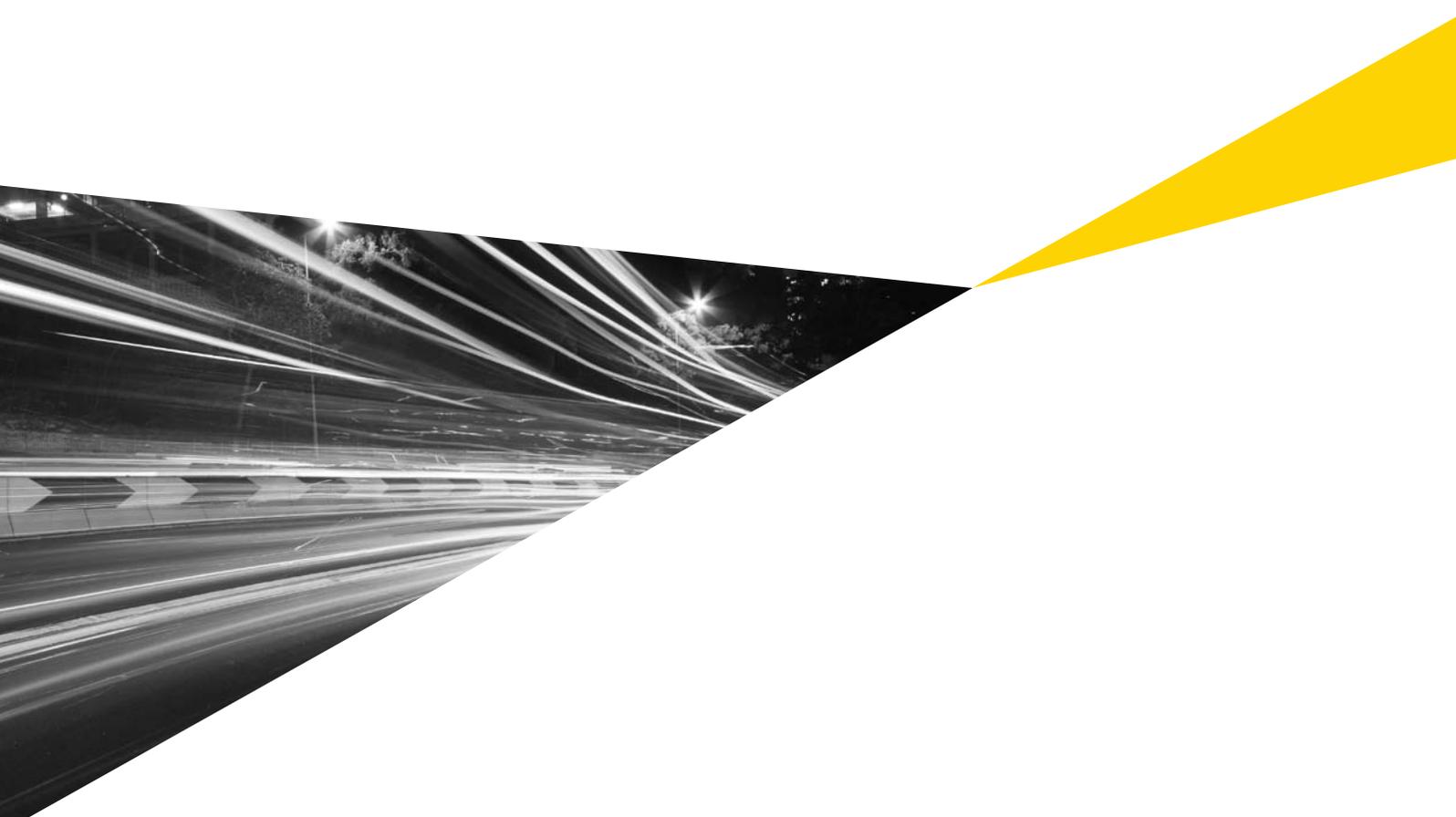


# United Nations Global Compact

Communication on Progress  
2012



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The Communication on Progress 2012 provides brief highlights of actions that Ernst & Young is taking on a global basis to address UNGC principles on human rights, labor, the environment and anti-corruption.

Throughout the report, examples of actions that address UNGC principles in specific countries are provided. For more details on our efforts in countries around the world and additional actions demonstrating how we act on the UNGC principles, please go to our website: [www.ey.com](http://www.ey.com)

# Ernst & Young

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Ernst & Young is a global leader in professional services. Worldwide, our people in more than 140 countries are united by our shared values and an unwavering commitment to quality.

Globally, we provide services across four service lines – assurance, advisory, tax and transaction advisory – in 16 global industry sectors.

Our combined global revenues were US\$24.4 billion for the financial year ended 30 June 2012, compared with US\$22.9 billion in 2011. We've grown our headcount to 167,000 – an increase of nearly 15,000 people over the course of the 2012 financial year.

Read our *Global Review* to learn more about our financial performance and for further facts and figures about Ernst & Young.

# Responsibility and sustainability are integral to our business

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As a global leader in assurance, tax, transaction and advisory services, we understand the impact that we have in communities around the world. Through the insights and service we deliver as an organization, we are helping to build trust and confidence in the capital markets and in economies across the world. Maintaining a responsible and sustainable business is fundamental to all that we do at Ernst & Young.

In addition to the positive impact our core business provides to society, we are aware of the influence that our people have. We encourage their contributions to help communities thrive – this is primarily done through supporting entrepreneurs as engines of economic growth and strengthening the workforce of the future through educational initiatives.

We support our people in their individual efforts to do this through formal programs and by creating the right culture. Part of this culture includes our membership in the United Nations Global Compact (UNGC). We are pleased to submit our Communication on Progress (COP) 2012, which highlights the progress we have made in the past year, as well as ongoing initiatives.

Further information can be found in our [Global Review](#), [Global Transparency Report](#) and our [Global Code of Conduct](#).

A handwritten signature in black ink that reads "James S. Turley". The signature is fluid and cursive.

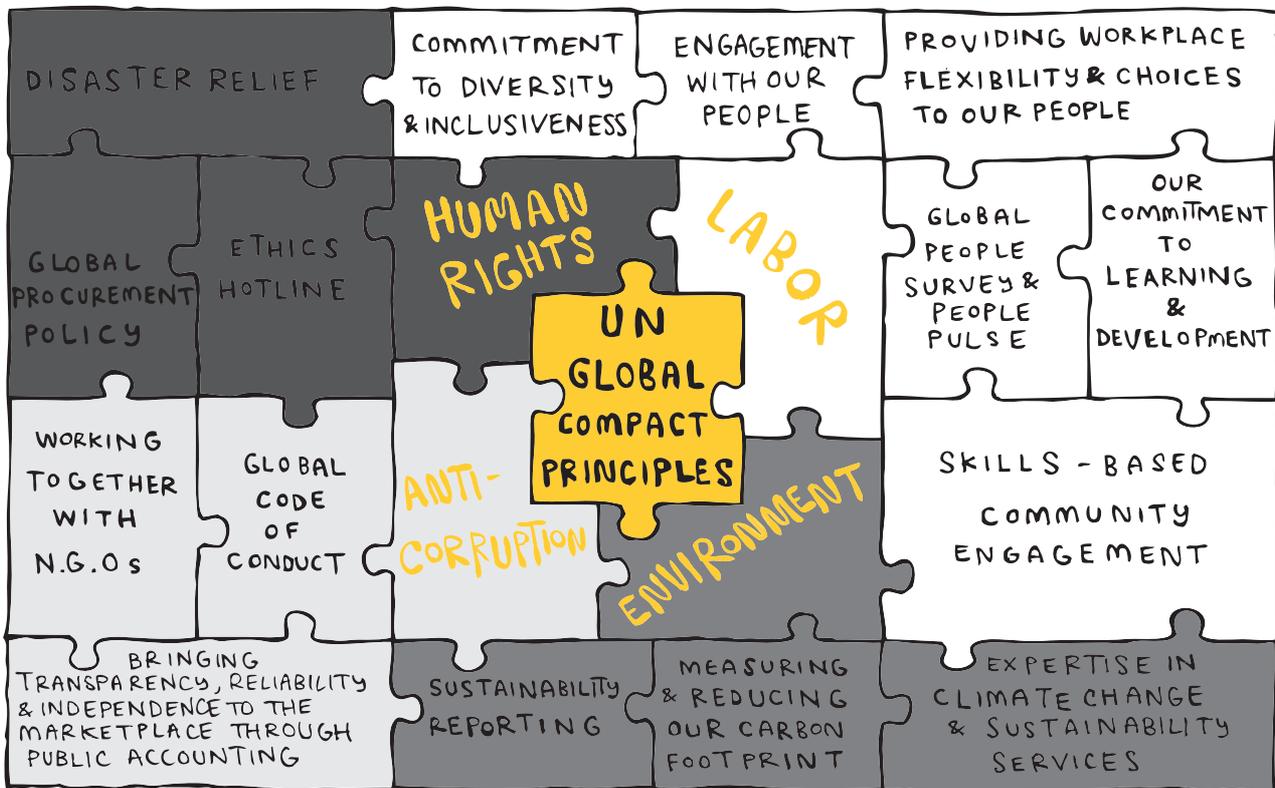
**James S. Turley**  
Chairman and CEO, Ernst & Young

# UNGC principles

Our values define who we are. They are the fundamental beliefs of our global organization. They guide our actions and behavior. They influence the way we work with each other – and the way we serve our clients and engage with our communities. We are:

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

Our culture is built on these values and also includes our commitment to and membership of the United Nations Global Compact. You can read more about how we uphold the UNGC principles as an organization and as individuals on the following pages.



# Human rights

*UNGC principles: Businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.*

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Our values define who we are and what we stand for, and our Global Code of Conduct provides a clear set of standards for our business conduct. Together with our commitment to responsible and sustainable business, they guide our support and respect for human rights.

## **Abiding by our Code of Conduct**

Our Global Code of Conduct provides each of us with an ethical and behavioral framework to guide our response to the challenging and sometimes difficult choices we face to ensure we respect the human rights of our people and our wider stakeholders.

It also reflects the commitments outlined in our values. We ask everyone at Ernst & Young to make a personal commitment to abide by our Global Code of Conduct. In this way we treat each other and our stakeholders in a way we wish to be treated ourselves. The section on working with others in the Global Code of Conduct clearly states that:

- ▶ No client or external relationship is more important than the ethics, integrity and reputation of Ernst & Young.
- ▶ We reject unethical or illegal business practices in all circumstances.
- ▶ We avoid working with clients and others whose standards are incompatible with our Global Code of Conduct.
- ▶ We recognize our responsibility as an organization in playing an active and positive role in supporting a successful and sustainable society.

The Global Code of Conduct is overseen by the Global Executive and its delegates, who are responsible for evaluating potential breaches, deciding on appropriate sanctions or remediation and monitoring consistent application.

We strive to create an environment that encourages our people to act responsibly, including reporting alleged misconduct without fear of retaliation.

The Global Code of Conduct can be found at [www.ey.com/GL/EN/home/Global-Code-of-Conduct](http://www.ey.com/GL/EN/home/Global-Code-of-Conduct)

## **Ethics hotline**

We also have EY/Ethics, a global ethics hotline, to provide Ernst & Young people, clients and others outside of the organization with a confidential means to report activity that may involve unethical or improper behavior that may be in violation of professional standards or otherwise inconsistent with the Global Code of Conduct. EY/Ethics is operated by external organizations that provide confidential and, if so desired, anonymous hotline reporting services for companies worldwide.

## **Global procurement policy**

Ernst & Young has a global procurement policy, applicable to all the member firms of the Ernst & Young organization. In addition to requirements for compliance with the rules of doing business in a responsible way and ensuring our independence when dealing with suppliers, this procurement policy also requires that we evaluate the impact of our procurement decisions and encourage suppliers to support our sustainability initiatives.

Our procurement policy provides a separate Code of Conduct for our suppliers and includes:

- ▶ Obligatory compliance with legislative requirements
- ▶ Environmental risk management, including policy recommendations for minimizing resource and energy consumption, reducing waste production and implementing eco-friendlier technology
- ▶ Compliance with human rights, particularly compliance with employee rights, ensuring a friendly working environment and zero tolerance to the exploitation of child workers and representatives of vulnerable groups
- ▶ Equal opportunities policy, particularly non-discrimination of employees or counterparties for any reason and equal treatment of suppliers based on transparent selection criteria
- ▶ Occupational health and safety
- ▶ Highest ethical standards and zero tolerance to any types of corruption, extortion, bribery or embezzlement
- ▶ Contractors' control of compliance with the provision of the code

The Code also recommends that our suppliers increase their cooperation with local communities in order to promote these communities' social and economic development.



# Labor

*UNGC principles: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labor, the effective abolition of child labor, and the elimination of discrimination with respect to employment and occupation.*

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At Ernst & Young, our people are our greatest asset, and they underpin our reputation. By instilling professional values through supporting and developing our people we continue to create a strong people culture. It also allows our people to lead by example and ultimately helps build stakeholder trust.

We need talented people performing at their best, and we need to bring these people together to create the highest-performing teams. In turn, these inclusive, high-performing teams will deliver exceptional service for our clients all over the world in the most insightful, connected and responsive way. We believe that whenever people join and however long they stay with Ernst & Young, they will be given an exceptional experience that lasts a lifetime.

As part of this approach we are committed to providing the best working environment for our people. This not only covers practicalities such as health and safety but it's also about creating a diverse and positive working environment. The tone is set from the top – something our senior leadership is proud of.

Here are some of the ways we are building a positive and empowering workplace:

## **Our people culture**

We are committed to building a leading people culture everywhere in the world by including, engaging with and developing our people at each stage of their career. This relationship begins by recruiting people who are curious and entrepreneurial, who thrive in international teams and who have a global mindset.

We give our people opportunities to develop diverse careers that can span different disciplines and countries, to work on complex issues and to develop the skills to lead inclusively that will last them a lifetime.

If and when people choose to leave Ernst & Young, we don't see this as an end to the relationship, just the next stage.

Our alumni represent a diverse global community, and our different alumni programs around the world are designed not only to keep this community connected to Ernst & Young and former colleagues, but also to share knowledge and industry experience and keep people updated and informed about planned events and activities.

## **Encouraging diversity**

Diversity means getting the right mix within our workforce including differences in gender, ethnicity, national cultures, subcultures within countries, sexual orientation, disability and generation, among others.

Inclusiveness for us is about the way we make that mix work. It's about creating an environment where our people feel valued, are part of the community and are able to perform at their best. For us, this isn't a program. It is a way of thinking and operating that underpins everything we do, and it is one of our top business imperatives.

*"We have no equipment, no machinery, no fixed assets, no inventory; all we have are our ideas and our people. ... Once you get to the stage where you value people and you value their ideas, it's possible to think that the best ideas come in any shape, any size, any gender, any skin color, any sexual orientation, any anything."*

**James S. Turley**, Ernst & Young Chairman and CEO

We also publish various studies promoting diversity and inclusiveness. Recent examples include:

- ▶ High achievers – recognizing the power of women to spur business and economic growth. To access this report, [click here](#).
- ▶ Thinking big – how to accelerate the growth of women-owned companies. To access this report, [click here](#).
- ▶ Women of Africa – a powerful untapped force for the continent. To access this report, [click here](#).

#### **Workplace of the Future (WOTF)**

We want our people to have balanced, well-rounded lives because people are at the center of how we deliver our services to our clients. Given the global nature of how we operate across more than 140 countries, we can't decide for each individual what that balance looks like because everyone has different needs. However, we do aim to create a WOTF that enables flexible working and supports the health and well-being of all our people. WOTF also aims to create an environment that encourages teaming and a culture where our people feel empowered.

#### **Encouraging flexibility and choice**

All of our local management teams around the world are being asked to find ways to support and enable individuals to work independently in an informal capacity; to remove barriers to virtual teaming, to adapt safety; health and environmental policies to cover well-being and emergency care; and to find opportunities to promote health and well-being in an informal way.

One example of a global initiative that will support this work is our Messaging and Collaboration program. This will overhaul our technology capability, enabling people to connect with each other more easily than ever before. For example, videoconferencing will be possible from individuals' laptops or mobile devices with just a few clicks of a button, and cloud technology will support enhanced access to global information, networks and knowledge. This means that our people will have more flexibility around where and how they work and a greater ability to adapt their working patterns not only to their clients, but also their personal lives.

#### **Creating learning and development opportunities – EYU ("EY and you")**

We are passionate about helping our people reach their goals and achieve their potential. It's another way of maintaining our leading people culture.

Ernst & Young is dedicated to providing employees with outstanding development opportunities for professional growth, whether through formal learning or by enhancing skills as part of on-the-job coaching. EYU supports employee development to help our people reach their goals, achieve their potential and make a difference to clients, business, communities and each other.

We encourage all our people across the globe to have career conversations throughout the year. These could be formal conversations (such as annual appraisals or client reviews). Our My Development Site tool makes it easier for people to give, seek and receive feedback on a peer-to-peer basis. This tool will be made available to teams around the world during 2013.

We make sure that our people, no matter where they are in the world, will have access to high-quality formal learning through a tailored, structured curriculum. We deliver learning in a variety of formats, including virtual (web-based, videos, webcasts) and face-to-face (case studies, lectures and simulations).

In fiscal year 2012, our people took part in more than eight million hours of learning.

### **Creating a global mindset**

Consistently, we find that our best teams are made up of a wide variety of individuals from a rich range of backgrounds and cultures. They use cross-cultural strength to tackle multifaceted problems. Our people know from experience that the best way of creating a truly fresh solution is to bring a real mix of perspectives and experiences to bear on the problem. The ability to work with and lead these teams in the rapidly evolving workplace is a key competency required in all our people.

As a result, it is imperative that we continue to develop people who demonstrate a global mindset and encourage diverse perspectives. We have several ways we support our people in order to strengthen a global mindset. For example, we have a global cultural awareness tool, GlobeSmart, to help our people before they travel internationally or if they are working on international teams.

Additionally, we have a number of milestone events that mark key points in our people's careers – especially promotions. For example: Welcome to Ernst & Young, New Senior Program, New Manager/Assistant Director Program, New Senior Manager/Associate Director Program and New Partner Program. These events bring our people together in one location and encourage cross-border teaming and great networking opportunities in addition to skills-based workshops.

### **Compensation**

We want our people to receive compensation that is highly competitive with local needs, the prevailing employment market circumstances and relevant business conditions. We work hard to drive business results in all countries so that we can provide competitive remuneration packages to our people. Of course, we acknowledge that reward isn't just about money; it's about the career opportunities, the learning experiences, the culture and the working environment.

### **Encouraging feedback**

It's also important for us to constantly track and measure progress on our commitments – it's how we can keep improving. Feedback helps us do this.

Listening is important to us, and we do this in several ways. The most significant is our Global People Survey (GPS), which we conduct every two years. You can see some of the results in our 2011 UNGC COP. This survey looks at how our people think Ernst & Young is doing. It contains questions relating to strategy and leadership, quality, recognition and rewards, inclusiveness, development and corporate responsibility.

We also conduct "spot" surveys, polls and "pulse" surveys when we need quick information on particular subjects, and we use qualitative methods, such as focus groups, when we need more in-depth feedback. These mean that our employees can give us their views on hot topics in time for us to take speedy action.

Our Career Value Study that we are launching later this year asks our alumni and our "boomerangs" (people who have left Ernst & Young and subsequently

returned), as well as our current employees, for their views on what adds value to their career at Ernst & Young. By asking this diverse group of people for their opinions on what makes a positive or negative work experience, what attracted them to Ernst & Young, why they might leave and, for alumni and “boomerangs,” how their career progressed after leaving, we improve our understanding of what our people want and expect from a career at Ernst & Young.

Feedback also comes in the form of a “thank you”, and our Values Awards are a great example of us acknowledging some of our inspiring people around the world and recognizing their contribution to the organization and highlighting how they have “led by example.”

#### **Awards and recognition**

The World’s Best Multinational Workplaces top 25 rankings are based primarily on confidential surveys of employees, plus submissions made by organizations about their policies and practices. In 2012, we were named the 12th best multinational to work for by Great Place to Work – the only Big Four organization in the top 25.

#### **Some of our other awards include:**

- ▶ Equal Opportunity for Women in the Workplace Award (Australia)
- ▶ MediaCorp’s Top 100 Employers 2010 (Canada)
- ▶ Ernst & Young’s Professional Women’s Network and Working Parent Network recognized by Women in Business Leadership Awards (China)
- ▶ Universum top employer for business students (Germany)
- ▶ Europe’s top professional services organization and the third most attractive employer overall in Universum’s European talent attraction index, Europe’s Most Attractive Employers 2012
- ▶ Randstad’s most attractive employer in the consulting sector (India)
- ▶ Great Place to Work Institute’s Best Companies to Work for (Mexico)
- ▶ Great Place to Work Institute’s 50 Best Places to Work (UK)
- ▶ *Fortune’s* 100 Best Companies to Work for 2011 (US)
- ▶ Ranked fifth on *DiversityInc’s* list of the Top 50 Companies for Diversity (US)
- ▶ *Hispanic Business’* Top 60 Diversity Elite (US)

# Environment

*UNGC principles: Businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.*

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## **Climate change issues now firmly on the boardroom agenda**

Business leaders around the world now understand both the risks and opportunities their organizations face as a result of climate change. The results of our recent survey, the Six Trends in Corporate Sustainability, show the extent of this:

- ▶ 76% of survey respondents anticipated natural resource shortages will affect their core business objectives over the next 3 to 5 years.
- ▶ 65% of respondents stated their CFO has become involved in sustainability. To access the report [click here](#).

## **Helping clients and society**

Our services not only help our clients achieve their business objectives, but also have broader benefits for society. For example:

- ▶ Sustainability services: We help our clients navigate their sustainability journeys. We understand business and regulatory threats and opportunities, deliver strategy, explore commercial transactions, devise carbon management plans, monitor performance and add rigor to public disclosures on progress. For more information about our Climate Change and Sustainability Services [click here](#).
- ▶ Cleantech services: From start-ups to large corporations to national governments, organizations worldwide are embracing clean technologies as an engine of growth, efficiency, sustainability and competitive advantage. This service helps our clients and the environment as companies move to reduce their greenhouse gas emissions and adopt cleaner operating and production processes that consume fewer natural resources. For more information on our Cleantech services [click here](#).

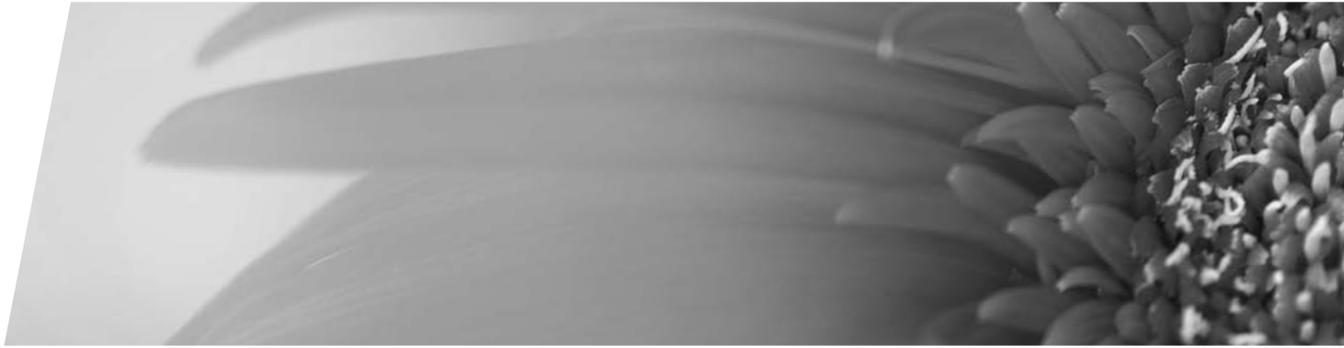
- ▶ Insights: We regularly publish thought leadership pieces on sustainability issues. A recent example of our insights for clients is: Climate change and sustainability: seven questions CEOs and boards should ask about 'triple bottom line' reporting. To access the report [click here](#).

For more examples of our thought leadership relating to sustainability, visit our Climate Change and Sustainability Services [website](#).

## **Measuring and reporting our carbon footprint**

We continue to build out our greenhouse gas measurement and reporting. Working with our own in-house Climate Change and Sustainability Services professionals, we have established a global methodology for calculating our environmental impacts and continue to refine it. We are looking for ways to evolve our methods and employ leading practices to make sure we have a credible global footprint. In addition, we are working with our stakeholders to lay the foundation for improved centralized data collection to streamline our work and improve the quality of the energy and business travel data gathered. This will enable us to set meaningful goals and reduction targets across the globe in the future.

Additionally, we continue to globalize some of our core business functions (e.g., real estate, information technology, travel, procurement). This allows us to improve the environmental sustainability of our operations more consistently (e.g., our global real estate group is managing our physical footprint more systematically around the globe to reduce energy usage in key locations, and global IT is installing Telepresence in key locations around the globe to reduce travel). Also, by engaging globally with these groups, we have more ability to set global environmental goals and measure progress.



### **Changing our behavior**

At Ernst & Young, reducing our environmental footprint is an element of our business strategy. Nearly all of our carbon output comes from two sources – office energy consumption and business travel – and so we have focused on increasing our energy efficiency and promoting travel alternatives such as videoconferencing. We are also seeking to manage our waste more effectively.

One of the key ways we encourage our people to make small changes is through raising internal awareness. For example:

- ▶ Earth Hour: In 2013 our offices in Australia, New Zealand, China, Singapore, UK, US, Canada, Italy and Spain will participate in Earth Hour by ensuring the minimum use of lighting.
- ▶ EcoCare (Americas) is a network of more than 1,000 passionate Ernst & Young volunteers who constantly find new ways to make us greener.
- ▶ Environment Champions (UK): With volunteers in almost every UK office, our “environment champions” educate their peers about leading practices relating to travel, energy use and reducing waste.
- ▶ Campaigns: Across the world, our people are supporting more environmentally friendly behavior. For example:
  - ▶ A “Green Week” aimed at educating our people runs in Croatia and UK.
  - ▶ Israel’s EcoCare team added new recycling bins to every floor of the Tel Aviv office and began using eco-friendly cleaning products.
- ▶ Mexico’s EcoCare team spearheaded a reforestation campaign. Employees were given seeds, containers and instructions for planting their seedlings.
- ▶ In Toronto, the EcoCare team launched a zero-waste pilot project. The team introduced single-stream recycling at all desks and kitchens as well as organics composting, diverting 70% of waste from landfill.
- ▶ Our Serbian team joined together with the other Big Four organizations to create the Green 4, driving local conservation and environmental campaigns.
- ▶ In India, our people have a tree planted to mark their birthday and increase their awareness of environmental issues.
- ▶ Through our collaboration with Earthwatch, We send our people “into the field” for a week long expedition to conduct scientific research and provide skill-based volunteer services to a local entrepreneur/organization.

### **Raising environmental awareness in society**

We engage with universities and other organizations as part of our commitment to raise environmental awareness and support change.

Our people are taking their experience to universities. For example:

- ▶ Japan – Our Corporate Responsibility Leader and Climate Change and Sustainability Services Leader for Japan, Kazutaka Okubo, is an active contributor to the public debate on how to curb greenhouse gas emissions. He's been able to expand the reach of his message by teaching courses on corporate responsibility in universities, reaching more than 10,000 people each year.
- ▶ Denmark – Since 2006 our people have taught 370 graduates of Environmental Management at the Technical University. We also have a seat on the faculty.

We have joined forces with other organizations to drive change. For example:

- ▶ Australia – Ernst & Young is represented on the boards of a number of Environmental organizations including Greening Australia (Vic) Ltd. an environmental organization working to protect and restore the natural landscape; The Australian Conservation Foundation, a not-for-profit that advocates for the environment; and the Centre for Sustainability Leadership, which fosters leadership sustainability via an annual fellowship educational series.
- ▶ Netherlands – We chair the Dutch Sustainable Growth Coalition (DSGC) to jointly drive and promote sustainable growth business models. The group, which consists of AkzoNobel, DSM, FrieslandCampina, Heineken, KLM, Philips, Shell and Unilever, is supported by the Dutch Employers Federation VNO-NCW and facilitated by Ernst & Young. The DSGC was announced at the World Economic Forum in Davos (January 2012) by Jan Peter Balkenende, Partner, Ernst & Young Netherlands, chair of the DSGC, and former Prime Minister of the Netherlands.

### **Using our skills in the mangroves**

Our 2011 COP featured our collaboration with Earthwatch, which sees our volunteers use their time and skills to undertake scientific research and, separately, to help local businesses.

In 2012 we added a new program in Australia to complement our existing programs in India, Brazil, Costa Rica and Japan. Our team of professionals brought their business skills to support the MangroveWatch organization by creating a strategic framework for a regional network of mangrove restoration and conducting research projects in the Daintree River region of far North Queensland, Australia.

### **The importance of mangroves**

These "rainforests of the sea" play a vital role in the lives of many varieties of fish and nesting birds and can help to mitigate storm damage to shorelines.

Currently, these forests make up less than 1% of tropical forests worldwide and are one of the most threatened ecosystems in the world. Despite their sparseness in the environment, these ecosystems sequester vast amounts of greenhouse gases in mangrove sediments, salt marshes and sea grasses.

# Anti-corruption

*UNGC principle: Businesses should work against all forms of corruption, including extortion and bribery.*

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At Ernst & Young, we have robust internal mechanisms in place to tackle corruption, extortion and bribery. For example:

- ▶ Our Global Code of Conduct provides a clear set of standards that guides our member firms' actions and business conduct. Member firms comply with applicable laws and regulations, and our values underpin our commitment to do the right thing. This important commitment is supported by Ernst & Young policies and procedures covering anti-bribery, gifts and hospitality, procurement, business relationships, consortia and subcontracting arrangements, and independence.
- ▶ Our member firms are complying with the requirement of the EU 8th Directive that statutory auditors of EU public-interest entities publish an annual transparency report. As strong advocates of transparency, we have extended this by publishing a global report that provides an overview of our global governance and quality standards.
- ▶ Our global approach strengthens our ability to establish and execute on global policies and practices that raise the bar for service quality. Our range of global tools and processes supports our people in evaluating, accepting and serving the right clients with the right services. These tools include GTAC, our Global Tool for Client Acceptance and Continuance, and SORT, our Service Offering Reference Tool, which allow people to quickly assess which services can be delivered to our audit and non-audit clients.

We also work with external networks and groups to raise awareness to fight corruption. As a global business leader, we join with organizations like the World Economic Forum and Transparency International to help find ways to address the social and economic challenges of our time.

We are a signatory to the World Economic Forum Partnering Against Corruption Initiative (PACI). PACI's mission is to develop multi-industry principles and practices that will result in a competitive and level playing field based on integrity, fairness and ethical conduct. It is a platform for companies to commit themselves to develop, implement and monitor their anti-corruption program through peer network meetings and provision of private-sector-driven support tools.

We are one of approximately 170 organizations that have committed to strengthening efforts to counter corruption and bribery through PACI. These companies have signed a statement supporting the PACI Principles for Countering Bribery. These principles call for a commitment to two fundamental actions: a zero-tolerance policy toward bribery and the development of a practical and effective implementation program. For more information, please [click here](#).

For additional information, see our independence practices on pages 20 and 21 of the Global Transparency Report 2012. To access the report, [click here](#).

# Supporting our communities across the world

*As noted, our commitment to strengthening our communities and economies can be seen through our focus on supporting entrepreneurs as engines of economic growth and strengthening the workforce of the future through educational initiatives.*

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## **Supporting entrepreneurship**

We know that entrepreneurs can transform economies, drive innovation and change communities. However, there are smaller-scale entrepreneurs worldwide who might not be able to easily access capital, let alone professional services. These include small- to medium-size enterprises, women entrepreneurs lacking a network to help them grow, young entrepreneurs and social entrepreneurs building a business to benefit the marginalized and the poor.

In the industrialized world, entrepreneurial businesses create more jobs proportionally than large, established firms. For example, top-performing start-ups are responsible for 40% of the new jobs created in the US. In the developing world, there may be no large, established firms nearby to offer formal employment, so entrepreneurial firms, which include 90% of all businesses, often represent an area's only hope of lifting itself out of poverty.

Helping these entrepreneurs is one of the most powerful ways that our people at Ernst & Young can support our communities. By working with organizations like Endeavor, Kiva and the Network For Teaching Entrepreneurship (NFTE), we are improving the lives of an ever-widening circle of people who work for, sell to and are served by their businesses.

Here are few of our initiatives:

### **Endeavor**

We know there is a direct link between levels of employment and poverty, particularly in emerging markets. This is a key reason to work with Endeavor, a not-for-profit organization working with fast-growth entrepreneurs in emerging markets, helping them be a force for positive economic and social change, creating jobs, driving innovation and revitalizing communities by creating jobs and wealth.

Endeavor-supported businesses experience an average growth rate of 59% in the first two years of engaging with Endeavor.

We help them achieve their goal of transforming emerging economies by providing access to our resources and knowledge. This includes our people volunteering to work with Endeavor entrepreneurs, providing their technical expertise and helping them accelerate their businesses.

Specific ways that we work with Endeavor include:

- ▶ We are part of their international selection panels identifying businesses to support.
- ▶ We give some of our high performers the opportunity to make a difference, build their skills and develop their global mindset by spending five to seven weeks "in the field" working with the businesses.
- ▶ We've supported businesses in 12 emerging economies: Argentina, Brazil, Chile, Egypt, El Salvador, Jordan, Lebanon, Mexico, Nicaragua, South Africa, Turkey and Uruguay.
- ▶ We developed a "Finance for Exceptional Enterprises" course that offers technical insights to Endeavor entrepreneurs.
- ▶ We provide virtual mentoring and project development support.

### **Accelerate**

A new program for 2012, Accelerate, a learning forum, conceived and developed by our people in Ernst & Young UK&I, provides skilled support to social and young entrepreneurs through a series of workshops and mentoring. All the business leaders come via key relationships we have with not-for-profit organizations.

Eighty-eight percent of attendees tell us their "on-the-job" performance will improve after attending Accelerate.

The structure is tailored, so whether attendees are beginners or advanced, our people have thought about their unique needs. We facilitate access to 1:1 support, including Ernst & Young business advisors, co-mentoring by clients/Ernst & Young and Entrepreneur Of The Year alumni mentors, and we also run networking events and secondment opportunities.



### **Network For Teaching Entrepreneurship (NFTE)**

Ernst & Young people support NFTE's goal of bringing entrepreneurship education to low-income teenagers at risk of dropping out of school. Working with students from disadvantaged backgrounds, the program helps them see the relevance of their studies as they learn skills in key subject areas alongside business and financial planning.

NFTE has been operating for 25 years, providing entrepreneurship education programs to more than 450,000 young people in 10 countries who often have no other support or opportunities.

Mentored by Ernst & Young employees, the students in the program learn about the relevance of their school studies as they create business plans for their ideas and compete in classroom, city-wide and national competitions.

Our people volunteer their time – judging business plan competitions, mentoring students and teaching the NFTE curriculum. We're also proud to have:

- ▶ Created the Entrepreneur Of The Year Alumni Fund, pledging to match US\$300,000 in donations to NFTE in honor of Entrepreneur Of The Year award winners.
- ▶ Honored young NFTE entrepreneurs at Ernst & Young Entrepreneur Of The Year Awards galas across the world, by giving an award of US\$1,000.
- ▶ Made 17 scholarships available for successful students (at least US\$7,500 each) in the US.
- ▶ A partner from within the Ernst & Young organization serves on every one of NFTE's Regional Advisory Boards across the US, and we are aiming to have an Ernst & Young partner on every NFTE affiliate board around the world.
- ▶ Maria Pinelli, our Global Vice Chair, Strategic Growth Markets as Chair of the NFTE board.

We have provided support in: Belgium, Chile, China, Colombia, Germany, India, Israel, New Zealand, Saudi Arabia and the US, with others in the pipeline.

### **Kiva**

Kiva is a nonprofit organization with a mission to connect people through lending money to alleviate poverty. Using the internet, Kiva encourages individuals to lend as little as US\$25 to entrepreneurs from emerging economies around the world. Kiva works with microfinance institutions on five continents to provide loans to people without access to traditional banking systems. The loans get administered locally by microfinance institutions, and a loan is made on Kiva's website every four seconds – changing millions of lives.

We're proud to help Kiva through our professionals contributing their time to drive projects designed to assist Kiva track its flow of funds and organize and check information surrounding its activities with borrowers and lenders. We have committed to providing US\$1m of value to Kiva.

In 2012 we began to embed activities with Kiva into our cross-border training events, to raise awareness among our people of our work with Kiva and raise funds to support micro-entrepreneurs.

### **The Next 36 Program**

This program, helping to launch the careers of Canada's most promising undergraduate entrepreneurs, was introduced in 2011. The program identifies students through a rigorous national selection process and provides them with the academic foundation, practical skills, role models and networks to become Canada's next generation of entrepreneurial leaders.

As these young leaders continue to push their boundaries, gain skills vital to entrepreneurship, and build their expectations of themselves and the businesses they hope to create, our people are there every step of the way to mentor and coach, facilitate networks, and provide financial support through our Ernst & Young offices across Canada.

*“By providing the right information, networks and guidance, we’re able to help these talented women access capital, identify strong business advisors and put the processes in place to radically expand their companies. Businesses involved in the program have had average annual revenue growth of 49% and average annual job growth of 26%.”*

**Kerrie MacPherson**, Partner, Ernst & Young LLP and Entrepreneurial Winning Women Americas Executive Sponsor

### **Empowering inspiring women**

Women make up half the population yet are not equally represented in society. Economically empowering women can have a long-term positive effect.

Women own around 40% of the world’s privately owned businesses. Women typically invest a staggering 90% of their income back into their families and communities.

Ensuring that girls are educated to the same level as boys in developing countries means that the world’s economy could be improved by a massive US\$92 billion a year.

Here are few of our initiatives ...

#### **Helping women shape the future of a continent**

Africa has one of the fastest economic growth rates and highest returns on investment in the world. There are, however, hurdles to overcome. While women represent 49% of our workforce across Africa, making a powerful contribution to the success of our organization, on average only about one-third of women participate in economic activity across the continent. We believe that the continent cannot reach its potential with half its resources untapped – we see great possibility in the economic force that women in Africa could represent, if nurtured and developed.

Economic studies show a strong relationship between gender equality in a country and the level of development that the country experiences.

With this at the forefront of our minds, Ernst & Young Africa’s Next Gen Program looks to tap into the potential of women by backing young girls who will be future leaders.

The program:

- ▶ Identified 30 girl learners (3 from each of 10 participating schools) who are in grades 10 to 12 and have shown latent potential
- ▶ Gave a three-part experience, consisting of three “leadership camp” – style courses: My Continent, My Africa; The Leader in Me; and Can Do
- ▶ Provides a mentor – an Ernst & Young leader who provides individualized coaching
- ▶ Invited guest speakers who are leaders in their fields to share their experience

We are confident that this will create a network of innovative, socially conscious leaders with a passion for the continent’s development. For us, it’s not about setting them up for today but for many years to come, so they can ultimately reinvest in their families and communities.

#### **Entrepreneurial Winning Women (EWW)**

From our 25 years of experience with Entrepreneur Of The Year, we noticed not enough women were represented at the highest levels of achievement.

We know experienced role models and access to business-building networks are critical for women entrepreneurs, and this program is designed to deliver just that. Through EWW, Ernst & Young identifies a select group of women entrepreneurs with established, successful businesses and clear growth goals. The program provides introductions to an influential network of entrepreneurs, corporate leaders, investors and advisors, as well as potential partners, strategic alliances, customers and suppliers who can help the entrepreneurs think bigger and scale their companies.

### **Tradition in modern times – an Indonesian EWW story**

Lisa Mihardja created Alleira Batik in 2005 and successfully turned the traditional fabrics of batik into modern and trendy clothes. Now with 42 boutiques all over Indonesia, Alleira Batik is penetrating international markets like Singapore, Malaysia and Australia.

Lisa is listed in the 100 most powerful women in Indonesia, receiving many awards for having outstanding and exemplary achievements in entrepreneurship. She has also supported and developed communities through Alleira Batik by providing much-needed employment, especially for women who now create handicrafts from leftover fabrics. This is helping to provide income and development opportunities to many and ensuring traditional craftsmanship continues.

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The program has been rolled out in several countries, including Australia, Brazil, Canada, Indonesia and the US. We're planning to roll out in Hungary, across our Middle East/North Africa (MENA) region practices, and in South Africa and Ukraine soon.

#### **Supporting Women in Canada**

In Canada we continue to support and sponsor initiatives that promote women and diversity. For example, we sponsor and provide support to WeConnect where we are founding members; TRIEC, an immigrant mentoring program that includes minority women; The International Women's Forum; and Minerva Foundation.

We are sole sponsors of the Canadian Board Diversity Council, which is helping women and those of diverse background to "break through". Through council meetings held at Ernst & Young in 2012, 47 leading CEOs and directors have been engaged in tackling challenges related to increased board diversity.

#### **Involvement in women's civic and business organizations**

Many people across Ernst & Young have taken leading roles in a variety of women's civic and business organizations that campaign around the women's agenda, such as the International Council for Women Business Leaders.

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*“Over the next decade, the impact of women on the global economy – as producers, entrepreneurs, employees and consumers – will be at least as significant as that of China’s or India’s one-billion-plus populations, if not greater. If women’s economic potential can be successfully harnessed and leveraged, it would be the equivalent of having an additional one billion individuals in business and in the workforce contributing to the global economy. It’s for this reason that Ernst & Young has been involved in the Third Billion global campaign, which unites governments, NGOs, corporations, youth and others to partner toward ensuring women’s access to legal protection, education and training, finance and markets.”*

**Beth Brooke,**  
Ernst & Young Global Vice Chair  
of Public Policy

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## **Supporting the workforce of the future**

Through skills-based volunteering, our people help young students access or continue in education and stay on track in order to get the skills and experience needed in the workplace. While it makes a big difference to the lives of young people, it also helps to develop skills and creates a world of opportunities for the next generation of workers.

Here are few of our initiatives ...

### **Pathways to Education**

Every year, thousands of Canadian students make the life-altering decision to drop out of high school. In some of the country's most vulnerable neighborhoods, more than 50% of students do not graduate high school.

Pathways to Education helps youth in low-income communities graduate from high school and successfully transition into post-secondary education. It provides a comprehensive set of academic, financial and social support to young people.

Ernst & Young people volunteer with Pathways to Education as mentors to help break down systemic barriers to education. Specifically, we connect with students through mentorship via email, in-person tutoring after school and/or group mentoring after school.

This program has reduced high school dropout rates by as much as 70% and increased the rate at which youth go on to college or university by up to 300%.

For more information on this initiative please [click here](#).

## **Smart Futures**

Launched in 2012, our Smart Futures Program is a series of experiences designed to unlock career opportunities for ambitious and motivated young students from some of London's most underserved boroughs.

Young students selected by Ernst & Young UK&I have the opportunity to develop their skills and business knowledge. It's a great way for us to engage with young people as they consider their work and life options.

A key part of the program is to provide students with three weeks of paid experience at our London offices.

After their time with us, all the students are offered a Smart Futures coach from Ernst & Young. The coach provides unique support and encouragement through the student's final school year – at a time when those all-important decisions about higher education and careers are being made.

### **College MAP**

The College Mentoring for Access and Persistence (MAP) program targets economically challenged high school students who have the potential to succeed in college but need some extra help creating the "MAP" that will take them there. We work with College For Every Student (CFES), a nonprofit organization committed to raising the academic aspirations of underserved youth so that they can prepare for, gain access to and succeed in college. CFES has helped more than 100,000 underserved youths in 540 schools.

Through a national team-mentoring program, Ernst & Young mentors (of all levels, backgrounds and service lines) are matched with groups of local high school students for monthly sessions focused on:

- ▶ Awareness – exposing students to different college opportunities and the lifelong benefits of higher education
- ▶ Financial readiness – demystifying the process of applying for financial aid and paying for college
- ▶ Persistence – providing personal support and coaching on the life skills that will help a student stay in and complete a four-year degree

Since 2011, we have expanded College MAP, which is now delivered in 14 American cities, with further expansion planned. For more information on this initiative please [click here](#).

#### **TEAM Program**

This program has been seed-funded, developed and piloted by our Ernst & Young people across Australia. The aim of TEAM is to encourage young high school students to continue with mathematics and technology, subjects that students are dropping out of at a historically high rate and that are key indicators of future employability. Our people are involved through mentoring students.

The program is now being offered to a large number of corporations across Australia to participate in next year.

#### **Increasing access to education in India**

Many programs driven out of Ernst & Young India seek to break long-term cycles – whether it's cycles of poverty, manual labor or dependency – by supporting the education of the country's young people.

For example:

- ▶ Employees can sponsor a child that they know, and their contributions are matched by Ernst & Young. Some employees support up to 10 children through Ernst & Young India's Student Scholarship Program, which currently supports 2,300 children – most of whom would be unable to access education due to poverty.
- ▶ The Ernst & Young India Foundation's work with the Srinivasan Services Trust (SST) has helped to scale up SST's village development model. By funding 12 villages on a pilot basis it will provide empowerment for women, allow access to education for children and deliver basic necessities like water so as the village can continue to sustain a model. The plan is to cover 500 villages over the next 5 to 7 years.
- ▶ We've reached 75,000 children via Toon Masti – animated educational lessons – created by working together with the Indian Government. The animated content has been distributed to all primary schools across the state of Haryana.
- ▶ Ernst & Young Foundation works with the Dr. Reddy's Foundation (DRF) to fund 14 vocational centers as DRF moves towards creating a sustainable model. The students are funded through soft loans repayable after they become gainfully employed.
- ▶ We fund the Ensuring Children Learn Program run by the Naandi Foundation in 200 primary schools, covering approximately 10,000 children.

**UK:** Social Business Trust (SBT), a partnership of seven world-class businesses, supports UK social enterprises capable of scaling up their operations on a regional and national level: its goal is to help transform the impact of social enterprises and improve the lives of over a million of the UK's most disadvantaged people. We are committed to providing £2 million worth of support to SBT through a combination of professional expertise and growth capital over a five year period.

**AMERICAS:** We are working together with Public Broadcasting Services (a nonprofit organization) on the series Cyberchase, which builds math and problem-solving skills in children aged 8 to 11 with a curriculum translated into French, Hebrew, Portuguese and Spanish and rolled out in Canada, Mexico, Brazil, Chile and Israel.



## Community initiatives across the world

**COLOMBIA:** Our Ernst & Young Business Development Center delivers education programs for high-impact entrepreneurs. The program provides weekly seminars to 50 entrepreneurs on strategy and planning, finance management, process optimization, cost cutting, tax planning and reporting, and marketing and communications.

**BRAZIL:** We support and organize English and Portuguese classes for hearing impaired young people, supporting their educational development and equipping them with key skills. Over 500 hours of activities (classes and cultural activities) will be provided as part of our three-year commitment.

**THE NETHERLANDS:** Our people share their skills with entrepreneurs, coaches, investors, business angels and SME service providers through our collaboration with Business in Development (BiD) Network, which focuses on high-growth businesses/entrepreneurs based in developing countries.

**SWEDEN:** We work with Rinkebyakademien, an organization that helps minimize the gap between school and working and supports disadvantaged teenagers, often from immigrant families. Our people volunteer, helping teach students about business planning and broadening their understanding of their options in the working world.

**UKRAINE:** We support the Leadership Development Seminar (LDS), a leadership and proficiency development seminar held by AIESEC, because we believe by involving youth in social initiatives we increase the level of social responsibility of future entrepreneurs.

**JAPAN:** The leaders' meeting for reconstruction is our collaboration program with Keio University. We support and deliver a leadership training program for young leaders. The focus includes broad leadership trends and issues. Attendees include young leaders from NGOs, governments, universities, businesses and media.

**CHINA:** 436 of our professionals donated HK\$1.7 million in the form of tuition for 166 underprivileged students as part of our China Student Sponsorship campaign in 2012.

**INDIA:** Developed in-house, the Samarth Program raises the self-confidence of schoolchildren aged 15-16 years. Our people work closely with students through role playing, group activities and games over two and half weeks. Now in its second year, the program has reached 2,500 students, trained 23 trainers and delivered courses in 7 different languages across 7 cities.

**AUSTRALIA:** Adding to our six current educational programs focused on improving educational outcomes for disadvantaged young people (as members of Australian Business Community Network), we also developed and delivered a Leadership Program for School and Vice Captains in four disadvantaged schools in Sydney, collaborating with other major corporate organizations.



# Learning more about our efforts in the community

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Being a responsible and sustainable business is at the heart of our organization. Every one of our people and partners plays a role in helping to build a better working world.

This COP provides a snapshot of our efforts in the community to help build a better working world. If you would like to learn about the efforts from some of our practices around the world in more detail, please visit [www.ey.com](http://www.ey.com) for sustainability/corporate responsibility reports from: Americas, Brazil, Canada, EMEIA Financial Services, Germany, Japan, Netherlands, Nordics, Russia/CIS, Switzerland, Ukraine.

To learn more about our efforts in communities across the world, [click here](#).

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