY and at the University of Borås. Gunilla holds an MSc in Business and Economics from Gothenburg School of Economics.



Charlotte Holmstrand

Charlotte is an authorized public accountant and partner since 2014. She began her career at EY in 2001. Charlotte has more than 20 years of experience in auditing, focusing on family businesses and private equity owned companies, but also listed companies and international groups. She worked at the EY New York office in USA 2004-2005.

Charlotte is sponsoring partner for EY's strategic initiative Diversity & Inclusiveness (D&I) and a counselor and career watcher for high potential females in Sweden. She is also a member of the advisory board for the MSc Accounting and Financial Management Program Stockholm School of Economics. Charlotte has held several leadership roles in Assurance Stockholm. Since 2015 she is responsible partner for the audit group working with clients in the EY Private segment. Charlotte holds a degree of Master of Science in Business Administration from JIBS/Jönköping University and University of Windsor in Canada and has also completed the Harvard Leadership program.



Helena Norén

Helena is the Nordic Tax Leader within EY EMEIA Financial Services. She joined EMEIA Financial Services on 1 July 2017, and her priority is to build a leading practice with a clear focus on the financial industry in the Nordics serving banks, insurers and asset managers.

Helena's ambition is to develop the brand as the go-to organization that provides highly integrated cross-service line and cross-country approaches to the issues of financial companies. Her technical skills are corporate tax with a focus on financial transactions, financial instruments, tax effects of the transactions in company accounts of companies and tax accounting. Helena has been with EY for 25 years and is proud to be a part of the constant transformation as a contributor and influencer in the life of a business.



Anna Svanberg

Anna is an authorized public accountant and the CEO of EY in Sweden since 2020. She works mainly with listed companies in the private equity and life science sector, but also with listed companies in other industries. Anna is a part of EY's Family Enterprise team, supporting owners and their families in Sweden and the Nordics. Anna joined EY in 2002 and became a partner in 2014.

As the CEO of EY in Sweden, she has a coordinating management role and focuses on marketing communication and employer branding. EY's purpose of Building a better working world is powered by the people who go to work every day. Anna strongly believes in creating an exceptional EY experience for both existing and future employees. That is a prerequisite for creating value for EY clients. Anna holds a master's degree in economics from Stockholm University.



Jonas Svensson

Jonas is an authorized public accountant since 1999. He works primarily with large and global companies in the construction and real estate sector, but also with listed companies in other industries. Jonas joined EY in 1994 and became a partner in 2001.

Jonas is a sponsoring partner for EY's strategic initiative sustainability. Apart from the experience of working with clients, Jonas has extensive experience in several leadership roles in Sweden, including CEO, Assurance service line leader, and chairman of the board. Between 2014 and 2016, he was the president of FAR, the institute for the accountancy profession in Sweden. Jonas holds a master's degree in economics from Dalarna University.

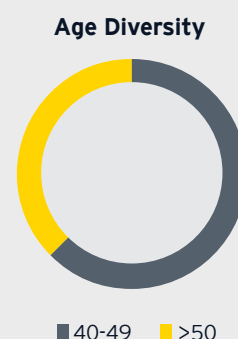
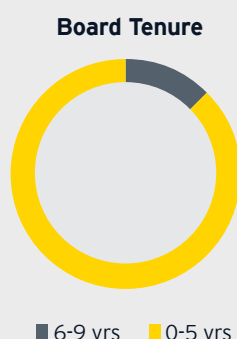
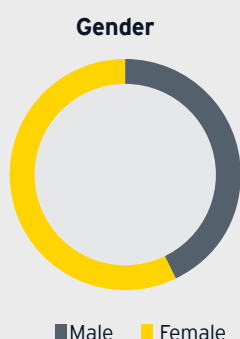


Fredrik Hertz

Fredrik leads the group for Cybersecurity consulting in the Financial Services sector. He works with global companies in their technology change agenda. Fredrik has extensive experience working with regulatory-driven technology transformation in multinational environments. While his focus is banking and insurance, he has a broad background working with consumer products, technology, telecommunications, military services, and law enforcement for more than 20 years.

Fredrik's experience includes international multi-year engagements as well as Nordic projects within the areas of data protection, security governance, process and technology implementations, and risk management. Fredrik holds an MSc from the Royal Institute of Technology in Stockholm.

Board Skills Matrix	Magnus Kuchler	Gunilla Andersson	Charlotte Holmstrand	Helena Norén	Anna Svanberg	Jonas Svensson	Fredrik Hertz
Senior Leadership	●	●	●	●	●	●	●
Finance, accounting or Financial reporting		●	●	●	●	●	●
Regulatory environment		●	●	●	●	●	●
Risk Management		●	●	●	●	●	●
Client Experience	●	●	●	●	●	●	●
Technology	●					●	●
Strategic Planning / Operations	●	●	●	●	●	●	●
Sustainability	●			●		●	
Lean	●						
Global Business / International affairs	●	●	●	●	●	●	●
Human Resources		●	●		●	●	



Business ethics and integrity

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies. It is also embedded in the EY culture of consultation, training programs and internal communications. The EY Global Code of Conduct provides a clear set of standards for how EY people behave and treat each other at work, how relationships are built with colleagues and clients, how services are delivered, and how EY upholds and protects our reputation. EY employees are required to sign the Code of Conduct annually, and this is monitored on an individual level. EY cannot and will not

tolerate behavior that violates its professional standards or is inconsistent with the EY Global Code of Conduct. Examples of such behaviors include discrimination, unethical practices, financial misconduct, deliberately jeopardizing the quality of work or failing to adhere to EY policies.

All EY employees have signed the Code of Conduct in FY21.



Our purpose – Building a better working world

EY is committed to doing its part in building a better working world. We develop outstanding leaders and teams who create long-term value for all stakeholders that leads to sustainable, inclusive growth

Our Values – Who we are

People who demonstrate integrity, respect, teaming and inclusiveness

People with energy, enthusiasm and the courage to lead

People who build relationships based on doing the right thing

Our ambition

To create long-term value as the world's most trusted, distinctive professional services organization

We create client value, people value, social value and financial value

The EY Global Code of Conduct (the “code”) provides an ethical framework for our behaviour. It draws on our shared values, and builds on our purpose and our ambition.

Our Global code of conduct is organized into five categories containing guiding principles that should be used by everyone within EY to guide behavior across all areas of our activity.

1

Working with one another

2

Working with clients and others

3

Acting with professional integrity

4

Maintaining our objectivity and independence

5

Protecting data, information and intellectual capital

The EY Ethics Hotline provides EY employees, clients and others outside of the organization with a means to confidentially report activity that may involve unethical or improper behavior, and that may be in violation of professional standards or otherwise inconsistent with the EY Global Code of Conduct. The hotline is operated by an external organization that provides confidential and, if desired, anonymous hotline

reporting services worldwide. When a report comes into the EY Ethics Hotline, it receives prompt attention, and appropriate individuals from Risk Management, Talent, Legal or other functions are involved to address the report. The same procedures are followed for matters that are reported outside of the EY Ethics Hotline.

Anti-corruption and bribery

EY is committed to the fight against corruption in all forms and, to affirm this, has established a Global Anti-Bribery & Corruption policy accompanied by an anti-corruption compliance program. EY partners and employees are obligated to complete annual training on anti-corruption as part of the annual Code of Conduct mandatory training. All EYs clients and suppliers are assessed according to the same standards.

In order to raise awareness of the fight against corruption, we also cooperate with external networks and groups. We are part of organizations such as the World Economic Forum (WEF) and Transparency International to find ways to address the social and economic challenges of our time. In addition, we have signed the World Economic Forum Partnering Against Corruption Initiative (PACI). Our commitment involves two measures: zero tolerance of bribery and the development of a practical and effective implementation program at a global level through our common anti-corruption policies. Locally, adaptations are made to cover local legislation.

A steadfast commitment to tackling corruption is not only embedded in globally consistent policies and practices, including mandatory training on anti-bribery and corruption, but in the services, we offer EY clients. For example, EY

Forensics & Integrity services teams help clients strengthen their integrity and compliance frameworks. EY has also invested in analytics solutions to help clients quickly sift millions of lines of data in order to highlight anomalies, and EY blockchain solutions help transfer data, currency and other assets in an efficient, trustworthy manner.

Competition and anti-trust law compliance

EY as a global network is fully committed to compliance with its legal and ethical obligations, including competition law, and expects the same from all its partners and employees. The global Competition and Anti-Trust Compliance Policy is issued in support of the EY Global Code of Conduct's provisions regarding unethical or illegal business practices; compliance with laws and regulations and standards; and the need for honesty in competitive behavior. More specifically, it reaffirms that EY Personnel shall not exchange competitively sensitive or strategic information with competitors, or take other steps intending to impede, or that could have the effect of impeding, competition in the markets in which EY operates. There has not been any incidence of corruption, legal reactions to anti-trust and practice of monopoly or fines related to violations of laws in 2021.



Risk, independence and compliance

The EY Global Independence Policy requires EY Sweden and our people to comply with the independence standards applicable to specific engagements. EY Sweden and its employees consider and evaluate independence with regards to various aspects, including financial relationships, employment relationships, business relationships, the permissibility of services provided to audit clients, applicable firm and partner rotation requirements, fee arrangements, audit committee preapproval, and partner remuneration and compensation.

Annually, EY Sweden is included in an area-wide process to confirm compliance with the EY Global Independence Policy and process requirements and to report identified exceptions, if any. All EY professionals are required to confirm compliance with independence policies and procedures at least once a year. All EY professionals and partners have confirmed compliance in FY21. Our policies and training help avoid any non-compliance for EY people.



Risk management underpins sustainable business practices and relationships and ultimately helps clients innovate and build value and trust with their stakeholders through EY services.

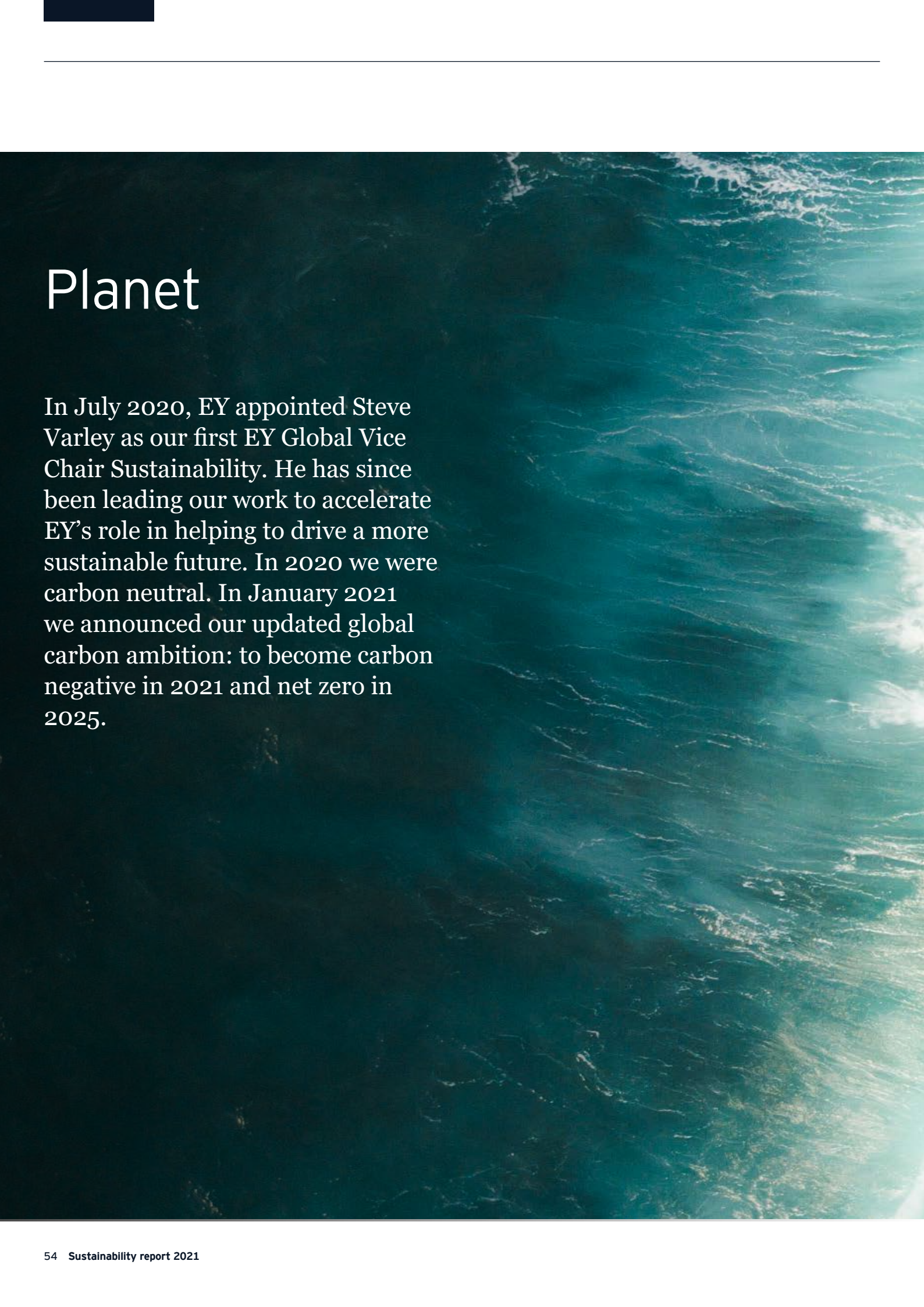
An important element of risk mitigation and management in EY is the data protection and information security framework. We protect information assets, personal data and client information through their creation, transmission and storage, in accordance with the requirements of applicable laws, regulations and professional standards.

Independence is also an integral part of the EY Global Code of Conduct. Each of us is responsible for our own personal independence and the independence of EY. We are mindful of our own personal financial interests and EY's relationships with clients.

Evaluation

We have evaluated our management approach to business ethics & anti-corruption/bribery. EY Risk & Independence does a thorough job in making sure we comply with laws and regulations and our business ethics. We believe that we have good practices and processes in place to measure and follow up; and we will continue the ongoing work in addition to stay abreast with new laws and regulations that applies to EY.

More information on EY Sweden's independence and compliance policies can be found in the yearly transparency report.



Planet

In July 2020, EY appointed Steve Varley as our first EY Global Vice Chair Sustainability. He has since been leading our work to accelerate EY's role in helping to drive a more sustainable future. In 2020 we were carbon neutral. In January 2021 we announced our updated global carbon ambition: to become carbon negative in 2021 and net zero in 2025.



“

We believe that becoming carbon negative in 2021 and net zero in 2025, reducing our emissions in line with a science based target is the right ambition to have

Steve Varley

EY Global Vice Chair Sustainability

In order to work toward net zero, eliminating all avoidable emissions, and removing the rest - in 2025, EY Global worked with the SBTi to develop and validate a science based target to reduce EY's total emissions by 40% across the entire global EY organization.

This target is aligned to the most ambitious aim of the Paris Agreement: to limit a global temperature rise to 1.5°C above preindustrial levels.

To reach the 40% reduction-target EY Global has defined seven actions that applies to all of EY including reduction in business travel, conversion to clean energy, ambitious targets on carbon-reduction technologies and requiring that our largest suppliers have set science based targets.

The global targets oblige us in the Nordic region to work toward the same ambitions and implement local measures that are in line with the targets.

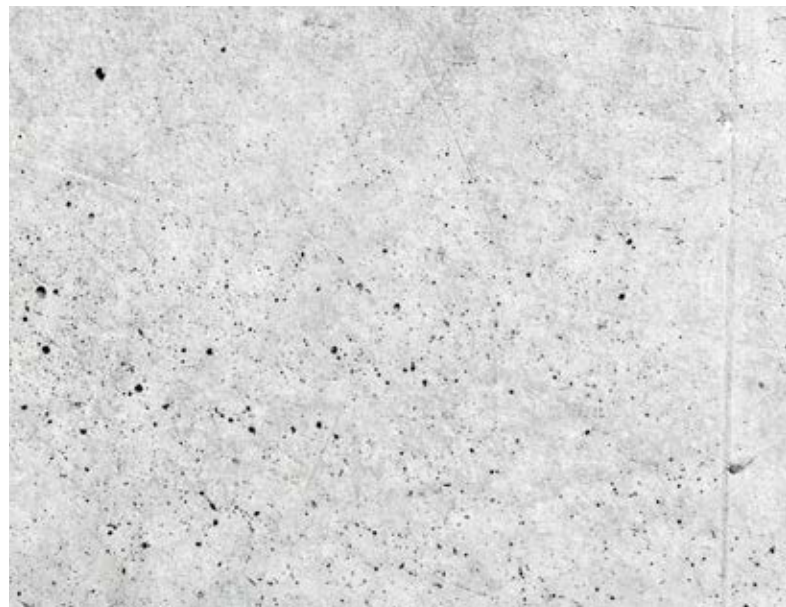
Key Nordic measures to meet this ambition are:

- Reducing business travel emissions by at least 50% by FY25 against an FY19 baseline

(Note: EY Global's action target is 35% reduction. EY Nordics' local emissions from electricity is already low compared to the average global emissions. Thus, for EY Nordics to meet the 40% target compared to FY19 a larger portion of our CO2 reduction will come from reduction in business travel.)

- Reducing overall office electricity usage and procuring 100% renewable energy for the remaining EY needs
- Requiring 75% of EY suppliers, by spend, to set science-based targets by no later than FY25
- Reduce overall waste, increase the portion of recyclable material and encourage recycling.

To become carbon negative at a global level, EY has to reduce our emissions in line with our science-based target and offset more carbon than we emit. The calculations of carbon emissions, and related offset of emissions, are arranged at global level and includes emissions from EY Sweden. The carbon offsets are achieved by investing in nature-based projects.



Task Force on Climate related Financial Disclosures (TCFD)

In FY21 EY Nordic assessed climate-related risk following the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). With the TCFD framework we assessed climate-related risks and opportunities that is impacting EY and how prepared we are to address them.

This assessment was initiated by the Nordic Sustainability Lead who is responsible for the development of sustainability as a whole including climate risk management, and reports to the Nordics Sustainability Steering Committee which consists of: Regional Managing Partner, Nordic COO, Nordic Sustainability Lead and each country CEO. The Nordic Sustainability Steering Committee is responsible for the management of sustainability in EY and monitors the progress towards the sustainability goals each quarter.

Each country has sustainability representatives that are working closely with both the Nordic sustainability lead and the country leadership teams to discuss the sustainability agenda,

targets and actions. Each country is developing a sustainability roadmap aligned with the Nordic Sustainability agenda and objectives to guide the sustainability work at a country level. EY Sweden Board of Directors annually evaluates that the sustainability work is performed in accordance with applicable laws/ regulations and internal policies.

This FY21, is the first year EY Sweden are applying TCFD recommendations, thus this is a start on our TCFD reporting journey and we plan to improve our reporting the coming years. The results of the Nordic TCFD assessment will be integrated into the EY Nordic risk management procedures. In FY22 the EY TCFD assessment will be refreshed and include a more detailed and quantitative scenario analysis, which will enable more actionable insights.



GHG emissions

Even if our environmental impact as a professional services company is relatively low, we continuously work toward minimizing our environmental impact. Our office buildings and business travels, mainly by air, are the primary contributors to EY's carbon footprint, and thereby global climate change.

CO2 emissions FY20

Direct GHG emissions (Scope 1) and indirect energy GHG emissions (Scope 2) (CO2t)	FY19 (baseline year)	FY20	FY21
Scope 1 Direct emissions*	0	0	0
Scope 2 Indirect emissions:**			
Scope 2 Purchased electricity market based	0	0	0
Scope 2 Purchased heating market based	88,6	72,6	66,7
Scope 2 Purchased electricity location based	28	13,5	7,5
Scope 2 Purchased electricity location based	78,1	80,2	73,7
Other indirect GHG emissions (Scope 3), tCO2***			
Category 5 Waste generated in operations	no data available	64,8	17,9
Category 6 Business travel	3 366,6	2 221,8	307,1

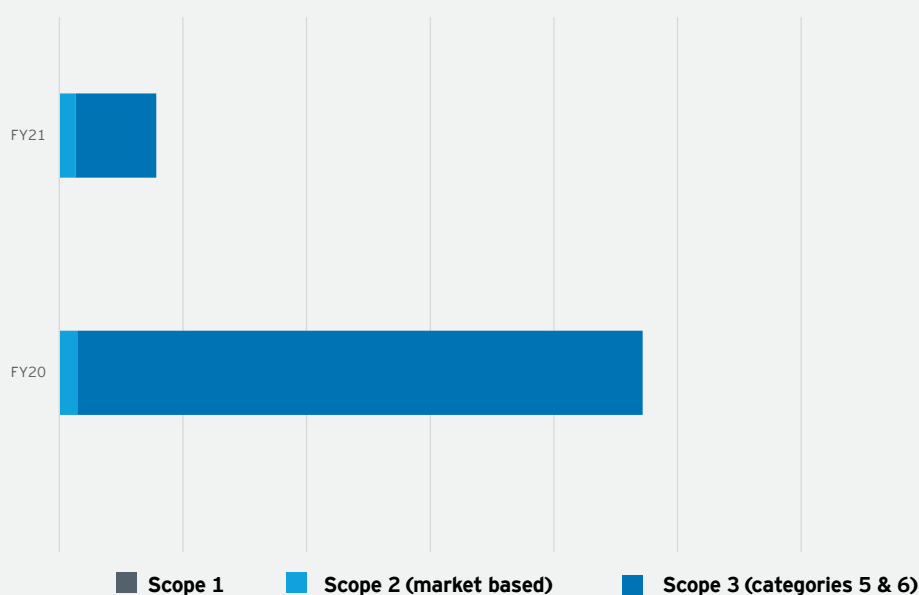
* Scope 1 is not reported as our facilities are rented and we do not own any company vehicles.

** Scope 2 emissions include electricity and district heating. We are not including cooling in FY21. Electricity consumption is estimated for all Swedish offices based on the use in Stockholm (Jakobsbergsgatan July 2020 to February 2021 and Hamngatan for March to June 2021), Gothenburg and Malmo. District heating is only based on data from our Stockholm office, Jakobsbergsgatan and Malmo office. As part of our environmental management system, we are setting up improved mechanisms to measure and report energy consumption and it will be included in our FY22 report.

*** Scope 3 emissions include category 5 and category 6 in the GHG Protocol Scope 3 Standard. Category 5, waste generated in operations, are calculated estimates of the emissions based on the actual waste amounts in Stockholm, Gothenburg & Malmo offices. For category 6, air travel is based on data from our travel booking system and expense report, car travel emissions are based on kilometers travelled and train emission data is received directly from the rail company SJ.

We are currently looking into calculating emissions from category 1, purchased goods and services; category 4, upstream transportation and distribution; and category 7, employee commuting, and are planning to report on these categories in our FY22 report. Categories 2,3,8,9,10,11,12,13,14 and 15 do not apply for EY and thus are not reported.

Total emissions divided by scopes*



*Reductions are mainly due to the effect of COVID-19 pandemic and the transition to remote work

Business travels

As the world starts to recover from the COVID-19 pandemic and we start traveling again, it is necessary to keep up all the good practices from remote working. Guided by our ambition to reduce our carbon footprint, an inclusive hybrid working model was launched in June 2021, with the aim to reduce the need for travel and commute. We have also updated our travel guidelines guiding all EY employees on when to travel and how to travel efficiently.

Air travel

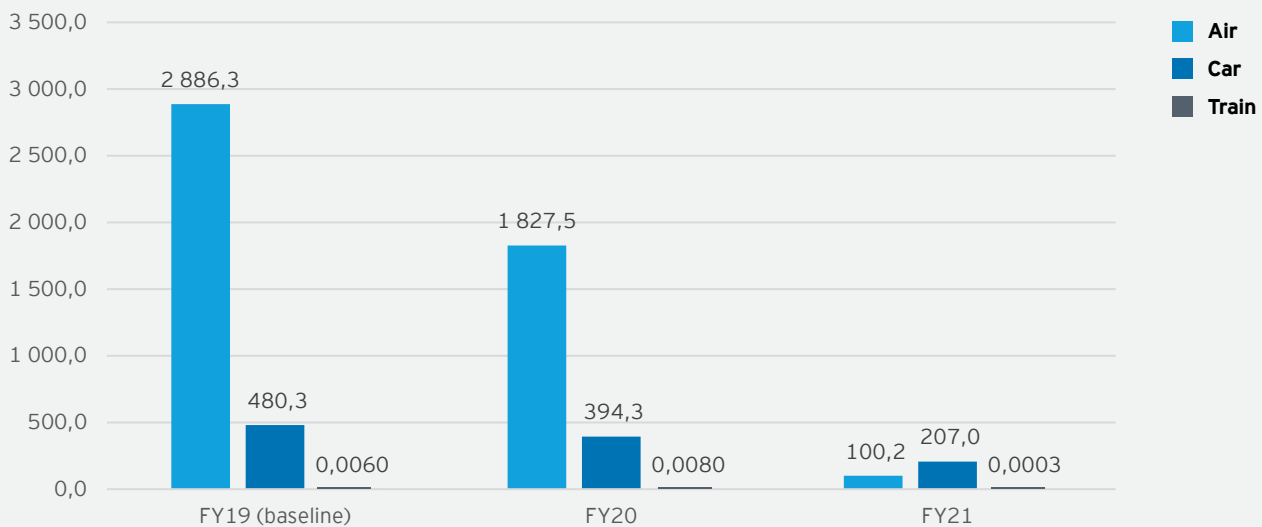
Air travel is the most significant contributor to our carbon footprint. At EY, it is encouraged, also by our Global Environmental Statement and our EY Nordics Travel policy, to leverage technologies such as the use of video conferencing instead of travel when possible, use travel options that minimize emissions, leverage flexible working arrangements, and design meetings and events that use resources efficiently. The primary reason behind the significant decrease in air travel during FY21 was the COVID-19 pandemic.

To reduce our business travel emissions, three areas of reduction will support the outcomes:

- ▶ Emissions from internal meeting travel should be reduced significantly. We will continue to meet, but do so more wisely. In-person meetings will be focused on occasions such as team building activities.
- ▶ Emissions from learning and development travel should be reduced significantly. Learning and development activities will not decrease but will be more wisely planned.
- ▶ Emissions from client and business development travel should, in cooperation with our clients, be reduced.



Business travel, tCO2



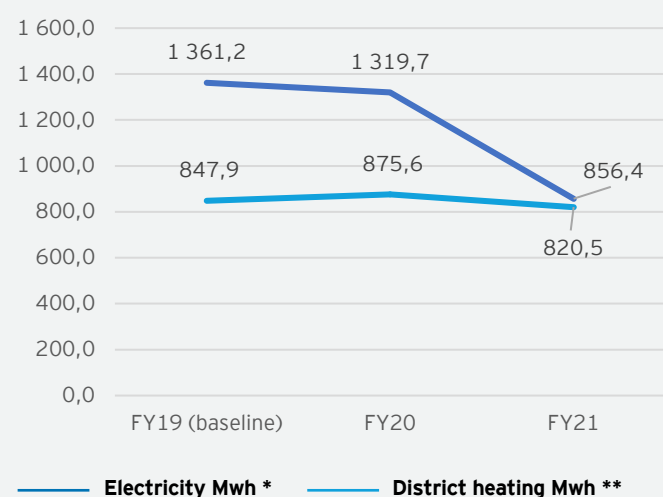
Offices and buildings

EY's facility management function in all offices in the Nordic region is outsourced. We have a Vested contract with our facility management provider to work together to reduce EY's environmental impact. The contract is outcome-based, which means that their profitability can be linked to our offices' climate impact.

During FY21, EY Sweden had 48 offices, five locations with single meeting rooms and one office under de-establishment. The combined gross area of all EY Sweden office space is approximately 33,800 gross square meters. The premises of EY offices are rented, with cooling, heating and water included in the rent. EY pays electricity based on consumption in some offices and it is based on a share of the building's total consumption in some other offices.

Thanks to energy-saving measures in the form of better control of ventilation and lighting, the offices have succeeded in reducing our energy usage in recent years. In FY21 as well as FY20, the electricity consumption was affected by the COVID-19 pandemic and remote work, thus not all reductions are due to conscious actions to reduce energy consumption. As part of our new environmental management system, we will set up more detailed measuring and reporting to be able to follow up on energy reduction initiatives.

Electricity & district heating (MWh)



*Estimate based on consumption in Stockholm, Gothenburg and Malmö

**Estimate based on consumption in Stockholm Jakobsbergsgatan office and Malmö

Note: In previous years, we have reported on electricity usage in all of Sweden as well as included district heating figures. However, due to data quality issues we have not included it in this year's report. As part of our environmental management system, we are setting up improved mechanisms to measure and report energy consumption and it will be included in our FY22 report.

All new leases in Sweden will ensure that the buildings we move into will be among the best with respect to climate and environment, i.e. LEED or BREEAM certified (or equivalent). As a professional services firm, our office is one of the parts of our business where we can have the greatest control and impact from a sustainability perspective. Currently, we have three LEED Platinum certified offices in Sweden, also representing our three largest offices in Stockholm, Gothenburg and Malmö. Our new office in Helsingborg is currently being reviewed for LEED certification. These four offices represent 38% of our total Swedish combined gross area.

In the Nordics, we have 22,000 square meters of our buildings LEED or BREEAM certified (or equivalent). By 2024, the same number is expected to be 37,000 square meters. Approximately 53,000 square meters in occupancy has been reduced over the last 10 years.

Local example: In March 2021, we moved into our new office in Stockholm. As part of the shifting, we reduced the amount of office square meters by 50%, while increasing the number of workstations for our employees. The new EY Stockholm office is located in a LEED Platinum-certified building and sustainability focus has been integrated into every part of the new office. For example:

A majority of the furniture are produced in Sweden and are certified, e.g., Svanenmärkt. To ensure long-term use, the focus has been on quality, classic design, natural material and reuse of existing furniture.

The digitally-optimized office, consisting of energy-efficient technology enables a more flexible and sustainable way of working due to its potential to reduce traveling.

A more sustainable work environment has been created by, e.g., various work zones to accommodate different needs and preferences, color schemes to create good visual ergonomics and sensors measuring indoor climate.

Initiative to facilitate and improve waste management has been taken, for instance, by providing recycling bins wisely in every space of the office and by creating nudging signs.

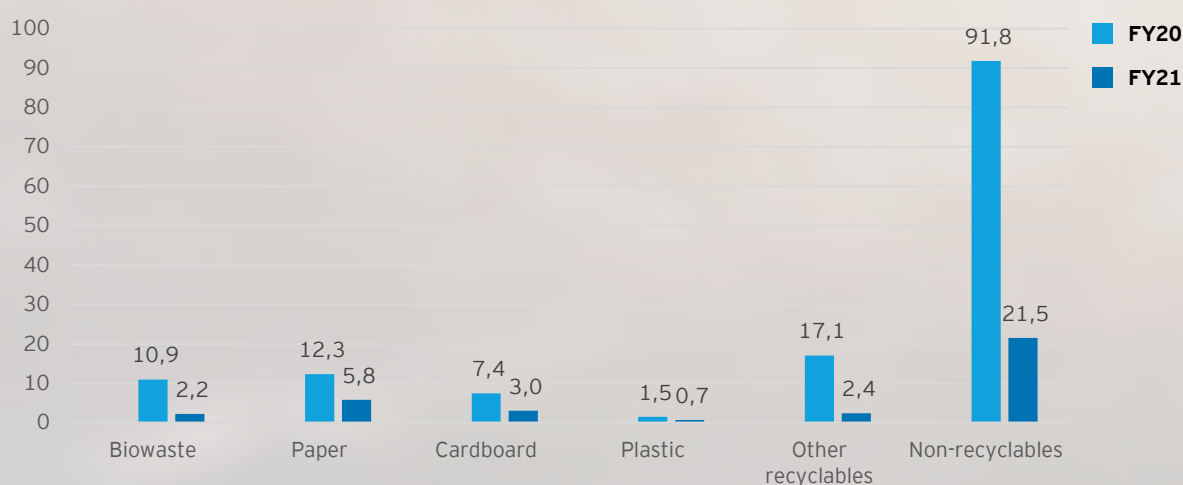


Waste management

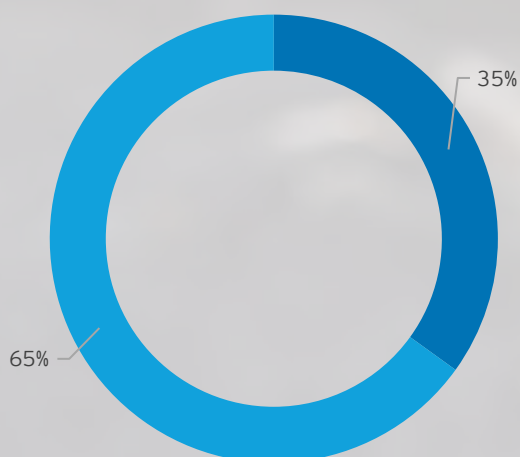
Together with property owners and other partners, we work actively to increase the amount of recycled and source-sorted waste. However, in FY21 and FY20, the reductions in waste amounts are mainly due to the effects of the COVID-19 pandemic and remote working.

To improve our waste management further is at the core of EY Sweden's new environmental management system. As key actions, we will make sure to improve tracking of waste management outside of our big city region, including Stockholm, Gothenburg and Malmö. We will also set targets for our facility management provider to improve waste facilities in all offices possible.

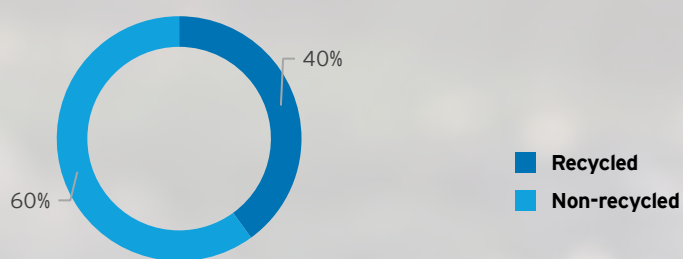
Waste (t)



Waste FY20 (recycled & non-recycled)



Waste FY21 (recycled & non-recycled)



* We have calculated an estimate of the emissions based on the waste figures in Stockholm, Gothenburg and Malmö. For calculating emissions.



Enterprise technology

Enterprise technology is an enabler to perform high quality work while reducing travel. At the same time EY acknowledge that data traffic and existence on the internet also consumes energy and it needs to be taken into account when we look at EY's carbon footprint as a whole. EY has therefore initiated the work to map our enterprise technology's role for sustainability, including its net carbon footprint. The first result of this work is expected to be released during FY22.

Responsible supply chain

As EY is a service organization, our supply chain is not that extensive. Our main supply by spend is professional services from other EY offices and data storage. Other biggest supply is IT equipment, mobile devices, office furniture, real estate and business premises services and health services.

We have long-term contracts with our suppliers, and we aspire to develop our supply in a more sustainable direction. For example, we have a Vested contract with our facility management supplier. Our biggest IT supplier is Lenovo and we also have a contract for recycling the used IT equipment. In addition to that, we also partner with 3stepIT to recycle our used devices.

We have set a goal for suppliers covering 75% of EY spend to have set an SBTi approved carbon-reduction target by FY25. We will collaborate with all suppliers to help them on their journeys to SBTi accreditation and the decarbonization of the products and services we procure from them. By working with suppliers and encouraging them to work with us, we will further multiply the impact of EY's carbon negative position.

Through our procurement teams, we are in the process of reaching out to all major suppliers to discuss the journey toward alignment to SBTi.

Evaluation

We have evaluated our management approach to business travels, building energy consumption, waste handling, office lease agreements and enterprise technology.

In the areas of buildings, energy consumption and waste EY Nordics has had sustainability on the agenda for long. This is visible in the newest offices we have signed lease with and moved in to, but also in existing offices measures are taken to be sustainable.

Though there was almost no travel in FY21 due to the Covid-19 pandemic, business travel is on the leadership agenda and they support a reduction in overall business travel. In 2022 we will make further improvements to the data collection process and build a solid data infrastructure and reports on emissions which will support the leadership to see opportunities and drive action.

With respect to "Responsible supply chain" good processes are in place through our global procurement function in collaboration with our teams with responsibility for real estate, IT and facility management. During 2022 all procurement personnel will receive additional training to support our biggest suppliers in the journey to set an SBTi approved carbon-reduction target by FY25.





People

Our employees are our greatest resource. Their growth — in knowledge, prosperity and well-being — is central to the success of our organization.

At EY, our people are vital in realizing our purpose of Building a better working world. Our exceptional people address the opportunities and challenges our clients face. For them to perform at their best, we want to provide our people with exceptional experiences in terms of the following:

- ▶ Having a culture with dignity and equality
- ▶ Developing our people's skills for the future
- ▶ Looking after our people's health and well-being



D&I

Building a diverse and inclusive workforce

Diversity, equity and inclusiveness are core to who we are and how we work. We hold a collective commitment to foster an environment where all differences are valued, practices are equitable and everyone experiences a sense of belonging – where people are inspired to team and lead inclusively in their interactions every day.

With a diverse workforce, we are better equipped to utilize the power of different opinions, perspectives, knowledge, abilities, and cultural references to help EY clients tackle their toughest challenges. We work with diversity and inclusion continuously in order to give all employees equal conditions for their individual career development and we believe this promotes the highest performing teams. We are convinced that this creates business value and a sustainable organization.

To demonstrate our commitment, the Global Executive (GE), EY's highest leadership body has signed the Global Executive Diversity & Inclusion Statement. Not only does this reinforce that D&I is a key business lever, it also ensures that we hold ourselves accountable for progress, starting with our actions at the top.

We recognize that some parts of our organization have a challenge when it comes to attracting and retaining female professionals and leaders. We are focusing on enhancing the conditions for female employees to grow within all parts of our organization.

Gender balance in business

We know from our recruitment statistics that we hire approximately 50/50 men and women for our more junior ranks. But at senior levels, we see fewer women, and we work to overcome the challenge of retaining our female employees long enough for them to make it to the partner level.

What we measure

Our overall priority to ensure gender equality at all levels is to expand and move forward, and we work to ensure all activities promote the growth of diverse talent pools.

The targets we set are:

- ▶ Promotion rates should be representative of the pool that they are coming from
- ▶ External hiring should not dilute our current talent pools
- ▶ Appoint 30% new female internal partners, yearly
- ▶ Share of direct admit partners should be 50% women

EY is contributing to transparency in gender equality by participating in the SHE Index powered by EY. The SHE Index is a voluntary measurement of how companies perform on gender balance, gender equality policies, and diversity and inclusion. Further, it serves as a catalyst for encouraging companies to focus on gender balance in leadership and workforce, equal compensation and work-life balance. EY received a score of 70 in 2021.



Women in leadership

In FY21, 17 people were promoted to partner level in EY Sweden. Of these promotions, 13 were women. We will continue our efforts in creating a friendly environment for our female leaders to make it to the partner level. Our goal for the coming years is that 30% of internal partner promotions are to be women. We hired two people to join us directly on the partner level, one man and one woman.

In FY21, our share of female partners has increased slightly to 26% (from 25% in FY20). To ensure the optimal foundation for partner promotions among women and a strong pipeline of talent, we continue to work long-term to ensure that more women representation at all levels of our organization, and we are looking more closely into our various actions and programs to ensure progress in this area. In our ranks below partner level, we maintain to see a small increase in FY21. The share of women at the executive director level is 32% (up from 29%), and the share of women among senior managers is 43% (up from 42%).

In FY21, EY Sweden's board had four out of seven members that were women (57%) and in the leadership group Sweden Improvement and Coordination team, four out of twelve members were women (33%).



Gender split total working population including interns

All	2019	2019	2020	2020	2021	2021
Woman	1 504	55%	1 537	53%	1 529	52%
Men	1 252	45%	1 355	47%	1 416	48%
Total	2 756		2 892		2 945	

Gender split leadership (Manager, Associate Director, Partner, Assistant Director & Director)

All	2019	2019	2020	2020	2021	2021
Woman	466	44%	462	43%	523	44%
Men	594	56%	602	57%	665	56%
Total	1 060		1 064		1 178	

FY21 gender split all ranks

Gender split client serving employees

Rank Name	Women Headcount	%	Men Headcount	%	Total Headcount
11-Ptr	46	26%	134	74%	180
13-ED	32	32%	69	68%	101
21-SM	155	43%	203	57%	358
32-Mgr	239	52%	225	48%	464
42-Sr	482	60%	323	40%	805
44-Stf/Asst	407	50%	408	50%	815
51-Intern (CS)	10	50%	10	50%	20

Gender split CBS

	Women Headcount	%	Men Headcount	%	Total Headcount
Director	6	55%	5	45%	11
Associate Director	11	55%	9	45%	20
Assistant Director	34	77%	10	23%	44
Supervicing Associate	29	76%	9	24%	38
Senior Associate	45	90%	5	10%	50
Associate	20	80%	5	20%	25
Admin Entry / Intern	13	93%	1	7%	14



Fair representation in promotions

We work to reflect fair representation in promotion rates, so we ensure the strongest possible talent pool for promotions to the partnership. Therefore, we set female promotion targets to ensure that promotion rates are representative of the pool that they are coming from. In FY21 we exceeded the target on female promotions to Partner and we were close to target in the other ranks.

Total promotions per gender

All	2019	2019	2020	2020	2021	2021
Woman	265	55%	203	45%	314	53%
Men	215	45%	246	55%	276	47%
Total	480		449		590	





Differences make all the difference. If we can create a work environment where people feel they can be accepted for who they are, we know it will ultimately lead to better results for our clients, and better experiences for our people.

Karyn Twaronite
EY Global Vice Chair - Diversity & Inclusiveness

Promotions per gender and rank

Rank Name	Women FYTD Promotions	%	Men FYTD Promotions	%	Total FYTD Promotions
2019	265	55%	215	45%	480
11-Ptr	5	42%	7	58%	12
13-ED	5	50%	5	50%	10
21-SM	27	45%	33	55%	60
32-Mgr	71	53%	64	47%	135
42-Sr	157	60%	106	40%	263

Rank Name	Women FYTD Promotions	%	Men FYTD Promotions	%	Total FYTD Promotions
2020	203	45%	246	55%	449
11-Ptr	3	18%	14	82%	17
13-ED	4	29%	10	71%	14
21-SM	31	46%	36	54%	67
32-Mgr	45	46%	53	54%	98
42-Sr	120	47%	133	53%	253

Rank Name	Women FYTD Promotions	%	Men FYTD Promotions	%	Total FYTD Promotions
2021	314	53%	276	47%	590
11-Ptr	13	76%	4	24%	17
13-ED	11	35%	20	65%	31
21-SM	45	51%	43	49%	88
32-Mgr	72	50%	73	50%	145
42-Sr	173	56%	136	44%	309

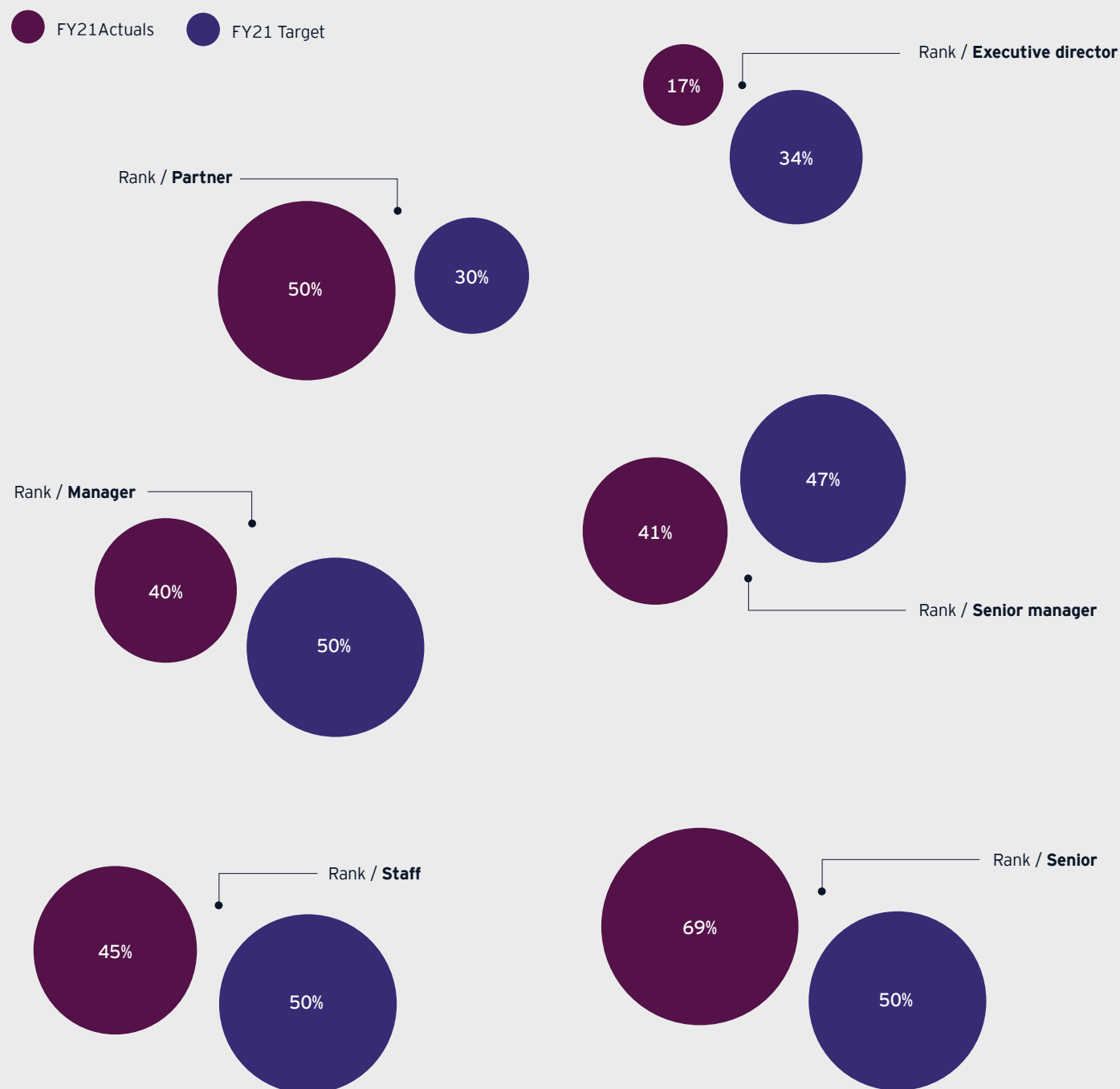
*Promotion targets exclude CBS as they operate with a different set of ranks and promotion process.

No dilution in recruitments

In recruitments, we work toward ensuring no dilution, which means that external hiring should not dilute our current talent pools. To ensure that new recruitments support the targets in diversity and integration we have set Nordic female recruitment targets for each rank. Considering our top four

ranks where we need to improve gender balance the most, we note that we on partner level surpassed our target this year, however on executive director, senior manager and manager level we did not reach our targets.

Female recruitment targets per rank versus actuals





Recruitments per gender

Hires	2019		2020		2021	
	Hires	%	Hires	%	Hires	%
Men	345	46%	366	52%	308	53%
Women	407	54%	342	48%	276	47%
Total	752	100%	708	100%	584	100%



EY is an attractive employer for business students, STEM students and professionals alike. In our communication to potential employees, we work to promote that at EY we offer equal opportunities for men and women and that we seek to attract more young women to our business. We know that our recruitment efforts are an important means to meet our goal and therefore, we set targets for the share of women we hire to ensure that external hires do not dilute our talent pools.

Activities to support more female leaders

■ Stronger process for parental leave and re-entry

Balancing family and work can be challenging, and we seek to ensure a strong process for re-entry after maternity or paternity leave, which experience shows us is a difficult transition, especially for women. We have set up conversation guides that include suggested conversation topics, such as workload and tasks, ambitions and suggested times for

follow-up conversations. We have set up dedicated Teams calls to share relevant data and inspiration for improving conversations between employees and their counselor and manager.

Through the Family Transition coaching program, we offer to coach employees in Denmark, Finland, Norway and Sweden before, during and after their parental leave. The purpose is to increase retention and support career progression for employees during their transition to becoming a parent. The program consists of six coaching sessions held by people from the Talent team, who have completed a certain level of coaching training. Candidates can be nominated by the service line leadership or by self-nomination. In 2020-21, four candidates in Sweden have attended the program and we are continuously educating more coaches which will increase our capacity in the coming years.



■ Career watch

A program where women are offered a sponsor who contributes and exchanges experiences so that the participant broadens their network, and gets perspectives that lead to both personal and professional development.

■ Navigator workshops

Workshops targeted at women around senior or managerial level on career development, focusing on work-life balance, personal branding, self-awareness, etc.

■ Professional Women's Network

EY also has an internal network for women, which provides the conditions for exchanging experiences and networking.

■ Unconciouse bias training

Ongoing unconscious bias training workshop for partners and leaders.

■ Sustainable and diverse partner pipeline

Workshops and events within the Consulting to encourage a pathway to partner level for all employees, including a special focus on pathways for women.

We also had a number of specific programs in place during FY21 to help future female candidates reach their full potential, guiding them through the transition from being a student to becoming a young professional, including:

- ▶ “Women in Consulting – Your Mentorship Programme”, which aims to inspire more female students to choose a career in management consulting through quarterly meetings, social events and mentoring.
- ▶ “Women in Transactions”, which focuses on physical activity and networking.
- ▶ “Women in Audit” was introduced in 2021 - a network for female students considering a career path in auditing with individual mentor sessions with female EY mentors and network activities.
- ▶ “Women in Tech”, where EY is a core partner to this event. “Techies” are gathered in several lectures and workshops to explore relevant themes decided upon each year. During Women in Tech 2021, sustainability, 5G and service design were the focus areas to discussing new innovations and highlighting female role models and the many career opportunities that exist in the technology industry.



Age breakdown

Approximately 38% of EY Sweden's employees are under 30 years old.

Many employees come to EY during their studies or just after graduating or at the early stages of their careers. As an

employer of entry-level employees, we have a responsibility to ensure that our employees are developed and equipped with hard and soft skills, which will provide a successful working future. We do this by focusing on our employees' skills and career development and their well-being in the face of sometimes challenging workloads.

Total Age breakdown

Rank Name		%
Under 30	1112	38%
30-50	1508	51%
Over 50 years	325	11%

Age breakdown per rank for client serving employees

Rank Name	Under 30	30-50	Over 50 years
Partner/Principal	0%	68%	32%
Executive Director	0%	53%	47%
Senior Manager	1%	88%	11%
Manager	8%	81%	12%
Senior	48%	47%	5%
Staff/Assistant	81%	18%	2%
Intern (CS)	95%	5%	0%

Age breakdown per rank for CBS employees

Rank Name	Under 30	30-50	Over 50 years
Director	0%	64%	36%
Associate Director	0%	65%	35%
Assistant Director	2%	73%	25%
Supervising Associate	0%	47%	53%
Senior Associate	2%	62%	36%
Associate	32%	40%	28%
Admin Entry/ Intern CBS	36%	43%	21%

Employment contract and type

Most of our employees work on a full-time permanent contract. However, we also have employees on temporary and part-time contracts.

As an example, many of our employees first start working with us as trainees and usually the trainee contract is temporary. After the trainee period is over, many of our trainees continue working with us on a permanent contract.

As many of our employees are quite young, some of them are still students. Many of our employees that have not graduated yet work with part-time contracts as they continue their studies.

EY has joined Almega Tjänsteföretagen and signed "Kollektivavtal för Revisions-och konsultföretagen" with Unionen and Akademikerförbunden. This collective bargaining agreement applies to the majority of employees.

Employment contract and type

Contract Type	2019		2020		2021	
	Headcount	%	Headcount	%	Headcount	%
Full-Time	2 656	95%	2 744	94%	2 832	96%
Part-Time	134	5%	172	6%	113	4%
Grand Total	2 790	100%	2 916	100%	2 945	100%



Pay equality

It is the individual employees' role, competencies, level of experience, efforts and performance that dictates the pay level. All employees are part of the same individual follow-up system and performance assessment process where we make sure to align employees in comparable roles.

In the table below, you can see the average pay level for men and women in different ranks.

We hire young people at entry-level at the exact same pay level regardless of gender and monitor statistics or data to ensure comparability throughout the entire career. Differences in pay level exist as a natural result of variations in education, experiences, performance, efforts and role in the company. We work actively to assure that the differences in pay level are not a question of gender, ethnic background or any other discriminating factors. Differences in working hours also have an effect.

Of our 2945 employees in EY Sweden, 96% are working full-time and 4% part-time. Choosing to work part-time is entirely voluntary. All employees are hired for full-time positions, but can choose to apply to work part-time, temporarily or permanently as he or she should desire.

Pay equality per gender

% of average Salary	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Executive Director/Director	94%	103%	96%	102%	95%	104%
Senior Manager	96%	103%	96%	103%	96%	104%
Manager	97%	104%	97%	104%	98%	104%
Assistant manager	97%	109%	97%	109%	97%	121%
Senior Associate	98%	103%	98%	104%	100%	94%
Associate	98%	102%	99%	101%	102%	89%
Assistant Associate	100%	94%	100%	101%	100%	102%

* The salaries are reported in pay grades that are consistent for client serving employees and CBS

Human rights and labor

At EY, we believe upholding human rights is fundamental to our purpose of Building a better working world, and in 2021, we signed a Human Rights Statement on global level to demonstrate our commitment to uphold and promote human rights.

The EY Global Code of Conduct, which is anchored in our core values and beliefs, provides the ethical and behavioral framework to guide the business decisions we make every day. Our Global Human Rights Statement builds on our Code to reflect our understanding of the fundamental rights of all human beings and our commitment to promote respect for those rights.

We draw our understanding of these rights from the Universal Declaration of Human Rights, its related treaties and declarations, and the broader ethical reasoning behind their development. Our approach to respecting and upholding human rights is informed by the United Nations Guiding Principles on Business and Human Rights, which, among other things, state that businesses have a responsibility to:

- ▶ Avoid causing or contributing to adverse human rights impacts through their own activities, and to address such impacts when they occur
- ▶ Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts

In addition to avoiding and mitigating potential harm, we seek to proactively support and promote human rights for the wider benefit of the communities in which we operate. Our objective is to enhance the awareness and consideration of human rights across the EY network in the interests of all EY people and those with whom they interact.

The rights of all EY people

We are committed to upholding the human rights of EY people. Specifically, we strive to respect the following human rights, in accordance with the EY Global Inclusion and Non-Discrimination policy, that we have identified to be most salient to EY people and in our work environment:

- ▶ Health and safety – The right of all people to enjoy a physically and psychologically safe work environment
- ▶ Labor rights – The right of all people to just and favorable terms of employment
- ▶ Diversity, equity and inclusiveness – The right of all people to be respected and valued for their differences, with equitable opportunities and outcomes, in an inclusive environment where all can thrive.

Impact of client engagements

As a professional services organization, we recognize our role in the communities in which EY member firms operate. EY member firms consider not only whether they can perform an engagement, but whether they should perform that engagement. While the specific role of EY may be complex and indirect, it can still be consequential, and we have a responsibility to better understand how our services, and the clients receiving them, interact with human rights and the public interest at an individual and systemic level.

Rightholders in our supply chains

Our responsibility to respect human rights extends beyond the direct operations of EY member firms into their supply chains, where we seek to influence the broad adoption of labor rights and maintain an active view of the human rights performance of our direct and indirect suppliers. In accordance with the EY Global Supplier Code of Conduct, this includes taking steps to understand the risks of human rights violations in our supply chains, validating our assessment through supplier engagement, and supporting suppliers to reduce risk and remediate adverse human rights impacts.

All main suppliers for EY Sweden are required to sign our Supplier Code of Conduct, and everyone did so in FY21.

Employee health and well-being

Finding the right work-life balance

Achieving the right work-life balance can be a significant challenge in today's society. We work to build resilience and support our people and leaders in achieving a greater balance between career and private life while minimizing stressful working situations.

This work is central to ensure that our people's performance is consistent and excellent and meets the high expectations of our clients in a competitive environment. We are very aware of the need to smartly manage the talent and energy of our people. By adding well-being as one of the key traits of our transformative leadership model, we take this work a step further.

Our employees' daily work consists mostly of performing high-cognition tasks in an office- or home-based environment, producing solutions for our clients using technology, and attending client meetings in person or online. Therefore, the main health challenges are related to musculoskeletal issues (caused by computer work) and mental health-related issues (caused by high workloads and demands of the industry).

Although we cannot measure sick leave that may be stress-related, we work to avoid mental deterioration and to reduce stress by:

- ▶ Creating a physical, mental and socially healthy workplace that promotes development for all employees, where the risk of occupational injuries and occupational illness are prevented. We do this by monitoring working hours, through counselor-counselee conversations and awareness sessions.
- ▶ To ensure the physical health of our employees, we offer home office equipment to ensure good ergonomically correct working conditions when working from home. We offer sports facilities, employee sports clubs and healthy food in our canteens. We have increased the wellness allowance for our employees from SEK2,000 to SEK5,000, which is the maximum allowed limit according to the Swedish Tax Agency. We have introduced an app with short physical exercises to avoid (especially) back and neck pain. In the office, all our workstations comply with health and safety regulations.
- ▶ We have compiled well-being checklists for counselors and supporting materials such as signs to be aware of, tips on how to reduce the risk of stress, an overview of how to report sick leave and information on how to send in time reports on behalf of counselees. We have also developed and talked about roles and responsibilities.

Listening to our people

In March 2020, our People Surveys went from being conducted annually to being carried out in shorter “pulses” on a quarterly basis to allow for flexibility in questions and timing in the surveys and at the same time allow us to stay updated on our people’s well-being on a more recurring basis.

For employee well-being, we especially focus on two measures in our People Surveys:

Continuous increase in Engagement Index level (currently 72%)



80% of our people say they have an exceptional experience at EY by 2025 (currently at 67%)

Health and safety committee

At EY, we have a Health and Safety Committee, whose mission is to promote and further advance safety and well-being at work. The committee is elected for a two-year period at a time. It regularly gathers to discuss topics requiring special attention and brings forward the issues raised by employees in the organization and to the management.

Occupational health care and insurance

EY complies with an early caring model for maintaining and enhancing our employees' competence and work capacity. Managers are provided with training in the model that aims to recognize risks related to work ability (i.e., physical conditions, work overload, stressful life situations) in the early stages by regularly following sickness absence.

EY employees in Sweden are covered by a pension scheme which includes pension savings and various forms of insurance cover to help them and their families in the event that their health fails.

EY's extensive insurance package aims to cover the health and safety of all employees in the work environment as well as in free time. The package includes occupational injury insurance, labour market no-fault liability insurance (TFA - Trygghetsförsäkring vid arbetsskada), and travel insurance for domestic and international work travel.

As we are a professional services firm, we have very few accidents. The most common causes of accidents are "fall, slip and trip" and it very seldom lead to lost time accidents or injuries (LTA/LTI).

Training provided

At EY, it is our people who deliver exceptional client services. It is our people who make EY a great place to work and have successful careers. We want to inspire and motivate our people, not only through learning, experience and coaching, but also by building strong relations and lasting networks across service lines and countries. This helps them form a lasting foundation for successful career, development and growth.

	FY19	FY20	FY21
Avg hours of training per FTE	50	42	54

	FY19	FY20	FY21
Sickness absence rate	2.5%	2.3%	2.5%
Long-term sickness absence rate*	57.8%	52.0%	61.9%

**Sickness absence rate of 60 days or more as percentage of total sickness absence rate. The overall sickness absence rate has not increased, however the long-term sickness absence rate has increased significantly. This is of high concern and evaluation is ongoing. The COVID-19 pandemic is likely to be related to the effect.*

Developing the skills of the future

In today's quickly changing world, it's more important than ever for EY people to never stop learning. We invest in our people to help them build the right skills and experiences. Staying relevant keeps them ahead in the market and drive delivery of exceptional client service, helping our clients to have sustainable and inclusive growth.

Today, we have a unique opportunity, by mixing virtual and traditional learning, to create new, hybrid learning experiences across new technological mediums. In FY21, we provided our people in Sweden with 156 718 hours of formal learning. Moreover, our people also receive external training, complemented by coaching. The total learning investment in FY21 amounted MSEK 12.

The total learning investment in FY21 is significantly lower than previous years, which is partially due to the COVID-19 pandemic and also to us making better use of the global education material in the form of our global badge program described below. We note that the amount of training hours per employee has gone up from 42 hours in FY20 to 54 hours in FY21. We are expecting investments in learning and development to go up as we are hosting learning conferences again.

	FY19	FY20	FY21
Investments in learning (KSEK)	45 504	42 133	11 958

We are increasingly investing in learning and encourage our employees to develop new "hot skills". We have more than 230 externally acknowledged and validated short training programs and certificates called EY badges. EY Badges are awarded at learning, bronze, silver, gold and platinum levels, covering industry sectors, digital, analytics, blockchain, AI, cybersecurity and transformative leadership. Our Swedish employees were awarded 210 EY Badges in FY21 through this online learning platform.

Enabling better conversations

Formal learning forms a baseline that is complemented and enhanced through mentoring, coaching and daily work experience. A couple of years back, EY launched the LEAD process to ensure that people are frequently given feedback.

The LEAD process assures that every employee has, at least three times a year, a conversation with their counselor to discuss their career aspirations, feedback and the development needs.

As part of NextWave EY also launched an opportunity for EY's employees to complete an MBA degree. EY offers EY Tech MBA, available free of cost to EY employees. This Executive MBA debuted in July 2020 and is awarded by the fully accredited Hult International Business School.

At EY, formal learning is the baseline, complemented and enhanced by coaching, mentoring and the right work experiences. All professionals get a minimum of 120 learning hours during a three-year period and the necessary number of hours needed to obtain and keep their professional certifications.

Discrimination and harassment incidents

Unethical behaviors we phrase it in EY – even by a few – has a negative impact on our culture, reputation and attractiveness as an employer as well as our credibility as a service provider.

EY has a zero tolerance for unethical behavior, and sanctions will mirror the gravity of the offence. This is reflected in our Global Inclusion and non-discriminatory policy.

At EY, all partners and employees have a personal obligation to speak up if they ever observe behavior that they believe does not live up to the principles in our Code of Conduct, and the Leadership team will act on any reports based on legitimate concerns that should be investigated.

One case is one too many, but our concern is also the cases which we may not learn about. This is why we communicate about our policies and how to report incidents as well as offer training for our people and leaders. We have also established a Nordic Ethics Board who handles reports.

Evaluation

We have evaluated our management approach to diversity & inclusion, employee competence/ development, employee well-being and social conditions. Like many other organizations, 2021 has been a different year with new challenges due to the COVID-19 pandemic. At the same time EY Nordics went through a significant organizational and digital change which impacted the employees. We think the leadership has shown ability to be agile and meet the unplanned demands of the organization and at the same time keep a drive ahead, including work on diversity & inclusion and learning.

With EY Badges, our people can gain digital credentials in future-focused skills, such as data visualisation, data science, design thinking, cybersecurity, artificial intelligence and much more to help clients navigate what's next.



Prosperity

Businesses have impacts on, and benefit from, economic and social prosperity in myriad ways and it is widely recognized that businesses cannot succeed in a failing society. Furthermore, a company's value is increasingly reflected in the off-balance sheet intangible assets and value drivers associated with economic and social prosperity.

To demonstrate our commitment to building strong, transformative and inclusive economies for the long term, in line with the SDGs, we use these three interrelated themes from the existing reporting standards and framework landscape to help to distinguish the most important aspects of prosperity

- Employment and wealth generation
- Innovation of better products and services
- Community and social vitality

Absolute number and rate of employment

The total number of employees in FY21 was 2 945. The total hires by gender were 276 female hires (48%) and 308 male hires (53%). The turnover rate was 16%, and the turnover rate by gender was 19% for female employees and 16% for male employees.

Turnover (12 month rolling)

Gender	2019*	2020*	2021
Men	18,4%	16,3%	16,0%
Women	17,8%	18,2%	16,1%
Grand Total	18,0%	17,3%	16,1%

* The turnover numbers in the FY20 report were slightly higher, however this was due to using a point in time estimate instead of 12 month rolling average.



Economic contribution

EY Sweden contributes economic value to society through job creation and our services to build a better working world. Additionally, EY Sweden contributes to the funding of public services through tax payments. Please see more in EY's annual report and financial statement on our contributions.

EY Sweden's revenue increased by 9% in FY21 compared to FY20. Please see more in EY's annual report and financial statement on our contributions.

Community contributions have been defined to include donations made to HEART 17, Hello World! and research grants to Stockholm School of Economics.

Investing in innovation

Over the last three years, EY globally made investments of US\$8b and has committed to an expanded investment spend of US\$10b over the next three years, an increase of 25%.

The investment spend is being made in vital areas such as audit quality, transformation, technology and people and will continue to help EY clients, EY people and communities innovate and transform.

As a professional service organization, our innovation efforts extend beyond the traditional research and development definition; instead, our investments in developing better products and services to serve clients and EY people better captures the current focus on innovation.

In the Nordics we launched SALLY an innovation studio focused on sustainable business actions in December 2020.

Social value generated

With EY's corporate volunteering program, EY Ripples, we give our people the opportunity to use their core business capabilities to make a difference.

We have created EY Ripples because we believe business has an important role to play in tackling society's toughest challenges and to foster sustainable inclusive growth, EY Ripples mobilizes EY people, tapping into our unique skills and knowledge to achieve a long-term vision: to positively impact one billion lives by 2030 globally.

Through EY Ripples, we apply our skills and experiences where they can make the biggest difference – we use our skills in new contexts, take on stretch assignments and practice broader competencies than might typically be required in our day-to-day roles. EY Ripples is focused on supporting the next generation workforce, working with impact entrepreneurs and accelerating environmental sustainability. We believe these are the best ways to use our skills to help overcome the biggest challenges facing our planet – as framed by the UN SDGs.

For FY21, our Nordic goal was to engage 5% of our people in volunteering projects. However, with the corona virus and lockdown in the spring of 2020, we had to cancel or put initiatives on hold, while we managed to convert other initiatives to an online format. This disruption of the program meant that we only managed to engage 53 of EY Sweden's people in Ripples activities in FY21, estimated to have impacted 31 000 lives across the three focus areas.

For FY22, we committed to engaging more employees as participants in EY Ripples activities, contributing to our global ambition of impacting 1 billion lives through EY Ripples in 2030.

Evaluation

We have evaluated our management approach to job creation, economic growth through paid taxes and corporate responsibility actions. Overall, we had a revenue increase on 9% in 2021 compared to 2020, and 508 new hires during the year. In addition, 5% of our people spent time on EY Ripples. We are pleased with our contribution during 2021, and with the impact COVID-19 had on FY21 for the whole business we consider our management approach to have proven agile and able to meet the demands and opportunities we faced during the financial year.

Reporting principles

Framework and reporting metrics

This sustainability report contains general information about EY's economic, social and environmental operations FY2021, between July 1st, 2020 and June 30th 2021. We report on a yearly basis and our reporting cycle is our fiscal year, thus from June to July. The report references the WEF-IBC Stakeholder Capitalism Metrics, developed in cooperation with Deloitte, EY, KPMG and PwC (2020) and the "core" option of the GRI Standards. In addition, we report on climate risk in accordance with the TCFD framework.

We also aligned with the concept of double materiality. Compared to prior year, we have aligned our Nordic reporting and created a Nordic reporting template that all our Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) apply. This is our first report that is aligned with WEF-IBC Stakeholder Capitalism metrics. Our last report FY20 (reporting period 1.7.2019 - 30.6.2020) was approved 4.11.2020. We do not have any restatement to our previous report.

The report is not externally assured but verified by EY's Climate Change & Sustainability Services.

Metrics that we do not include in our report:

This may be constrained by our inability to track information, where we run into complex privacy and data-protection challenges related to our structure, or in cases where a measure will not tell our stakeholders meaningful information about our organization or where disclosing information could expose us to greater risks. While our aim is to always report over a three-year retrospective period, in instances of new disclosures where we are collecting data for the first time we will initially report just one year and build up to three years in subsequent reports: Our aim is to increase what we disclose whenever we can, and in current sustainability report we disclose 21 of the 21 core metrics and 7 of the 34 expanded metrics.

WEF - IBC and GRI Index

All referenced disclosures and metrics are listed below. In the report, we have included the most material KPIs and metrics for EY.

Planet calculation principles

Electricity:

We have actual electricity consumption figures for our offices in Stockholm, Gothenburg & Malmö. We have calculated the consumption per person and then used that to make an estimate for total consumption in EY Sweden based on FTEs and calculated an estimate of emissions using the calculated estimate of total consumption.

Emission factors used:

Electricity market-based: we have used 0 as our electricity has been green for the whole 3-year reporting period.

Electricity location-based: AIB European production mixes 2019 and 2020 (the factors are only CO₂, not including equivalents).

District heating:

We have actual heating consumption figures for our offices in Stockholm (Jakobsbergsgatan) & Malmö. We have calculated the consumption per person and then used that to make an estimate for total consumption in EY Sweden based on FTEs and calculated an estimate of emissions using the calculated estimate of total consumption.

Emission factors used:

District Heating market-based: Stockholm Exergi's 2019 & 2020 factors (the factors are CO₂ equivalent).

District Heating location-based: Swedenergy - Energiföretagen Sverige 2020 factor (the factors are CO₂ equivalent).

Business travel:

Air: We have used the DEFRA 2019, DEFRA 2020, DEFRA 2021 factors for Business travel air equivalent to each year. (the factors are CO₂ equivalent)

Car: We have used the DEFRA 2019, DEFRA 2020, DEFRA 2021 factors for Business travel land and calculated an average factor for each year. (the factors are CO₂ equivalent)

Since our data is only mileage and we do not know the type of fuel used in cars (gas, diesel, electric etc), we used the factors for the unknown fuel type. We also do not know the type of car used (whether the car is small or big SUV) we have calculated an average emission factor for any type of car used.

Reporting principles

■ **Train:** Train emission data is received directly from the rail company SJ. This data is only CO2 (not including equivalents).

■ **Waste:**

We have actual waste amounts for our offices in Gothenburg, Malmö & Stockholm. We have calculated the amount of waste per person and then used that to make an estimate for total amount of waste in EY Sweden based on FTEs and calculated an estimate of emissions using the calculated estimate of total amount of waste.

Emission factors used: WWF Climate Calculator factors - International 2018. (factors are CO2e).



WEF- IBC index

WEF Metric	Core (C) / Expanded (E)	Source (header, page number)	Reporting / omission
Principles of Governance			
Setting purpose	C	Principles of Governance, page 50	
Governance body composition	C	Global governance page 44, Nordic & Swedish governance pages 45-48	
Material issues impacting stakeholders	C	Contributing through stakeholder engagement, pages 20-22	
Anti-corruption	C	Anti-corruption and bribery, page 52	
Protected ethics advice and reporting mechanisms	C	Business ethics and integrity, pages 48	
Integrating risk and opportunity into business process	C	Risks and opportunities, pages 26-30	
Purpose-led management	E	Global governance page 44, Nordic governance pages 44-48, Principles of Governance, page 50	
Planet			
Greenhouse gas (GHG) emissions, TCFD implementation	C	GHG emissions, page 58	
TCFD implementation	C	Sustainability governance page 45, Risks and opportunities, pages 26-30, Task Force on Climate related Financial Disclosures (TCFD) page 57, GHG emissions, page 58	
Land use and ecological sensitivity	C		Not applicable to EY since EY does not have sites at any adjacent to protected areas or KBAs.
Water consumption and withdrawal water-stressed areas	C		Water withdrawal in water-stressed areas not applicable as our water consumption is quite low and we do not operate in water-stressed areas
Paris-aligned GHG emission targets, Impact of GHG emissions	E	Planet page 56, GHG emissions page 58	
Single-use plastics	E	Waste management, page 62	Reducing use of single-use plastic during eventss is a key target in EY Sweden's updated environmental management system set-up in March to June 2021
People			
Diversity and inclusion	C	Diversity and inclusion, pages 68-80	
Pay equality (%)	C	Pay equality, page 80	
Wage level %	C		Sweden doesn't have a standard minimum wage and thus this indicator doesn't apply. EY's new hires for entry-level positions are university students or recent graduates and thus the EY entry-level wage is higher than in low-wage sectors.
Risk for incidents of child, forced or compulsory labour	C	Human rights and labour, page 81	
Health and safety	C	Employee health and wellbeing, pages 81-84	
Training provided	C	Training provided, page 83	
Employee well-being	E	Employee health and wellbeing, pages 81-84	

WEF- IBC index

WEF Metric	Core (C) / Expanded (E)	Source (header, page number)	Reporting / omission
Prosperity			
Absolute number and rate of employment	C	Absolute number and rate of employment, page 86	
Economic contribution	C	Economic contribution, page 88	
Financial investment contributions	C	Investing in innovation, page 88	
Total R&D expenses	C		Not available for FY21, to be included in FY22 report
Total tax paid	C	Economic contribution, page 88, Financial statement	
Infrastructure investments and services supported	E	Investing in innovation, page 88	
Significant indirect economic impacts	E	Social value generated, page 88	
Social value generated	E	Social value generated, page 88	
Reporting core metrics	21		
Reporting expanded metrics	7		

GRI index

GRI Metric	GRI Description	Source (header, page number or Web page)	reporting / omission
Organizational profile			
102-1	Name of the company	Who we are, page 4	
102-2	Activities, brands, products, and services	Creating long-term value, page 10-19	
102-3	Location of headquarters		Stockholm
102-4	Location of operations		50 offices in Sweden
102-5	Ownership and legal form	Global governance, page 42	
102-6	Markets served	Creating long-term value, page 10-19	
102-7	Scale of the organization	Prosperity, page 86-88, Financial statement	
102-8	Information on employees and other workers	Employment contract and type, page 79	
102-9	Supply chain	Responsible supply chain, page 64	
102-10	Significant changes to the organization and its supply chain	There are no significant changes in our supply chain compared to previous years	
102-11	Precautionary Principle to the approach	Planet, page 56	
102-12	External initiatives	Contributing though stakeholder engagement, page 20-21	
102-13	Membership of associations	Contributing though stakeholder engagement, page 20-21	
Strategy			
102-14	Statement from senior decision-maker - CEO letter	CEO letter, page 7	
102-15	Key impacts, risks and opportunities	EY's impact on society, page 32 and Risks and opportunities, page 26	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	Create long-term value, page 10-11	
102-17	Mechanisms for advice and concerns about ethics	Business ethics and integrity, page 48	
102-26	Role of highest governance body in setting purpose, values and strategy	Create long-term value, page 10-11	
Governance			
102-18	Governance structure	Principles of Governance page 42-45	
102-22	Composition of the highest governance body and its committees	Principles of Governance page 42-48	
Stakeholders			
102-40	List of stakeholder groups	Contributing though stakeholder engagement, page 20-22	
102-41	Collective bargaining agreement	Employment contract and type, page 79	
102-42	Identifying and selecting stakeholders	Contributing though stakeholder engagement, page 20-22	
102-43	Approach to stakeholder engagement	Contributing though stakeholder engagement, page 20-22	
102-44	Key topics and concerns raised	Contributing though stakeholder engagement, page 20-22	
Reporting practice			
102-45	Entities included in the consolidated financial statements		Reference is made to Financial statement
102-46	Defining report content and topic Boundaries	Reporting principles, page 89	

GRI index

GRI Metric	GRI Description	Source (header, page number or Web page)	reporting / omission
102-47	List of material topics	EY's impact on society, table of impact topics, pages 32-33	
102-48	Restatements of information	Reporting principles, page 89	
102-49	Changes in reporting	Reporting principles, page 89	
102-50	Reporting period		1.7.2020 - 30.6.2021
102-51	Date of most recent report		November 2020
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report	Contact persons, page 99	
102-54	Claims of reporting in accordance with the GRI Standards	Reporting principles, page 89	
102-55	GRI content Index	WEF - IBC and GRI Index, page 92-97	
102-56	External assurance		The report is not externally assured.
People			
103-1/2/3	Management approach	103-1 and 103-2: People, pages 66-69, Sustainability governance, page 45, Value creation model, page 11, Risk and opportunities People page 29; 103-3: Evaluation, page 84	
403-1	Occupational health and safety management system	Occupational health care and insurance, page 83	
403-2	Hazard identification, risk assessment, and incident investigation	Employee health and well-being, pages 81-82	
403-3	Occupational health services	Occupational health care and insurance, page 83	
403-4	Worker participation, consultation and communication on occupational health and safety	Health and safety committee, page 83	
403-5	Worker training on occupational health and safety	Occupational health care and insurance, page 83	
403-6	Promotion of worker health	Employee health and wellbeing, pages 81-83	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee health and wellbeing, pages 81-83	
403-10	Work-related ill health	Employee health and wellbeing, pages 81-83	Omission - Specific legal prohibitions. It is not allowed to ask for information on why employees have absence due to illness. Point c on work-related hazards are covered in the text.
404-1	Average hours of training per year per employee	Training provided, page 83	Omission - information unavailable for FY21. Our learning platform currently does not have the opportunity to take out reports to split the results in gender and employee category.

GRI index

GRI Metric	GRI Description	Source (header, page number or Web page)	reporting / omission
404-2	Programs for upgrading employee skills and transition assistance programs	Training provided, page 83-84	
404-3	Percentage of employees receiving regular performance and career development reviews	Training provided, page 83-84	
405-1	Diversity of governance bodies of employees	D&I, pages 68-71, Member of the Swedish board, pages 46-47	
405-2	Ratio of basic salary and remuneration of women to men	Pay equality, page 80	
408-1	Operations and suppliers at significant risk for incidents of child labor	Human rights and labour, page 81	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human rights and labour, page 81	
Planet			
103-1/2/3	Management approach	103-1 and 103-2: Planet, pages 54-57, Sustainability governance, page 45, Value creation model 11, Risk and opportunities Planet page 28; 103-3: Evaluation, page 66	
302-1	Energy consumption within the organization	Offices and buildings, page 60	
305-1 305-2 305-3	Direct (Scope 1) GHG emissions	GHG emissions; page 58	
305-2	Energy indirect (Scope 2) GHG emissions, Reporting principles page 89	GHG emissions; page 58	
305-3	Other indirect (Scope 3) GHG emissions, Reporting principles pages 89-90	GHG emissions; page 58	
305-5	Reduction of GHG emissions	GHG emissions; page 58	
306-1 (2020)	Waste generation and significant waste-related impacts	Waste management, pages 62-63	
306-2 (2020)	Management of significant waste-related impacts	Waste management, pages 62-63	
306-3 (2020)	Waste generated	Waste management, pages 62-63	
Prosperity			
103-1/2/3	Management approach	103-1 and 103-2: Prosperity, pages 86-88, Sustainability governance, page 45, Value creation model 11, Risk and opportunities Prosperity page 30; 103-3: Evaluation, page 88	
401-1	New employee hires and employee turnover	Absolute number and rate of employment, page 86	
201-1	Direct economic value generated and distributed	Economic contribution, page 86, & Financial statement	
202-1	"Ratios of standard entry level wage by gender compared to local minimum wage "		Sweden doesn't have a standard minimum wage and thus this indicator doesn't apply. EY's new hires for entry-level positions are university students or recent graduates and thus the EY entry-level wage is higher than in low-wage sectors.

GRI index

GRI Metric	GRI Description	Source (header, page number or Web page)	reporting / omission
202-2	Proportion of senior management hired from the local community		EY has a local management in each country and thus most of the senior management of each country are from the local community.
203-1	Infrastructure investments and services supported		No infrastructure investments made during reporting year.
203-2	Significant indirect economic impacts		One of our largest indirect economic impact is through job creation. Due to the nature of the work in our industry, our employees are educated and well paid. Thus, our employees pay more taxes and can support their families and spend more on local communities. We also support local communities for example through our charity work through EY Ripples.
204-1	Proportion of spending on local suppliers		This information is not available per 2021. We will prepare the reporting for this indicator next year
205-1	Operations assessed for risks related to corruption	Anti-corruption and bribery, page 52	
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption and bribery, pages 52 and 53	
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption and bribery, page 52	
419-1	Non-compliance with laws and regulations in the social and economic area	Anti-corruption and bribery, page 52	
206-1	"Legal actions for anti-competitive behavior, anti-trust, and monopoly practices"	Anti-corruption and bribery, page 52	
207-1	Approach to tax	Economic contribution, page 86, Financial statement	

Auditor´s report on the statutory sustainability report

To the general meeting of the shareholders in Ernst & Young AB, corporate identity number 556053-5873.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2020-07-01 - 2021-06-30 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, November 25 2021

Crowe Osborne AB

Thomas Gustavsson
Authorized Public Accountant

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