

Read on to learn how we uphold the UNGC by:

Supporting our people and communities



Supporting our clients and profession



Supporting environmental sustainability





For more information on EY's involvement with the UNGC, please contact:

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ey.com/ungc

A statement from our Global Chairman and CEO



Today there is a growing appreciation that business is not a zero-sum game and that shareholder returns cannot be an organization's only goal.

Many organizations – including our own – understand our collective responsibility to create more inclusive economic growth that serves the long-term interests of all stakeholders. That not only means doing business responsibly, but also using business innovation and collaboration to help address society's toughest challenges.

At EY, we see this as more than just the right thing to do. We see it as an opportunity to rebuild trust in business. That's why, just as these responsibilities are embodied by the United Nations Global Compact's (UNGC) Ten Principles and the UN Sustainable Development Goals, they are also at the heart of our purpose of building a better working world.

We're proud to renew our global organization's ongoing commitment to the UNGC and to share our efforts to uphold inclusiveness, responsibility and sustainability in all we do.

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Mark A. Weinberger EY Global Chairman and CEO

@Mark_Weinberger

Supporting the Ten Principles and the Sustainable Development Goals



The Ten Principles of the United Nations Global Compact

Human rights



- Businesses should support and respect the protection of internationally proclaimed human rights
- Make sure that they are not complicit in human rights abuses

Labor



- 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
- The elimination of discrimination in respect of employment and occupation

Anti-corruption



 Businesses should work against corruption in all its forms, including extortion and bribery

Environment



- Businesses should support a precautionary approach to environmental challenges
- Undertake initiatives to promote greater environmental responsibility
- Encourage the development and diffusion of environmentally friendly technologies





Sustainable Development Goals





Human and labor rights

Supporting our people and communities

Inside EY

- Creating an exceptional experience for our people
- Strengthening our diverse and inclusive culture
- Promoting diversity
- Developing purpose-driven leaders
- Listening to and recognizing our people
- Being recognized as a "great place to work"









In our supply chain

- Driving responsibility in our supply chain
- Increasing supplier diversity

In our communities

- Driving inclusive growth
- Supporting the next generation
- Involving our people
- Working with others for positive change
- Aligning action through global coordination

Anti-corruption

Supporting our clients and profession

How we do business

- Living by our values
- Upholding the highest professional standards
- Reinforcing our commitment to quality
- Engaging with our stakeholders



- Building trust and confidence in the capital markets
- Tackling corruption in all its forms
- Helping businesses to innovate with purpose

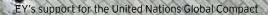
Environment

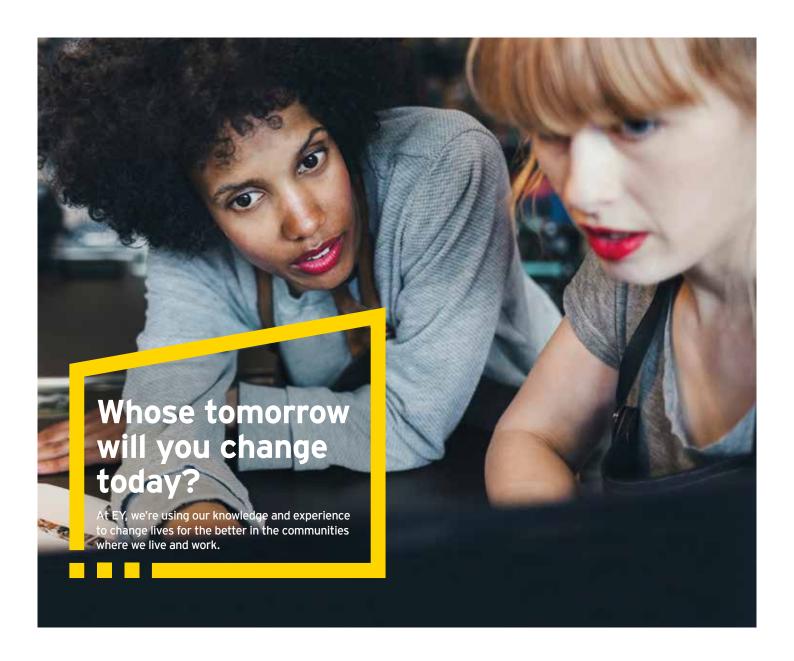
Supporting environmental sustainability

- ▶ Helping our clients become more sustainable
- Positively influencing change
- Managing our own impact









Supporting our people and communities

At the heart of inclusive capitalism is the concept of equity. This captures the essence of our commitment to human and labor rights and to building a culture of respect and inclusion – not only inside our own organization, but also throughout our supply chain and across the communities where we live and work.



29%

The FY16 class of newly promoted EY member firm partners is among the most diverse ever, with 35% from emerging markets and 29% women.

At EY, we believe only high-performing teams, which utilize the power of different opinions, perspectives and cultural backgrounds, will succeed in the global marketplace. That's why we strive to create an environment where all our people feel, and are, valued; where they can bring their differences to work each day; and where they contribute their personal best to businesses, government and communities around the world.







Creating an exceptional experience for our people

Our promise to our people is this: whenever you join, however long you stay, the exceptional EY experience lasts a lifetime. It's about everyone at EY having the opportunity to do something that matters; to own their career, shape their future and become the leader they want to be; and to gain the experience that lets them create their own legacy and be part of building a better working world.

- ► Global review 2016 Talent
- ► Our people and culture
- ► EY Alumni Network

Strengthening our diverse and inclusive culture

Diversity and inclusiveness (D&I) is integral to how we serve our clients, develop our people and play a leadership role in our communities. That's why we continue to work hard at embedding D&I into all our processes, and at enhancing each individual's capability for inclusiveness – developing the skills and mindset necessary for us all to team and lead inclusively, and leverage our differences to the fullest.

- ► Global review 2016 Diversity & Inclusiveness
- ► D&I at EY
- Our D&I road map

Promoting diversity

That EY is an organization where everyone has the opportunity to develop as leaders is reflected in 43,000 member firm promotions in FY16, including 714 people promoted to partner. This year's newly promoted partner classes are among the most diverse ever, with 35% from emerging markets and 29% women – in line with the record numbers achieved last year.

- ► FY16 partner promotions
- ► FY16 results



Developing purposedriven leaders

We recognize that building a better working world starts with our people, empowering them to grow their careers and become purpose-driven leaders who make a difference in businesses, governments and communities around the world. That's why we invested more than US\$500m in training and provided nearly 12m hours of training for our people in FY16, an increase of 3m hours over the previous year.

- ► Global review 2016 Talent
- ► FY16 results

Listening to and recognizing our people

Making sure that all our people's voices are heard – and their achievements valued – not only helps attract and retain the best people, but it also helps us deliver better approaches for our clients and for our own organization. That's why we invest considerable time and effort in listening to our people, and recognizing the many ways that their everyday actions help to building a better working world.

- Our people and culture
- ► Better begins with you

Being recognized as a "great place to work"

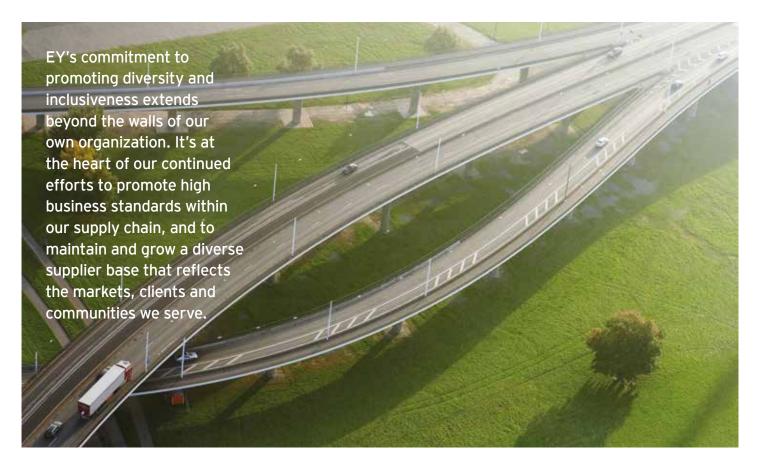
We're proud to have been recognized by university students as the world's most attractive professional services employers – and the third most attractive employers overall – in Universum's annual World's Most Attractive Employer ranking. EY member firms were also named the number one professional services employer in five countries: Australia, Canada, China, France and the US.

Accomplishments and accolades

In our supply chain



Across our global organization, we increased our spend with diverse suppliers by more than 50% in FY16 – a major step toward our goal of committing at least 5% of overall procurement spend to diverse suppliers by 2020.



Driving responsibility in our supply chain

Just as EY's Global Code of Conduct sets out the standards expected of every EY person, our Supplier Code of Conduct does the same for our suppliers. We view their performance as an integral part of the EY value chain and expect all suppliers to meet high legal, ethical, environmental and employment-related standards.

- ► <u>Procurement</u>
- Supplier Code of Conduct

Increasing supplier diversity

Identifying, developing and doing business with diverse suppliers is a key component of our strategic sourcing and procurement activities. Through our D&I Procurement initiative, we actively encourage small and minority-owned businesses to become registered suppliers and support them to achieve their full potential.

- ► <u>Procurement</u>
- Supplier diversity

In our communities



A new global Corporate Responsibility Governance Council includes nine members of the Global Executive, the most senior leadership team in EY. This group will help drive even greater alignment and impact as we increase our focus on using EY's distinctive knowledge and experience to help solve society's toughest challenges.

When we look around today, we see broad societal challenges everywhere; issues such as deepening inequality, jobless growth, lack of opportunity for young people and low trust in institutions. At EY, we feel a responsibility to help address these issues and demonstrate that business is an important part of the solution. That's why we're committed to using our knowledge and experience to change lives for the better by driving inclusive growth and supporting the next generation.

Driving inclusive growth

We focus on using our knowledge and experience to scale approaches that put business at the heart of tackling society's toughest issues. By accelerating development of social enterprises and high-impact entrepreneurs, and by empowering underrepresented groups to build their own businesses, we create a ripple effect that could change millions of lives.

- Corporate Responsibility Driving inclusive growth
- ► Global review 2016 Corporate Responsibility
- ► Enterprise Growth Services (EGS) 2016 Yearbook

Supporting the next generation

We also focus on using our insight to help equip young people for success in the modern working world. We aim to transform their prospects for long-term success, not only by improving equity of access to quality education and work experience, but also by nurturing the skills and behaviors they need to adapt and thrive in an age of disruption.

- Corporate Responsibility Supporting the next generation
- ► Global review 2016 Corporate Responsibility

Involving our people

Our community engagement efforts include hours of mentoring, intensive, one-day interventions and long-term projects, giving EY people a wide range of opportunities to make a difference. In addition to EY member firms investing more than US\$90m directly in community projects, our people contributed more than 700,000 hours of time to more than 100 initiatives and value-in-kind projects during FY16.

► Global review 2016 – Corporate Responsibility





Working with others for positive change

Driving inclusive growth and supporting the next generation require long-term, collective effort. That's why EY is committed to creating and participating in collaborations that accelerate positive change. Examples include EY's Women. Fast forward platform and extensive support for International Women's Day, as well as involvement in forums such as the World Economic Forum and Coalition for Inclusive Capitalism.

- ► Women. Fast forward
- ► <u>International Women's Day</u>
- ► EY at the World Economic Forum

Aligning action through global coordination

As making a positive contribution to society moves from the periphery to the mainstream of business thinking, Corporate Responsibility increasingly demands board-level attention. EY's new global Corporate Responsibility Governance Council brings together leaders from across our global organization, driving actions across our member firms and alignment of priorities with overall business strategy.

Corporate Responsibility –
Sustainable business



Supporting our clients and profession

As a global professional services organization, EY recognizes its pivotal role in serving the public interest and positively influencing business behavior, including working against corruption in all its forms. Through our services, we help to build trust and confidence in the capital markets, guided by the belief that every audit, every tax return, every advisory opportunity, every interaction with a client or colleague can help make the working world better than it was before.

How we do business



Living by our values

Our values define who we are. They are our fundamental beliefs; they guide our actions and behavior; and they give us confidence that we are using the same principles to help us make decisions throughout our global organization. Through our awards program, Better begins with you, we recognize individuals and teams who consistently live our values and bring our purpose of building a better working world to life.

- Global review 2016 Public policy
- Our values
- ► <u>Better begins with you</u>

Upholding the highest professional standards

EY's Global Code of Conduct unites every one of our people, regardless of their individual role, position or practice. Providing the ethical framework on which we base our decisions, it is anchored in our values and beliefs and underpins all that we do, providing the principles that should be used by everyone at EY to guide our behavior.

- ► Global review 2016 Public policy
- ► EY Global Code of Conduct

Reinforcing our commitment to quality

EY's unwavering commitment to quality isn't only enshrined in our Global Code of Conduct, it's also embodied in global policies, processes and tools, and investment in strong Quality functions and Professional Practice functions to implement quality initiatives to a consistently high standard around the world. For example, our professional practice groups consult with audit teams on accounting, auditing and SEC reporting matters and have conducted an average of more than 2,800 consultations a year over the last three years.

- ► Global review 2016 Public policy
- Our commitment to audit quality

Engaging with our stakeholders

We see the power that comes from strong networks and believe that the best answers are found when the most people are contributing to the discussion. That's why we engage with many different stakeholders to deepen our understanding of the policy and corporate governance environments and fuel discussions around leading practices with our clients, regulators, standard setters, legislators, investors, business leaders and academia.

- Global review 2016 Public policy
- Our public policy viewpoints
- EY Center for Board Matters

Serving the public interest



By signing a statement of support for the London Anti-Corruption Summit in May 2016, EY Global Chairman and CEO, Mark A. Weinberger, has pledged EY's continued support of collective action to tackle corruption.



Building trust and confidence in capital markets

As auditors, we provide a vital function – to serve the public interest and strengthen trust and confidence in the capital markets. That's why our Sustainable Audit Quality (SAQ) program is the highest priority in our Assurance practices. It embodies our globally consistent approach and ongoing commitment to providing the highest quality audits in the profession.

- ► Global review 2016 Public policy
- Audit quality: a globally sustainable approach
- Audit quality: the ripple effect

Tackling corruption in all its forms

EY's signature of a statement of support for the London Anti-Corruption Summit in May 2016 adds to our established commitment to shining a light on corruption and galvanizing responses to tackling it. Above and beyond provision of Fraud Investigation & Dispute Services (FIDS), this includes publication of EY's Global Fraud Survey series and long-standing support for Transparency International's corruption measurement tools.

- Fraud Investigation & Dispute Services (FIDS)
- ► EY's Global Fraud Survey 2016
- Professional services leaders' statement of support for the London Anti-Corruption Summit



Helping businesses innovate with purpose

When companies focus on a purpose grounded in humanity – improving the world we live in and inspiring the organization at all levels – they increase their ability to create sustainable value both for themselves and society. Through the EY Beacon Institute and our Purpose-Led TransformationTM service offering, we continue to build collaborations united by the shared purpose of redefining how business operates.

- ► EY Beacon Institute
- ► Purpose-Led Transformation
- ► The Why Effect



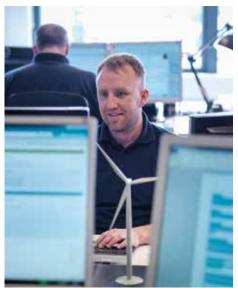
Supporting environmental sustainability

At EY, we are committed to building a better working world that embraces sustainable growth. We make our biggest positive contribution to the environment as a leading provider of climate change and sustainability services. Additionally, we continue to challenge ourselves to work in a more environmentally sustainable manner, recognizing our obligation to our people and our communities to manage environmental impact.



Among many new collaborations in FY16, EY teamed up with the UNGC to study and share insights into what companies are doing to embed sustainability in their supply chains.







Helping our clients become more sustainable

Our Climate Change and Sustainability Services (CCaSS) professionals help governments and organizations adapt to the threat of climate change and address some of the world's most significant resource and environmental challenges. In particular, CCaSS teams have innovated in areas such as climate resilience, the circular economy, renewable energy, water accounting and alternative waste treatment.

Climate Change and Sustainability
Services

Positively influencing change

As leading providers of sustainability services, we continue to contribute to the sustainability dialogue, share knowledge with clients and the broader business community, and influence leading practice. Collaborations this past year include teaming up with the UNGC to assess the state of sustainable supply chains and continuing to provide strategic support leading up to launch of the Natural Capital Protocol.

- Climate Change and Sustainability Services
- ► The state of sustainable supply chains
- ► EY and the Natural Capital Protocol

Managing our own impacts

We continue to invest in ways to address our biggest environmental impacts of office energy use and business travel, and to improve the way we measure our progress. A number of EY member firms have implemented policies to reduce environmental impact, up to and including becoming carbon and water neutral by 2020. Our priority is to put in place a global framework to accelerate adoption of leading practices across our whole organization.

- ► Our global carbon footprint
- ► EY sustainability reports

About EY

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

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