



# How do you move long-term value creation from ambition to action?

EY Oceania Value Realised Scorecard  
November 2021

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



**EY**  
Building a better  
working world





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I am pleased to deliver the first EY Oceania Value Realised Scorecard. This refreshed way of reporting is an important step in meeting evolving expectations of transparency and public disclosure.

At EY, we are guided by our purpose of building a better working world, a world where economic growth is sustainable and inclusive. We use this lens to continuously develop the services and solutions that help clients deliver better outcomes for their stakeholders. It also drives us to invest in and develop the skills of our people, and inspires us to give back to the communities where we live and work.

**David Larocca** | EY Regional Managing Partner  
CEO, Oceania

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## Measuring our progress

Transparency is a crucial component in building and maintaining trust. This is especially true as our business makes long-term commitments - to achieve net-zero carbon emissions, increase diversity, equity and inclusiveness in our workforce, and contribute to the prosperity of the communities in which we operate. The way we measure and assess our progress will be critical to understanding how EY is tracking against those commitments.

Our approach to transparency is guided by two important factors:

- 1 Understanding our stakeholders' needs and expectations.
- 2 Understanding our public interest obligations.

Meeting the needs of all our stakeholders is our ongoing focus and challenge. Understanding these changing expectations and emerging standards will mean we can continue to be a trusted employer and positive contributor to society.

In 2019, EY refreshed its global strategy and introduced what we have called NextWave, which frames our ambition to create long-term value for our clients, our people and society. The Oceania Value Realised Scorecard builds on this NextWave strategy, complementing our [Global EY Value Realized Report](#) and the [Transparency Report \(Australia\)](#).

It is our intention that this Oceania Value Realised Scorecard will now be the baseline for future discussions with our stakeholders as we seek to understand and address their needs and expectations of us.

## Value realised

We have used the [WEF-IBC Stakeholder Capitalism Metrics](#) to guide our reporting. This is an important step as we seek to integrate ESG performance into our business strategy and continually improve how we operate. It is also a recognition, along with our reporting on the United Nations Global Compact (UNGC), of the importance of the United Nations Sustainable Development Goals (UN SDGs). We continue to be a proud participant in the UNGC, and we reaffirm our commitment toward its Ten Principles.

In July, I announced the appointment of Mathew Nelson as the Chief Sustainability Officer for EY Oceania. We were the first major professional services firm in the Oceania region to appoint a senior executive into this type of role and I believe it aligns our approach with that of our clients and the business community more broadly.

The Oceania Value Realised Scorecard is one of the first activities of the Chief Sustainability Officer. It is an important step in our commitment to a comprehensive sustainability agenda that includes [achieving carbon negative in 2021](#) and [an ambition to achieve net zero by 2025](#).

In this report, you will read about some of the efforts we have made over the past year to support our people and communities across our region, to continue to foster confidence and trust in the world's capital markets, and to support our clients as they transform.

EY became carbon negative in 2021.

We aim to achieve net zero by 2025.



## Looking ahead

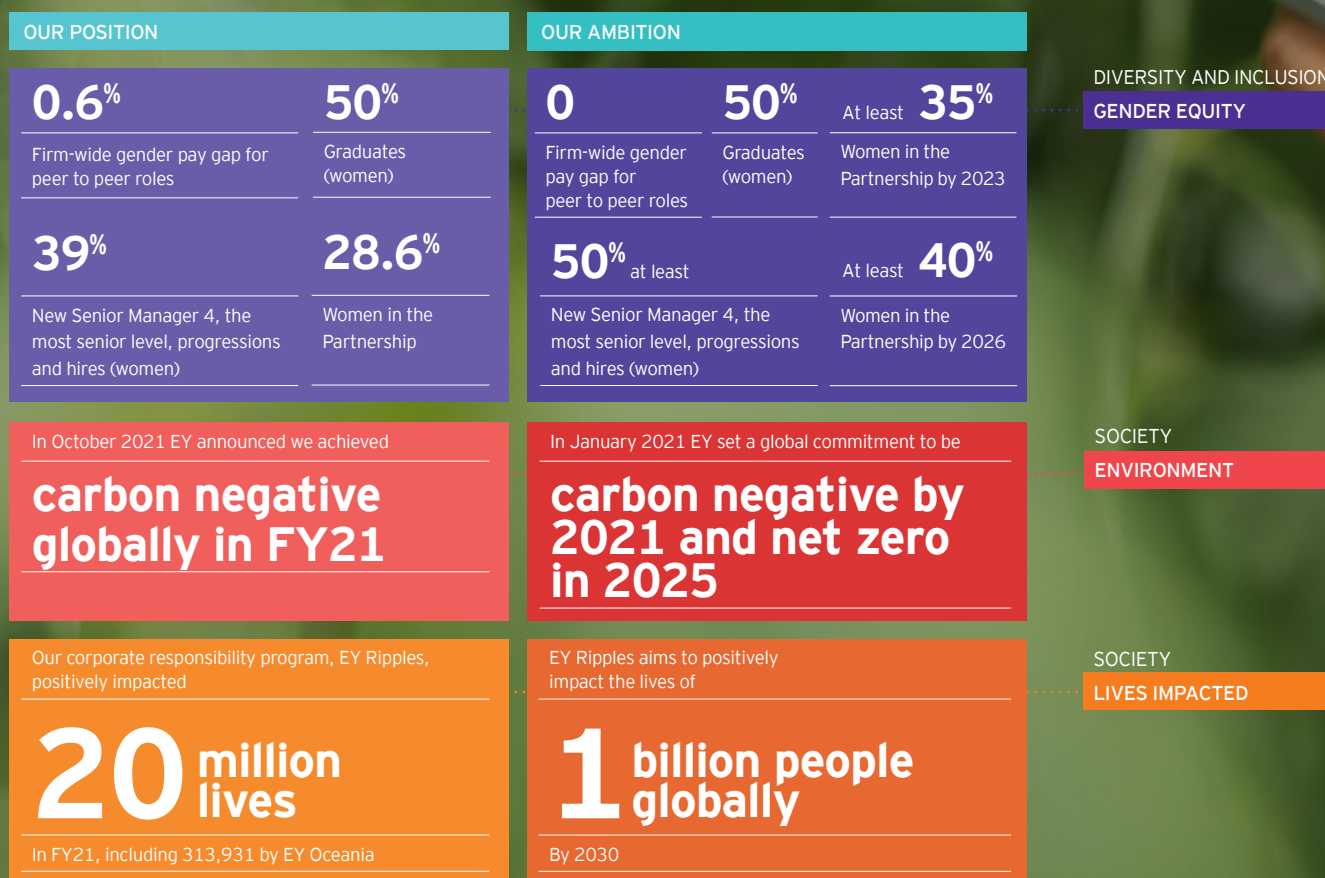
Our people's ability to navigate through this period of pandemic disruption has been remarkable. While we use this moment to reflect on what we have achieved and the value created over the past year, we need to keep asking ourselves what more we can do.

We have the strong foundations to take a leading role through this next phase of change as our people, businesses and communities navigate through new challenges, and seek out new opportunities.

We also understand that transparency alone does not guarantee ethical outcomes. But by ensuring that our business and our people are guided by our values, our commitment to creating long-term value and the highest standards of business practices, we will continue to fulfil our purpose of building a better working world.

We have already set ambitious targets across some of our most material topics including our carbon footprint, diversity and inclusion, and impacting lives in the community. Below we have highlighted some of our most material topics where we have already set clear targets. Over the next 12 months, we will continue to engage with our stakeholders to refine our measures of performance across a range of additional measures including those covered in the following pages.

By understanding our current position, we can set our ambitions and monitor our progress. Whilst much effort has been made to get to where we are today, we are committed to going beyond these ambitions to improve our impact.



## Notes on the Oceania Value Realised Scorecard content:

We have been recognised as:

- ▶ #1 AFR GradConnection Most Popular Accounting, Professional Services and Consulting Employers
- ▶ #4 AFR GradConnection Top 100 Most Popular Graduate Employers
- ▶ #4 in GradAustralia's Top Accounting and Advisory Graduate Employers
- ▶ #1 in GradNewZealand's Top Accounting and Advisory Employers
- ▶ #9 in GradNewZealand's Top 100 Graduate Employers
- ▶ #1 LinkedIn Top Company in Australia
- ▶ #9 Universum ranking with Business/Commerce/Management Students
- ▶ HRD Employer of Choice
- ▶ Australian Workplace Equality Index - Network Leader of the Year
- ▶ Australian Workplace Equality Index - Platinum Employer
- ▶ Rainbow Tick for LGBTTTQIA+ inclusion (New Zealand)

- ▶ All figures are for the Australian Financial Year 2021 (FY21), unless otherwise stated.
- ▶ All monetary amounts are in Australian Dollars (AUD).
- ▶ Oceania comprises Australia, New Zealand, Fiji, and Papua New Guinea.
- ▶ Data and commentary should be considered in the context of COVID-19 which will likely impact certain data points. We anticipate a fuller picture will become clearer over time as we continue to track and monitor our progress and impact.
- ▶ The measures included in this Scorecard have been determined based on the principles of an initial assessment of stakeholder needs and general public interest. Some metrics have not been included because the Scorecard is not necessarily the appropriate forum for releasing this information or, in some circumstances, privacy concerns outweigh their inclusion. We intend to consult with our stakeholders as to the appropriateness of further disclosures in the future. This is part of an ongoing commitment to assess each Scorecard component to ensure we have appropriate metrics so that we can understand our impact and improve.

The Value Realised Scorecard is in addition to the [Transparency Report \(Australia\)](#) and our [Modern Slavery Statement](#). The Scorecard is produced with an intention to avoid duplication of content.

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One of the cornerstones of leadership is to establish trust. This is why we have established our Oceania Value Realised Scorecard to accompany our Transparency Report (Australia) and demonstrate our commitment to maintaining trust with our stakeholders and our people.

Improving our approach to transparency is an important step in our journey. The expectations of our stakeholders and our people will continue to evolve, and we will keep listening. Our Scorecard gives us the opportunity to respond to the data and strive for best practice across all of our business operations, and ultimately create greater value for all our stakeholders.

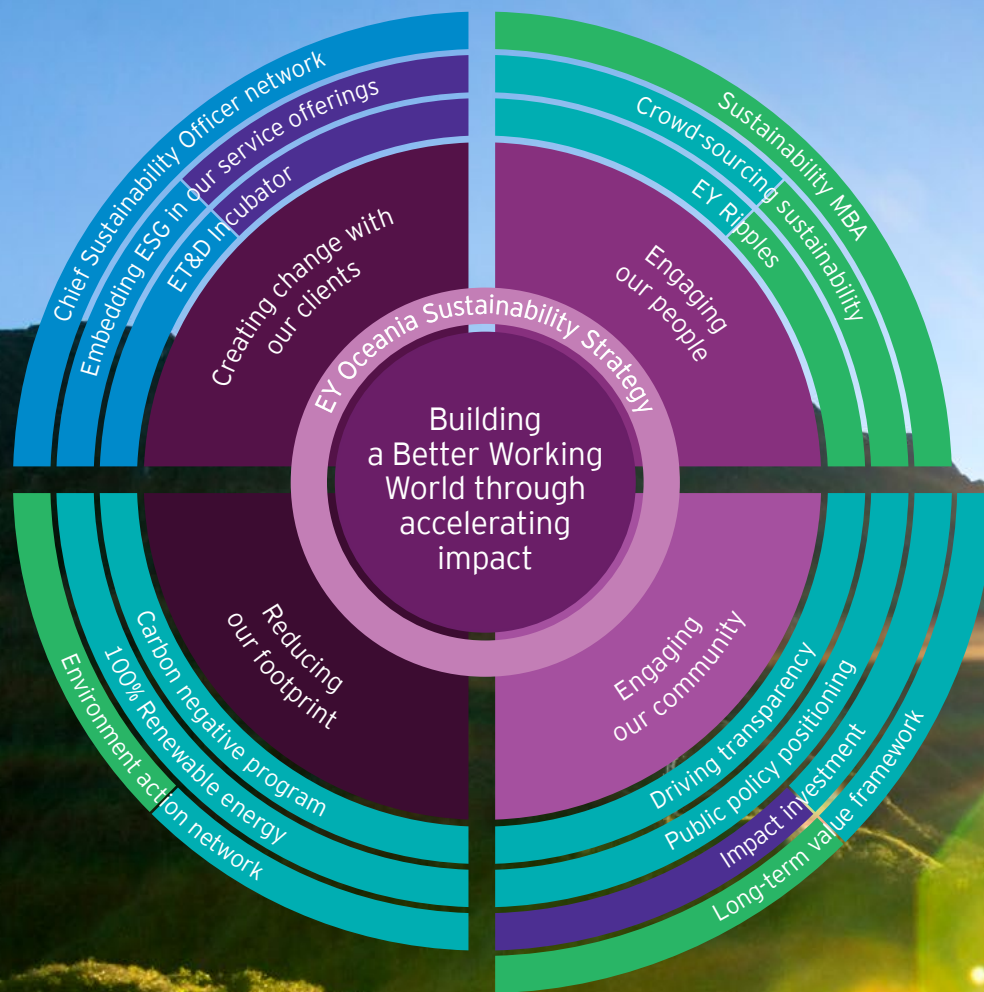
2021 has been a significant year for EY. We have continued to lead in sustainability, most recently announcing that we have achieved carbon negative status. I'm looking forward to continuing our sustainability agenda with particular focus on engaging our people and community, reducing our footprint and creating change with our clients.



**Mathew Nelson** | EY Chief Sustainability Officer, Oceania

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## LTV Key:

- People Value
- Social Value
- Client Value
- Financial Value

In recognition of the growing focus on ESG and sustainability, EY Oceania has established its own Sustainability Strategy centred around our purpose of Building a Better Working World through Accelerating Impact. In order to create positive impact, we have brought together: our people, who are our greatest asset; our clients, where we can have the greatest impact; and our communities that give us our social licence to operate, all whilst ensuring we have our own house in order related to our environmental footprint.

This Sustainability Strategy will be embedded into our business strategy, NextWave, in order to deliver long-term Value across the People, Societal, Client and Financial dimensions.

The next step in the journey is to establish and deliver a range of strategic initiatives under these four pillars. The good news is we have already begun, with our initiatives associated with our carbon ambition, our work on inclusive capitalism and our incredible EY Ripples program. But we aren't stopping there. As the above diagram shows, there is much to do and engaging with our stakeholders on all of these strategic initiatives will be our priority over the next six months.



# Creating long-term value for EY people

.....  
Providing an exceptional experience  
for EY people





Our most valuable asset is our people. The combined skills and knowledge of our people, and the insights and quality services they deliver, build trust and confidence in the world's capital markets and economies.

Building a better working world is why we exist as an organisation. It's the lens through which our people understand the significance of their work and are driven to do their best. Our purpose-driven culture differentiates us in the market. It's what helps us to attract and retain outstanding leaders and contributes to our reputation as a training ground for sectors across the economy.

We retain our people by giving them interesting, challenging work that allows them to continuously develop their skills and knowledge in an ethical environment that supports their personal integrity. We believe when people pursue meaningful careers and are supported to reach their potential, then collectively we are one step closer to realising our purpose.

We understand that the reporting period for this Scorecard has been a challenging time for many of our people as we all seek to navigate through the global pandemic and adjust to periods of remote working while managing other life responsibilities. We, like many other employers, have sought to provide additional support to our people however we realise that the pressures of managing time, workloads and personal commitments are ongoing and we are determined to understand the challenges and ensure our people are supported by the right systems, practices, and most importantly, a good culture.

Diversity 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.

We believe in maximising the power of different perspectives and backgrounds in all our work. Including varying points of view in our decision-making, operations and actions is fundamental to establishing long-term value for our people, as well as long-term client, social and financial value. This helps us to fulfil our purpose of building a better working world.

## Our primary stakeholders related to People are:

- ▶ Our people, Partners and their families.
- ▶ Our clients, suppliers, and contractors.
- ▶ Governing bodies including governments, regulators, and employee-related organisations.
- ▶ The communities in which our people work and live.

## Our public interest commitments as an employer are to:

- ▶ Provide a safe and inclusive working environment.
- ▶ Enhance the wellbeing of our people.
- ▶ Work continuously to improve the quality of our services by investing in our people.
- ▶ Develop transformative leaders who are purpose driven and bring out the best in themselves and others.
- ▶ Support our people to make good decisions by providing an ethical and behavioural framework in our Global Code of Conduct, which is anchored in our values and supported by the EY Ethics Hotline.
- ▶ Consider and manage the impact of technology and automation on potential job displacement and anticipate the capabilities our people will need in the future.
- ▶ Supporting and harnessing the power of our alumni.

## Talent Attraction

Whether our people pursue opportunities outside the firm or stay for their entire career, our commitment is that the EY experience will bring value - to them and those they impact.

*Figures provided include Oceania headcount employees as at 30 June 2021 (excludes temporary employees and contractors).*

8,775	Staff Headcount
697	Partners
2,599	Total new hires

## Diversity & Inclusiveness

We purposefully hire a diverse mix of individuals to generate the best solutions for our clients. We hire people based on merit, experience and skill set, and assess candidates from across the world against a mix of behavioural and technical standards.

Our refreshed Diversity and Inclusion (D&I) strategy centres around three anchors:

- ▶ Shaping the conversation
- ▶ Equity by design
- ▶ Inclusiveness and belonging for every day.

### WE ARE COMMITTED TO

- ▶ Being a bold voice on D&I in the pursuit of long-term impact.
- ▶ Adapting and refining our workplaces, policies and practices to enable a diverse mix of people to thrive in their work, career and home lives.
- ▶ Seeking to further embed D&I (representation) into account planning and engagement delivery measures (inclusiveness).
- ▶ Including inclusiveness and belonging as part of how EY develops leadership, culture and experience.

### GENDER DIVERSITY

EY has kept the pay parity figure below +/-1% for successive years and has recruited equal numbers of men and women at the graduate level. An opportunity remains at the experienced senior manager level to ensure that we are building and recruiting talent for an equitable Partner pipeline.

In 2021, EY reached the initial 2020 gender target set in 2015 to have 30% women at the Partner level, albeit a year behind, and has further extended the gender target to 35% of women in the partnership by 2023 and at least 40% by 2026.

### CULTURAL DIVERSITY

We have an opportunity to review our targets and strategy around cultural diversity following our cultural census.

We are committed to doing better and are seeking to understand the range of factors that impact achieving diversity and inclusion.

54%	Female Executive Leadership Team
28.6%	Female Partner/Principal
32.2%	Female Partners, Principals, Executive Directors and Directors
Female by rank	
46.7%	Senior Manager/Associate Director
50.4%	Manager/Assistant Director
54.0%	Supervising Associate/Senior Associate
48.8%	Staff/Assistant/Associate
46.1%	Intern
23%	Partners culturally diverse (As at 1 July 2021)

*Note: Figures provided are as at 30 June 2021, unless otherwise indicated. Further breakdowns of cultural diversity will be available for the next reporting period.*



## Training and Career Development

At EY, we seek to equip our people with the right tools and skills and anticipate the capabilities they will need in the future. We offer a three-part approach to personal and professional development: learning opportunities, stimulating work experiences and transformational coaching.

To accommodate our evolving modern workforce, we have increased our virtual offerings. This increase in virtual training delivery helped ensure our learners were able to remain compliant with our globally mandated learning requirements, with 94% of our learners exceeding the 20-hour minimum for the year.

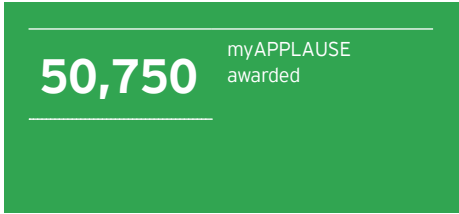
EY Badges are a modern solution to developing valuable future-focused skills for our employees. Earning an EY Badge enables our learners to improve their credentials, shape their career and prepare them for the future. Currently there are more than 250 badges available for our people to choose from across a broad range of innovative, transformative and future-oriented topics.

An initiative in place to encourage learners to complete Badges is the EY Tech MBA program, a fully funded Executive MBA program awarded by Hult International Business School free of charge to all EY Employees (regardless of rank and tenure, with the exception of EY contractors, interns and alumni). The program requires learners to complete 16 EY Badges spanning three categories – Technology, Leadership and Business and prepare an insight paper for each pillar - as well as complete final capstone project.



## Recognition

The myAPPLAUSE program provides an opportunity for staff to recognise the achievements of others. Staff can say 'thank you' or show appreciation with an eCard and can nominate staff for awards in recognition of going above and beyond resulting in points to spend in the myAPPLAUSE platform. Length of service anniversaries are also awarded with myAPPLAUSE points which can be redeemed for gift cards through the myAPPLAUSE program.



## Workplace Culture and Engagement

People survey results are based on employee responses from a Pulse Survey. Pulse Surveys provide a snapshot of a moment in time.

The EY Engagement Index measured the following sentiments:

1. Pride: "I am proud to work for EY"
2. Advocacy: "I would recommend EY as a great place to work"
3. Accomplishment: "My work gives me a sense of personal accomplishment"
4. Intent to stay: "I rarely think about looking for a job at another organisation"

We are pleased with our staff engagement and experience scores, particularly given the challenges presented by COVID-19. However, there are some clear areas for improvement including better supporting the mental and emotional health needs of our people.

In response, new initiatives designed to better support our people include the appointment of EY Chief Mental Health Advisor, Jono Nicholas, and Oceania Partner Development & Wellbeing Lead, Rachel Thomas, as well as the launch of EY Mental Health Sharepoint which provides a single point of access to a range of mental-health support tools.

Other support includes:

- ▶ Ongoing mental health / wellbeing webinars, including Employee Assistance Program Awareness
- ▶ Mental health keynote addresses attracting audiences of 1,400+
- ▶ Virtual school holiday program sessions
- ▶ Parent Support Sessions (Primary school aged and Teenagers) run by Jono Nicholas, EY Chief Mental Health Advisor, Oceania

The myWELLBEING program is EY Oceania's digital wellbeing offering. This program provides a central hub for accessing all wellbeing needs including health assessments and resources, daily habit tips, invitations to wellbeing events, tracking daily activity and connecting with colleagues through digital team challenges.

The platform:

- ▶ Assists individuals to identify wellbeing needs wherever they are on their wellbeing journey
- ▶ Empowers and motivates change through small, achievable steps in regular routine
- ▶ Enables access to all wellbeing resources, services and events in one easy-to-reach location
- ▶ Educates what strategies to put in place to achieve desired wellbeing outcomes
- ▶ Encourages regular interaction to build points profile for \$250 wellbeing incentive

We are actively building initiatives into our plans for FY 22, including our NextWave activation and are committed to ensuring we have the right metrics in place and are asking the right questions so that we can understand the wellbeing challenges of our people. We anticipate further developments in this area over the next reporting period.

### PEOPLE SURVEY RESULTS

73%

Exceptional Experience (July 2021)

75%

Staff Engagement (EY Engagement Index) July 2021

### IMPROVEMENT AREAS

50%

I have a good understanding of the changes that will be required from me to make NextWave [our strategy] successful

56%

I am able to dedicate time to support my mental and emotional health needs

57%

I am comfortable with the personal and professional demands for my time

### SUPPORT INITIATIVES

70+

Accredited Mental Health First Aiders

6,383+

enrolled in myWELLBEING

2,872

Health risk assessments

2,664

Employees completed Bystander Intervention Training



## Workplace Investigations

We take a proactive approach to preventing and resolving workplace issues. Regular communication, training and reconfirmation of expectations form part of our strategy to ensure all employees are aware and advocate for a safe and positive working environment. Our aim is to proactively promote appropriate workplace behaviour through our policies, training and coaching (for example, through rolling out Bystander Intervention training), and also provide a variety of channels for raising complaints and dispute resolution.

We are trying to achieve an open and psychologically safe work environment where our people and our Partners are not only behaving in the right way, but are also comfortable resolving issues themselves if appropriate, and are equally comfortable raising complaints when required. We expect the highest standards of behaviour right through our organisation and the Ethics Oversight Group (EOG) is in place to ensure that even the highest levels of our organisation are held to the same standards as our employees.

We measure success not necessarily by the number or type of complaints being reduced (because as we know, low reporting can be symptomatic of problems in itself), but through the reduction of the severity of complaints, and through the general sense that everyone in the business feels fully supported and confident that issues are taken seriously and dealt with appropriately.

We take all complaints seriously. EY adopts a neutral and balanced fact-finding approach that aims to protect the rights of the complainant and the respondent. Every complaint is different and the specific procedure to be adopted in the consideration of each matter will be determined having regard to the circumstances. Methods for managing a complaint can range from informal discreet enquiries to commencing a formal investigation.

There are several different avenues for employees wishing to discuss or raise a complaint formally or informally, they include:

- Any Partner
- Talent Specialist Team
- Welfare Contact Officers
- Ethics Hotline
- Employee Assistance Program
- Mental Health First Aider

Our complaints management process is procedurally fair and thorough, but we also keep a strong focus on employee wellbeing and psychological safety. Outcomes in the past year included informal management, facilitated conversation, verbal warning, written warning, through to financial sanctions/withholding of promotion, and termination of employment.

12	Formal Workplace Investigations (total)
BREAKDOWN OF FORMAL WORKPLACE INVESTIGATIONS:	
Sexual Harassment:	
2	Substantiated
2	Partially substantiated, and
2	Inconclusive
Bullying:	
1	Substantiated
1	Partially substantiated
2	Inconclusive, and
2	Not substantiated

## Compensation and Benefits

EY has removed the distinction between primary and secondary labels. EY employees have equal access to 18 weeks of paid parental leave, and no break in superannuation or KiwiSaver arrangements for up to 12 months. There is no eligibility period. EY provides flexible options to use the leave to meet the unique needs of each family. We're offering paid leave for fertility treatment, early pregnancy loss, and new grandparents.

Gender pay equity is about ensuring individuals who are doing equal or comparable work at the same performance standard are paid equally. We use compa-ratio for our gender pay analysis, looking at an individual's final salary compared with what they should be getting paid according to the current market rate. This data is summarised as averages and compared to obtain a firm-wide indication of gender pay parity.

The gender pay gap is calculated in accordance with the criteria of the Australian Government Workplace Gender Equality Agency (WGEA) and is based on EY Australia's 2020 submission. The gender pay gap measures the difference between the average earnings of women and men in the workforce, it is not the difference between two people being paid differently for work of the same or comparable value. According to the WGEA, closing the gender pay gap goes beyond ensuring equal pay, it requires cultural change to remove the barriers to the full and equal participation of women in the workforce.

We continually review our salary bands against credible industry benchmarks, and adjust accordingly, to ensure we are offering competitive salaries for our people. The benchmark surveys that we participate in for Australia include Aon, Financial Institutions Remuneration Group (FIRG), VenCon, Mercer Legal, Mercer Actuarial, Mercer High Tech and Radford. For New Zealand, Strategic Pay Big 4 remuneration survey, REMonTAP, VenCon and Financial Institutions Remuneration Group (FIRG).

Rates of pay and salary bands are not included in this Scorecard as they are relevant to a specific stakeholder group, our people, and not all of our team members support open distribution of this information. Therefore, we separately have engaged directly with our workforce on this topic. Pay parity and salary gap are considered the relevant measures under Compensation as they have wider societal implications and relate to the broader principle of overall fairness in how we remunerate our partners and people.

We acknowledge there is an opportunity to look at the overall pay gap more closely as another way to assess gender equality across EY.

We will consider appropriate forums and the form for further compensation disclosures. This will be done through consultation with our stakeholders, particularly our people and Partners. Any new compensation disclosures will be made to our people prior to other stakeholders.

**795**

Number of employees and Partners taking parental leave

**18.8**

Average duration (weeks)

**338**

Number of men taking parental leave (average 9.2 weeks)

**457**

Number of women taking parental leave (average 26.1 weeks)

**0.6%**

Gender Pay Parity (like for like)

**8.67%**

Gender Salary Gap (For Australia in accordance with WGEA methodology)



## Safety

EY Oceania's commitment to health and safety is managed through our comprehensive Safety Management System (SMS) which includes policies, procedures and initiatives designed to promote best practices, assist our people in reaching their full potential and maintain their wellbeing, as well as meet our Health and Safety obligations across Oceania.

The reduction in incidents compared to last financial year is likely attributed to increased remote working due to the COVID-19 pandemic. Incidents/injuries for FY21 include mental health, workplace behaviour, ergonomic-related injuries and medical incidents.

Lost-time injury frequency refers to the number of injuries that resulted in absence from work for at least one full day any time after the day of incident, or placed on restricted duties, per one million hours worked.

An external Health & Safety review is conducted every two years. The review assesses our Australian and New Zealand operations against the "*International Standard for Occupational Health & Safety Management Systems ISO 45001:2018*". Our most recent review in December 2019 was successful with no non-compliance findings.

Note: Incident data provided is for Australia and New Zealand combined.

**1.42**

Lost-time injury frequency (the number of lost-time injuries per million hours worked)

**0%**

Overdue incident investigation (no overdue incident investigations)

**96%**

Health and Safety training compliance

**24**

Internal compliance reviews completed

**0**

Penalties and regulatory breaches

# Creating long-term value for society

Building trust in capital markets and having a positive impact on communities and the planet



We know that as an organisation, EY Oceania can make the biggest contribution to our communities when we take the same distinctive services and competencies we use in our business every day to help address society's toughest challenges.

Beyond the work we do in our business, we make a positive social impact through our pro bono program, our Reconciliation Action Plan (Australia), support for our focus charities and our corporate responsibility program, EY Ripples. We are also striving to minimise our environmental footprint while embedding principles of responsibility and sustainability across our entire business.

Globally EY is bringing more focus to align our efforts to strengthen our communities with the knowledge, skills and experience of our people through our global corporate responsibility program EY Ripples.

EY Ripples aims to positively impact the lives of 1 billion people globally by 2030 through three key areas of social impact:

- 1 Working with impact entrepreneurs to help scale businesses that purposefully target progress toward the UN Sustainable Development Goals.
- 2 Helping young people develop the mindsets and transferable skills they need most to sustain meaningful work in the future.
- 3 Accelerating environmental sustainability by working to drive the adoption of behaviours, technologies and business models that protect and regenerate the environment while unlocking economic opportunity.

Our primary stakeholders related to Society are:

- The communities in which we work and impact.
- Our people and partners.
- Suppliers and those with whom we work.
- Governments, regulators and governing bodies, particularly climate-related agencies.
- Non-government organisations, particularly Reconciliation Australia.

Our public-interest commitments in relation to society include:

- Respecting our responsibility to protect the human rights of our people and those we engage for products and services.
- Striving to minimise our environmental footprint and embed principles of responsibility and sustainability across our business.
- Working to secure a better future for Australia's First Nations People by working with the First Nations sector and the government agencies and organisations that empower them.
- Seeking to make a positive social impact through our pro bono program, support for charities, and our corporate responsibility program, EY Ripples.
- Focusing on our key areas of social impact which involve supporting youth, education, impact entrepreneurs, environment, mental health, Indigenous programs and building a more diverse and inclusive society.
- Recognising the potential of entrepreneurs as creators of societal and economic value, driving innovation, bringing new concepts and products to market, and creating jobs and wealth.
- Sharing our insights and knowledge, and leading discussions by asking better questions on issues that impact markets, clients, our people, and communities.



## Supply Chain Working with Diverse Businesses

EY's biggest opportunity to work with Indigenous businesses is with our client tenders and engagement. Government policies such as the Commonwealth Indigenous Procurement policy, the NSW Aboriginal Participation Policy and the Victorian Social Procurement Framework have helped guide EY's overall Indigenous procurement strategy. EY strives to engage with more Indigenous businesses, and to contribute to their growth and sustainability as well as that of the overall Indigenous business sector.

In FY21, despite some setbacks to our procurement pipeline due to COVID-19, EY procured more than \$1.1m from Indigenous businesses, through a combination of supply-chain spend and securing the services of First Nations businesses to work with us on client engagements.

In Australia, EY is one of the 17 corporations that have signed up to the Raising the Bar commitment with the Business Council of Australia to grow Indigenous procurement and capabilities by three per cent of annual influenceable spend with Indigenous businesses over a five-year period.

We track our spend in Oceania for Indigenous, Māori and female-owned businesses.

EY (Australia) launched a new Stretch RAP in October 2021. RAP procurement goals have been adjusted to reflect the Raising the Bar annual targets. We acknowledge that we still have work to do to ensure we achieve and exceed our Indigenous procurement targets. To ensure that what we procure at EY is more than spend and has direct impact, Environmental Social Governance Services (part of Supply Chain Services) are consulting with leadership to create a roadmap that includes:

- Review of our categories of procurement opportunities
- Increased requirements of our client teams to undertake and abide by government Indigenous procurement policies for our client tenders and engagements
- Engaging with our top Tier 1 suppliers to educate on our commitment to diverse suppliers, and new requirement for Tier 2 reporting.

1%

Spend on Indigenous suppliers

## Climate and Environment

In January 2021 EY set a global commitment to be carbon negative in 2021 and net zero in 2025. In October 2021 EY announced we achieved carbon negative globally in FY21, removing or offsetting an additional 34% of EY's FY21 global carbon footprint. This built on our achievement of carbon neutrality in December 2020 and underscores the EY commitment to the environment and to driving long-term sustainable growth.

At EY we are committed to ensuring all the work we do aligns with our goal of promoting a climate-positive agenda.

Note: EY carbon emissions come from two key sources: office energy consumption and air travel.

3,665 tonnes CO<sub>2</sub>-e Scope 1 & 28,012 tonnes CO<sub>2</sub>-e Scope 3
**11,677**  
tonnes CO<sub>2</sub>-e Total

**134%** Removals/offsets

## Reconciliation

At EY, we envision an Australia where relationships between all Australians are based on trust and respect. An Australia where Aboriginal and Torres Strait Islander peoples and cultures are valued and celebrated, Aboriginal and Torres Strait Islander entrepreneurs and businesses flourish, and the priorities of Aboriginal and Torres Strait Islander communities are given sufficient attention and resources.

Our second Stretch RAP, released in September 2021, details our reconciliation ambitions for 2021 to 2024.

A copy of our [Reconciliation Action Plan \(RAP\)](#) is also available on the Reconciliation Australia website.

Nearly <b>1,500</b>	Pro bono hours (Indigenous)
<b>17</b>	Permanent full-time Aboriginal and Torres Strait Islander employees
<b>532</b>	EY people undertaking culture and awareness training

## EY Ripples

EY Ripples brings together the global EY network in an effort to achieve one shared vision: to positively impact one billion lives by 2030. We believe businesses must do more to foster sustainable inclusive growth and EY Ripples is a global program that brings greater scale and sharper focus to our efforts to address some of the biggest challenges of our time.

Through EY Ripples, we focus on supporting the next generation workforce, working with impact entrepreneurs, and accelerating environmental sustainability. In each of these areas, we apply our skills where they can make the biggest difference. We extend the value of EY knowledge to people and places we might not otherwise reach.

Lives impacted figures encompass evaluation of both direct and indirect beneficiaries of EY Ripples initiatives - for example, both the leaders of impact enterprises and the customer base they serve - and are weighted according to the depth and breadth of impact that can be attributed to EY support.

Hours invested by EY people include pro bono, EY Ripples, skilled volunteering and community volunteering.

Sponsorships and donations include to the arts, charities, education, and community organisations and EY matching workplace-giving donations.

Volunteer positions include not-for-profit, charity, education and other community organisations.

<b>313,931</b>	Lives Impacted
<b>31,437</b>	Hours invested by EY people
<b>\$1.6M</b>	Sponsorship and donations
<b>380</b>	EY people holding more than <b>580</b> volunteer positions on NFP and community organisations

## Entrepreneurs

We have long recognised the importance of entrepreneurs as creators of social and economic value, driving innovation, bringing new concepts and products to market, and creating jobs and wealth. For more than three decades, we have made it our business globally to adapt our experience, industry capabilities and resources to advise, guide and recognise entrepreneurial, high-growth companies of all sizes. EY supports entrepreneurs at their many stages of development through our own programs and by supporting the initiatives of others including regulators, policy makers, educational institutions, accelerators, not-for-profits and industry associations.

We are passionate about developing the startup and entrepreneurial ecosystem and supporting founders innovative start-up ideas, companies and their owners to capitalise on transformative opportunities and realise their potential.

EY Foundry is a startup incubator for early-stage, B2B, technology startups in the tax, accounting, legal tech, regtech, fintech, and HR tech space that spans seven countries across Oceania and ASEAN.

To date, EY Foundry has achieved 40% female founder diversity and 50% culturally and linguistically diverse founder representation across our portfolio of Oceania startups. EY Foundry is proud to support early-stage female founders with one of our founders, Danielle Owen Whitford (CEO of Pioneera) recently profiled as a panellist in EY's Entrepreneurial Winning Women's program discussing "Technology and talent challenges amidst the impact of COVID-19".

As one of EY's earliest touchpoints with startup founders, EY Foundry complements EY's existing entrepreneurship programs. You can read more about EY Foundry at [www.ey.com/EYFoundry](http://www.ey.com/EYFoundry)

Other support for entrepreneurs includes the EY Entrepreneur Of The Year Awards program which celebrates those who are building and leading successful, growing and dynamic businesses. Winners from more than 140 city-based awards in more than 50 countries compete for the title of EY World Entrepreneur Of The Year. In Australia, since 2001 we have celebrated more than 1,500 entrepreneurs through EY Entrepreneur Of The Year.

EY Entrepreneurial Winning Women is now in its 12th year. This program identifies high-potential female entrepreneurs and provides support to help accelerate their business growth. EY gives the founders ongoing access to our resources, networks and know-how, helping to strengthen their abilities to become market leaders. At the same time, the program creates a vibrant global community of successful female entrepreneurs and inspiring peer role models.

**1,000+**

Entrepreneurs supported through 7 EY Drivers of Growth program (FY21)

**4**

Start-ups supported by EY Foundry (FY21)



## Tax

As a private partnership, taxes are paid by our partners, and not the firm. We have processes in place to establish that the individual tax positions of our EY Partners are sufficiently transparent to the firm, to assure the ATO and our own Partner group that total partnership firm income is appropriately reported to the ATO and regulatory authorities in accordance with the law.

Total taxes paid is across Australia and New Zealand, this includes taxes paid by EY entities and taxes paid by Partners and staff on EY income.

\$660m

Total taxes paid (approximately)

38%

Average effective tax rate paid by Australia and New Zealand Partners on firm income

# Creating long-term value for EY clients

Helping clients grow, optimise, and protect value  
and being a long-term growth leader



We create long-term value for clients by helping them not only address today's challenges but also understand emerging trends, and how to mitigate risks, and seek out opportunities in a post-pandemic world.

We believe that a purpose-led strategy is the path to growth in the post COVID-19 environment - a strategy that takes into account multiple stakeholders and addresses key issues of trust, trade, technology, sustainability and puts people at the centre of every decision.

Our teams help clients grow, optimise and protect value. We bring together all of EY's capabilities across service lines, sector knowledge, data, technology, and our ecosystem to meet clients' diverse needs.

Our ambition is to create a world-class client relationship and experience program, designed to deliver client value, a differentiated client experience and strong relationships.

### Our primary stakeholders related to Client and Financial Value are:

- ▶ Our clients, and those we hope to work with.
- ▶ Our people and Partners, and those we hope will work with us.
- ▶ Governments, regulators, and governing bodies.
- ▶ Capital markets and the economies in which our work has an impact.

### Our public-interest commitments through our work, including consulting, are:

- ▶ Making sure trust and confidence in capital markets is justified.
- ▶ Promoting and contributing to good governance.
- ▶ Supporting our clients to deliver long-term value for their stakeholders, including the community.

- ▶ Considering the broad effects on society of clients acting on our advice.
- ▶ Engaging in the policy process as part of our efforts to serve the public interest, foster trust in markets and build a better working world.

### As Tax Advisors we:

- ▶ Support compliance with the tax system so that governments can deliver services for the benefit of society.
- ▶ 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.
- ▶ Have robust processes for monitoring the quality and appropriateness of our advice, seeking to ensure it meets high professional standards and ethical expectations.

### In providing Assurance and Audit Services, we:

- ▶ Support the highest-quality professional standards for financial reporting, auditing, and assurance.
- ▶ Ensure financial statements present fairly, in all material respects, an entity's financial position, results of operations and cash flows.
- ▶ Act according to fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.
- ▶ Do not undertake non-audit services that would compromise our independence.
- ▶ Support our people to act in the public interest in accordance with APES 110 Code of Ethics for Professional Accountants (including Independence Standards) - Responding to Non-Compliance with Law and Regulations (NOCLAR).
- ▶ Consistently invest in audit quality initiatives to drive quality improvements in response to changing business environments.
- ▶ Recognise we have a role to play in educating the public about the purpose and scope of audits.



## Client Value

Our NextWave ambition is to create a world-class client relationship and experience program, designed to deliver client value, a differentiated client experience and strong relationships.

We regularly assess client satisfaction with the quality of our services through quantitative and qualitative client insights. These occur on both an informal basis during day-to-day client delivery, as well as through formal and independent reviews that take place with key people in client businesses, including audit committee chairs and board members. We use feedback from these interviews to improve the way we serve our clients.

Client Experience (CX) is a measure of NextWave client centricity. CX activity increased from 16% to 850 interactions in FY21. This comprised:

- ▶ 631 Assessments of Service Quality (ASQ)
- ▶ 183 Win Loss Reviews
- ▶ 36 Expectations of Service Quality (ESQ).

## Financial Value

Revenue reported is for year ended 30 June 2021 for Australia and New Zealand and includes revenue from delivery of our services and client expenses.

As a partnership, EY distributes its entire profit each year to its Partners. As like any business, profit each year varies due to a range of factors that include the overall revenue of the business and our recurring costs. In addition our year to year profit that is distributed can be impacted by a number of one off items, which have the effect of increasing the volatility of profits distributed each year. Reported here is the average annual increase in per partner earnings over the last three years (ie FY19, FY20 and FY21). We provide this three year average to best reflect the actual increase in profits distributed to our partners over time taking into account the volatility referred to above.

Closing the Partner pay gap is a priority. The overall gap reflects the historical gap in the proportion of female to male partners and the years of experience of our female partners. For example, as we have been working hard to increase the overall percentage of female partners, we have a larger proportion of females in the 1-6 year Partner category. However, we are committed to increasing the proportion of women in the Partnership being represented in our highest remunerated Partners - up from 13.8% in FY20 to 18.2% in FY21. This will continue to increase as the greater proportion of women who have been admitted to the Partnership in recent years progress through the firm. In addition, the average total earnings increase for female partners was higher than for male partners in 2021, consistent with each year from 2016 through 2020.

### CUSTOMER SATISFACTION SURVEY

**99%** Rated as 'met' or 'exceeded' expectations

**8.84/10** Average Recommendation Score

**2.54 Billion** Revenue

### REVENUE BY SERVICE LINE

**578M**  
Assurance

**633M**  
Tax

**976M**  
Consulting  
(including Risk)

**355M**  
Strategy and  
Transactions

**6.6%** Average annual increase in per partner earnings for FY19-FY21

**0.9%** Partner Gender Pay Parity (like for like)

**22%** Partner Gender Pay Gap (overall)

## Quality & Independence

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EY Partners are evaluated and compensated based on criteria that include specific quality and risk management indicators, covering both actions and results.

Specific quality and risk performance measures have been developed to account for:

- Providing technical excellence
- Living the EY values as demonstrated by behaviours and attitude
- Demonstrating knowledge of, and leadership in, quality and risk management
- Complying with policies and procedures
- Complying with laws, regulations and professional duties
- Contributing to protecting and enhancing the EY brand

Quality or Risk Management concerns or non-compliance limits Partners' overall performance evaluation for the year, regardless of how they have performed in the other areas in which their performance is measured.

Note: Other metrics related to Quality & Independence for Assurance are provided in the EY Australia [Transparency Report](#).

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**99.7%**

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Partners rated as either meeting or exceeding expectations for Quality Risk Management (QRM)







## EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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EYSCORE 010346-21-AUNZ

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