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ABOUT US

MATERIALITY
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FACTS & FIGURES
APPENDIX

“

Together, we will shape the future
with confidence

EY Global

Ernst & Young Global Limited (EYG), a UK company limited by guarantee, is a global leader in assurance, tax, strategy, transactions and consulting services worldwide. EYG coordinates the member firms and supports cooperation among them. In this report, EY refers collectively to the global organization of the member firms of EYG.

EY Switzerland

In Switzerland, Ernst & Young Ltd (also registered under the names: Ernst & Young AG; Ernst & Young SA) is a corporation incorporated in Basel, Switzerland, and a member firm of EYG. EY Switzerland also includes Ernst & Young AG, Vaduz, an EYG member firm in Liechtenstein. Ernst & Young AG, Vaduz, is a wholly owned subsidiary of Ernst & Young Ltd, Basel, and reference made in this report to EY Switzerland includes its subsidiary in Liechtenstein.

Ernst & Young Ltd, Basel, is owned by Chatmust Ltd, a Swiss holding company. The equity of Chatmust Ltd is collectively owned by the Swiss partners (Swiss Partner Pool). In this report, we refer to ourselves as "EY Switzerland," "we," "us" or "our" and we refer to our employees as our "people." EY refers collectively to the global organization of the member firms of EYG.

Our geographical footprint

Figure 1

EY Global

28

Regions

+700

Locations

+150

Countries

393,025

Professionals

Present in 3 Geographic Areas:

- EMEIA
- Americas
- Asia-Pacific

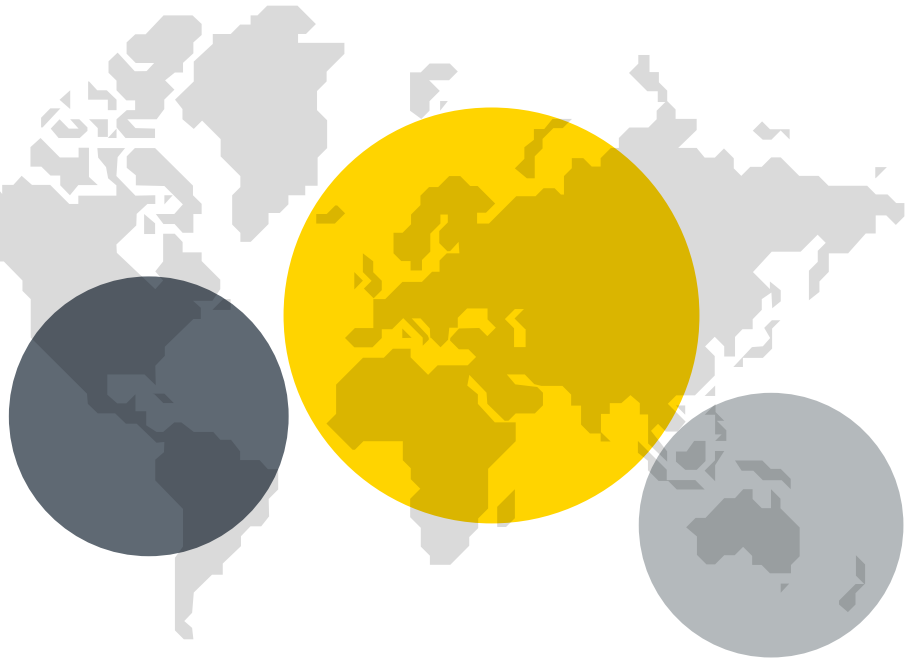


Figure 2

EY Switzerland

2

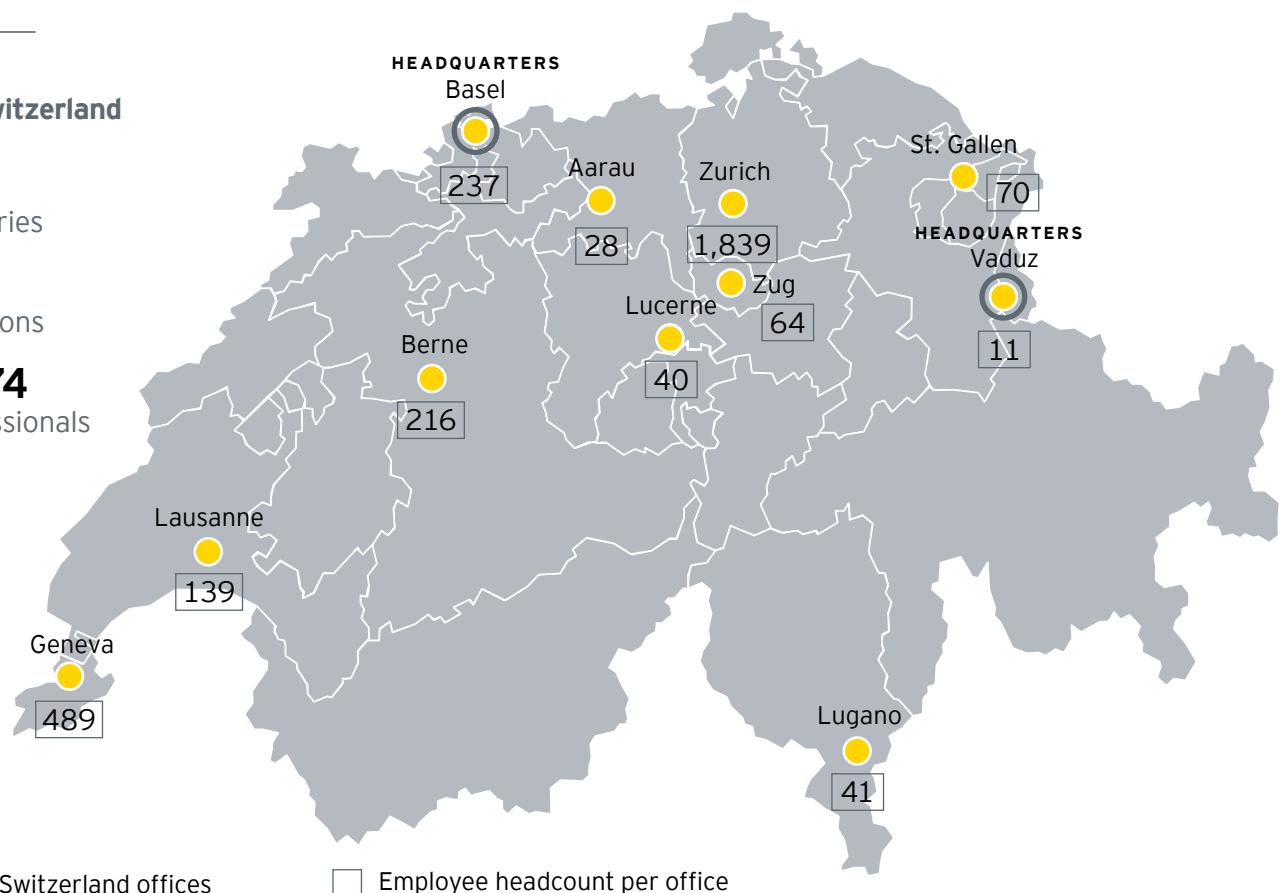
Countries

11

Locations

3,174

Professionals



Our services and served industries

Through our four service lines – Assurance, Consulting, Strategy and Transactions, and Tax, we provide services and solutions across both industries (including the public sector) and the financial service sector to help our clients capitalize on transformative opportunities. We also support them in fulfilling regulatory requirements, keeping investors informed and meeting the expectations of relevant stakeholders. In this fast-changing world, we provide them with the support they need to be effective today and create long-term value for tomorrow. In January 2024, we integrated our former People Advisory Services (PAS) business into the service lines. Now, Integrated Mobile Talent (IMT) is known as “PAS Tax” and Workforce Advisory is “People Consulting,” operating and aligned to the Tax and Consulting service lines, respectively.

ASSURANCE

Our *Assurance* service line serves the public interest by anticipating and independently assessing risks and identifying opportunities to enhance trust in business and capital markets in support of sustainable, long-term value creation. Our services extend across Audit, Financial Accounting Advisory Services, Climate Change & Sustainability Services, Technology Risk, and Forensic & Integrity Services. Our Assurance teams are responsible for delivering high-quality, data-driven audits with independence, integrity, objectivity and professional skepticism. This is accomplished by a data-first approach enabled by analytics and our digitally empowered teams.

CONSULTING

Our *Consulting* services focus on the power of our people, technology, skills, tools and innovation to meet our clients' demands for sustainable business transformation. The EY Consulting service line provides leading services in Finance, Supply chain and Operations, Customer, Decarbonization, Risk Management, Cybersecurity, AI and Data, Digital Engineering, Technology Strategy and Transformation, Platform, Finance and Supply Chain and Operations. Through our four sub-service lines – Business Consulting, People Consulting, Risk Consulting, and Technology Consulting – we harness transformation throughout our clients' business and broader

ecosystems. We realize our clients' transformation goals through implementation of agile frameworks that put humans at the center, deliver technology at speed and enable innovation at scale.

STRATEGY AND TRANSACTIONS

Strategy and Transactions enables clients to reimagine their ecosystems, reshape portfolios and reinvent themselves for a sustainable and resilient future. Services range from Strategy Consulting (EY Parthenon), Transactions and Corporate Finance, to International Tax and Transaction services. The service line offers a full spectrum of capabilities that assist our clients in defining their strategic direction, driving actionable plans and transformation plans.

TAX

Our *Tax and Law* practices provide clients with end-to-end tax and legal solutions through information, insights, solutions and services that help them to avoid complexities and risks through better business decisions, improved assessment of global tax policies and understanding and complying with laws, regulations and responsibilities. Our services include Business Tax Services, Global Compliance and Reporting, Indirect Tax, International Tax Services, Global Law, Transaction Tax (jointly with Strategy and Transactions), People Advisory Services and Tax Technology and Transformation.

The *service lines* are enabled by our Core Business Services teams. EY's internal enablement functions comprise Risk Management, Administration, Business Development, Facility Management, Finance, IT, Human Resources, General Council Office, Corporate Responsibility, Marketing and Communications, and Workplace Services. These functions develop initiatives that support the organization- and service line-level strategies, as well as market execution plans that help define and support points of synergy across multi-business activities.

■ Industries

By being sector focused, EY teams can help clients better anticipate market trends, identify the implications for their businesses and deliver sector-specific solutions.

- ▶ Advanced manufacturing and mobility
- ▶ Consumer
- ▶ Financial services
 - ▶ Banking and capital markets
 - ▶ Insurance
 - ▶ Wealth and asset management
- ▶ Government and infrastructure
- ▶ Health sciences and wellness
- ▶ Private equity
- ▶ Real estate
- ▶ Technology, media & entertainment, and telecommunications

For more information on our service lines and industries, visit our [website](#).

Getting to better answers, together, in an ecosystem era

We know that in a complex, fast-changing world, no one organization has all the answers. Over the past decade we have systematically built an ecosystem – a network of more than 100 alliance partners – with some of the most innovative technology companies in the world to provide the right technology, capabilities and insights to help clients create long-term value and transform at speed and scale.

The EY Partner Ecosystem is a fundamental part of the EY client proposition, helping EY clients through award-winning collaboration, co-creation and innovation. In FY24, we formed 10 new alliances, and our ecosystem is ever growing with more than 100 technology and industry leaders. This growth impact is notable. Over the past seven years, EY has grown alliance partner revenues at more than 35% CAGR, which is leading among peers.

EY Switzerland is a founding member of *digital switzerland*, a Swiss-wide, cross-industry initiative that aims to transform Switzerland into a leading digital nation. Along with our network of 170+ association members and non-political partners, including more than 1,000 top executives, we are engaged in over 25 projects to inspire, initiate, co-create and lead digital change in Switzerland.

How we create long-term value

■ Our NextWave strategy

In today's rapidly changing world, the needs of our stakeholders are continuously evolving. Innovation and agility have emerged as top priorities. The unprecedented business and societal challenges triggered by the global pandemic, geopolitical tensions, technological advancement and macroeconomic shifts have increased demand for effective new strategies to navigate a path to growth.

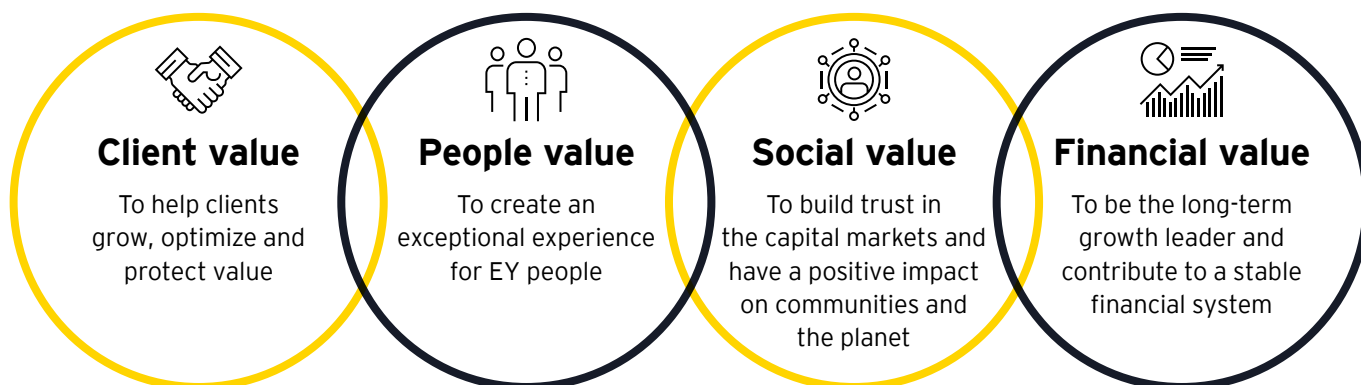
We are dedicated to helping our stakeholders solve their toughest challenges and realize their ambitions. At the core of our global EY strategy is our ambition to create long-term value for our clients, people and society as the world's most trusted, distinctive professional services organization.

EY's strategic ambition is built on four pillars:

- ▶ Client centricity
- ▶ Exceptional and diverse people
- ▶ Global integration and teaming
- ▶ Data and technology

Through these pillars, we build on existing strengths and invest in future capabilities to deliver exceptional client services and create long-term value across four dimensions:

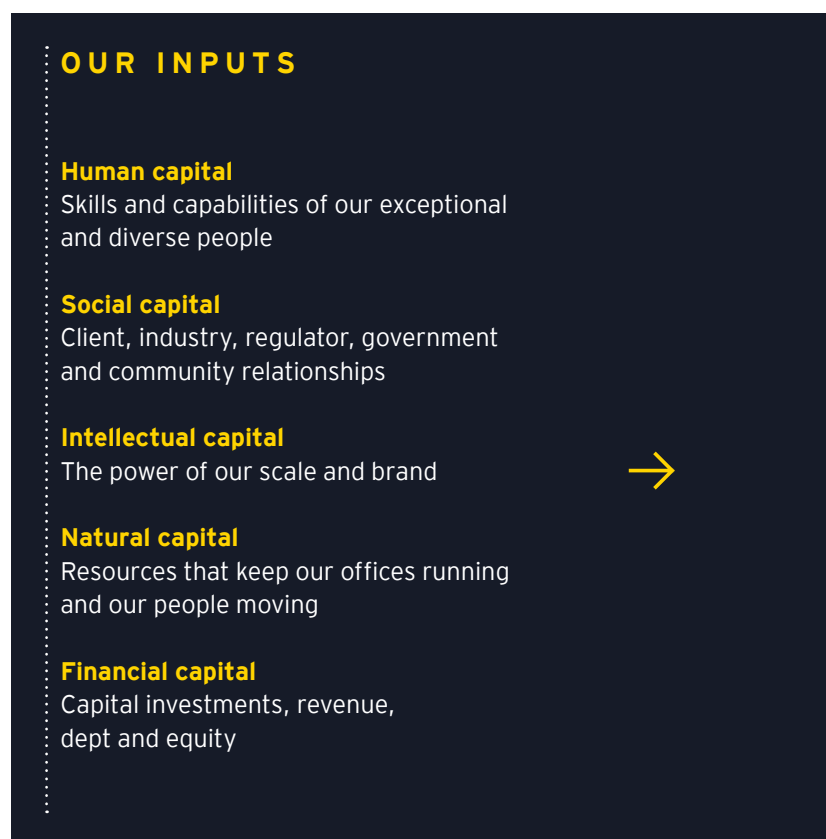
Figure 3



■ Value creation model

Our value creation model is based on making the best use of human, social, intellectual, financial and natural capital. We do this in each of our service lines and functions in alignment with our strategic pillars to create long-term stakeholder value.

Figure 4



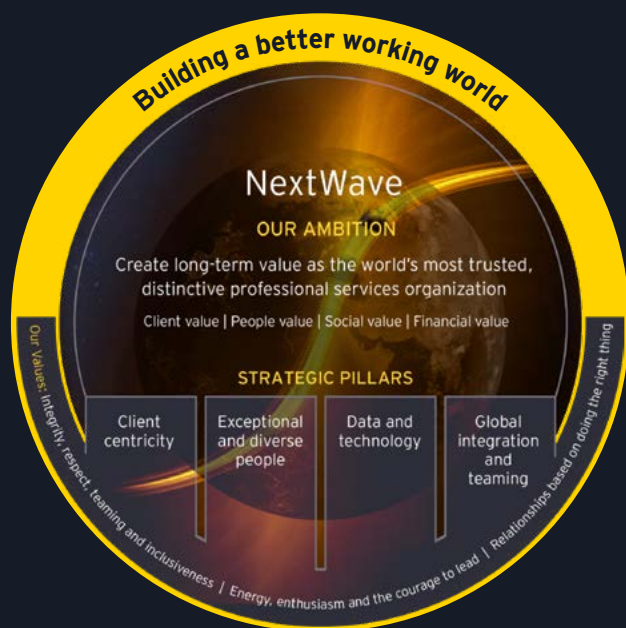
■ All in

Through our new strategy, “All in”, launched on 1 July 2025, we are helping organizations shape the future with confidence. We are all acutely aware of the complex challenges facing the world’s organizations on every front and from every angle – human, financial, environmental, technological, geopolitical volatility, interconnected issues. Everything is changing. Everywhere. All the time.

So, how do the world’s organizations shape themselves to adapt, pivot and grow? As the saying goes: The best way to predict the future is to create it.

It reflects our unwavering commitment to create new value and build confidence in the capital markets through whatever challenges we collectively face. This, in turn, will help us fulfill our purpose of Building a better working world for clients, EY people, society and the planet.

OUR STRATEGY



OUR OUTPUTS

Long-term value created

People value

To create an exceptional experience for EY people

Client value

To help clients grow, optimize and protect value

Societal value

To build trust in capital markets and have a positive impact on communities and planet

Financial value

To be the long-term growth leader and contribute to a stable financial system

OUR IMPACTS

A better working world

Employment and contribution to inclusive economic growth

Sustainable development and innovation for our clients

Confidence in and credibility of capital markets

Economic and social value generated where we operate in

In FY25, EY Global and EY Switzerland will begin implementing the new All in strategy, defining how we are helping organizations shape future with confidence.

Our commitment to sustainable development

Besides helping our clients with their sustainability transformation, we too are on a continuous journey of becoming more sustainable and responsible across our own business. By integrating sustainable practices in our operations, we commit to supporting sustainable growth that empowers everyone to contribute to and benefit from economic success, both today and tomorrow.

Our sustainability commitment is aligned with the EY strategy. Our purpose of Building a better working world serves as our North Star and guides all our decisions and actions. The workstreams per strategic pillar encompass activities concerning business operations managed by EY functions and parts of our core business managed by our client-facing teams. The workstreams have articulated targets and respective action plans in place, aiming to create long-term value. Ultimately, we are seeking to contribute to the United Nations' Sustainable Development Goals (SDGs). We assessed the material

topics against the SDGs at target level and identified that we can especially contribute to the eight goals mentioned in the pictogram below. EY has the potential to impact those SDGs through our client service delivery, sustainable economic growth, community investment and our role in informing public discourse.

To deliver on our ambition, we have defined specific targets and an execution roadmap for each of the strategic pillars. For the detailed roadmap, see section: **Appendix, page 154**.

Table 1 shows the targets we have set for each strategic pillar and the performance in this reporting period against the identified baseline years.

Figure 5



Table 1

Strategic pillar	Targets	Baseline year	performance	Metric	FY24 performance	FY24 performance against FY25 targets
Reducing our environmental footprint	1. Greenhouse gas emissions reduced by 40% (tCO2e 3,083) overall and business travel emissions by 35% (tCO2e 2,124) compared to 2019 levels, reaching net zero by 2025	FY19 FY19	7,707 6,068	tCO2e tCO2e	6,724 4,916	● At risk ● At risk
	2. 100% renewable electricity purchased across all EY offices in Switzerland by financial year 2022	FY21	95	Percentage of energy supply	99.6*	● On track
	3. 60% of EY people trained in basic principles and issues of sustainability with a focus on EY's targets and decarbonization strategy since financial year 2025	FY22	10	Percentage of employees trained	84	● On track
Transforming our social impact	1. To speed up sustainable development EY will make Sustainability Services a core offering to clients and at least triple revenue by financial year 2025	FY22	100	Percentage of net revenue growth	39**	● On track
	2. Investing in our communities: We positively impact (measured through standardized impact formula) 300,000 lives through the EY Ripples program with 800 EY volunteers per year, by financial year 2025	FY19 FY19	57,000 23	Lives impacted Participants	593,233 1,070	● On track ● On track
	3. Diversity, Equity and Inclusiveness:					
	▶ 80% of EY employees say they feel included in anonymized employee surveys by financial year 2025	FY19	73	Percentage of respondents	82	● On track
	▶ We ensure a better gender balance with a minimum of 30% women on our governance bodies by financial year 2025	FY21	27.5	Percentage of female share	25.5	● Progressing
	4. Corporate responsibility and sustainability:	FY19	30	Percentage of respondents	n/a***	● Progressing
Governing transparently and fairly	1. Our sustainability performance reviewed and published: EcoVadis Platinum Medal in acknowledgement of our sustainability achievements obtained by financial year 2025	FY20	Bronze	Sustainability rating	Gold	● Progressing
	2. 100% of EY people sign annually the EY Code of Conduct and therefore uphold EY values and professional standards	FY21	100	Percentage of employees who completed the mandated training	98.3	● On track
	3. 75% of Swiss suppliers by spend have set a science-based target (SBT) by financial year 2025	FY21	38	Percentage of suppliers by spend who have a SBT	23	● At risk

* We procure renewable electricity for all our offices. The share of renewable energy is related only to the share of electricity we have control over. Electricity procured through landlords is not included.

** Revenue relating to Sustainability Services has grown by 39% compared to the prior year. The target to triple revenues by 2025 compared to FY201 has been achieved.

*** Survey covering sustainability-related questions did not take place in FY24. In FY23, item 1 was at 61% and item 2 at 66%. New data will be available for FY25.

Our governance

We operate in a demanding, complex and increasingly globalized business environment. With new challenges each day, the choices we make define our reputation as individuals and as an organization. EY strives to build a culture of quality and trust that emphasizes transparency, independence and accountability of all professionals. We rely on our values, our purpose and our professional standards – anchored in our sound governance structure – to guide us in our day-to-day choices and decisions.

Our governance structure

EY operates as a global business with one shared strategy, led and overseen by a common governance structure that coordinates the member firms, including EY Switzerland, and promotes cooperation among them. Each member firm is a legally distinct entity. The obligations and responsibilities as member firms of EY are governed by the regulations of EY and various other agreements. The member firms are grouped into three geographic areas: Americas and Asia-Pacific as well as Europe, Middle East, India and Africa (EMEIA). The areas comprise multiple regions.

EY Switzerland as part of the global network

EY Global Executive chaired since 1 July 2024 by our Global CEO and Chair, Janet Truncale, is the highest governance body of EY and focusing on strategy, execution and operations. Its membership brings together the elements of the EY global organization, including the leaders of EY geographic areas, service lines and functions.

The Global Governance Council consists of senior client-serving partner-ranked professionals drawn from EY regions and currently two independent non-executive members. These senior EY professionals who otherwise do not hold senior management roles, are elected by their peers.

Also included in our global governance structure are various committees or groups, established by the EY Global Executive to bring together representatives

from across the organization who are responsible for making recommendations to the EY Global Executive on various topics such as EY Global Practice, Sustainability, Corporate Responsibility, Diversity, Equity and Inclusiveness and Risk Management.

All **EY member firms** commit to pursuing the EY objectives. They undertake implementation of global strategies and plans to maintain the prescribed scope of service capability. All member firms adhere to applicable professional and ethical standards as well as applicable regulations, methodologies and policies, including those on audit, risk management, independence, knowledge sharing, talent and technology.

Further, each region elects a **Regional Partner Forum**, whose representatives advise and act as a sounding board to regional leadership. The partner elected as presiding partner of the Regional Partner Forum also serves as the region's representative on the Global Governance Council.

EY Switzerland is part of the EMEIA Area and comprises two separate regions – the Financial Services Organization (FSO) region and the Europe West (EW) region. Regional determination is driven by the clients served. FSO serves clients in the financial services sector, whereas EW serves all non-financial services clients.



Driving the global strategy

The **Chatmust Ltd Board (the Board)** is the highest **governance body** responsible for providing the general operational direction for our Swiss entities, while aligning it with our global strategy and priorities. They act as a sounding board for the **Swiss Management Committee** by monitoring progress as we execute our strategy. The Board members proposed by the Chair and/or Swiss Management Committee are formally elected at the Chatmust Ltd shareholders' meeting.

The Board of Directors of the Swiss holding company (Chatmust Ltd) and the Swiss Partner Pool Committee as of the reporting date is composed of the following members:

- ▶ **Andreas Blumer** (Chair)
- ▶ **Laurent André Bludzien** (Vice Chair)
- ▶ **Virginie Casals** (Member)

Ernst & Young Ltd is the operating company in Switzerland. Its Swiss Management Committee is responsible for strategy, execution and operations. This includes the responsibility to develop, approve and update the organization's purpose, value or

mission statements, strategies, policies and goals related to economic, environmental and social topics, their impacts, risks and opportunities. Its members bring together all the elements of our Swiss organization, including our functions, service lines, geographic areas and committees.

All members of the Swiss Management Committee are executive members (not independent) and are appointed for a period of three years, which is extendable by subsequent three-year terms. The Management Committee of Ernst & Young Ltd as of the reporting date is composed of the following members:

- ▶ **Stefan Rösch-Rütsche** (Country Managing Partner)
- ▶ **Robin Ann Errico** (Chief Risk Officer and Chair of the Corporate Responsibility Board)
- ▶ **Jennifer Noel Mathias** (Chief Talent Officer)
- ▶ **Scott Mason** (Chief Operating Officer)
- ▶ **Bruno Patusi** (Financial Services Country Leader)
- ▶ **Olivier Mange** (Managing Partner, Assurance, Corporate Clients)
- ▶ **Patrick Schwaller** (Managing Partner, Assurance, Financial Services Clients)
- ▶ **Sabine Betz-Schwegler** (Managing Partner, Consulting, Financial Services Clients)
- ▶ **Christian Röthlin** (Managing Partner, Tax & Legal, Financial Services Clients)
- ▶ **Roger Pius Krapf** (Managing Partner, Tax & Legal, Corporate Clients)
- ▶ **Michael Messerli** (Managing Partner, Strategy and Transactions, Corporate Clients)

The functions and dedicated committees that enable implementation of economic, environmental and social topics at EY Switzerland are set out below with a description of their primary responsibility:

- ▶ The **Europe West Leadership and Markets Board** is responsible for the strategy and operations of the non-Financial Services business.
- ▶ The **Financial Services Organization Executive Committee** sets the strategy in accordance with EMEIA FSO and manages day-to-day operations for the Financial Services business.



- ▶ The **Corporate Responsibility Board** is responsible for driving strategy and initiatives, including communication, around corporate responsibility and sustainability for EY Switzerland and managing environmental and social concerns.
- ▶ The **Talent Organization** comprises the Chief Talent Officer and talent partners from each service line and is responsible for driving the talent strategy and initiatives. The execution of the strategy is led by the Head of Talent and the Talent team.
- ▶ The **Risk Management (RM)** function is responsible for the application of the compliance framework, risk identification, mitigation and monitoring as well as the implementation of an enterprise risk management system. The Chief Risk Officer is responsible for leading the RM function.
- ▶ The **Diversity, Equity and Inclusiveness (DE&I) Council's** role is to set and drive the DE&I strategy for EY Switzerland.

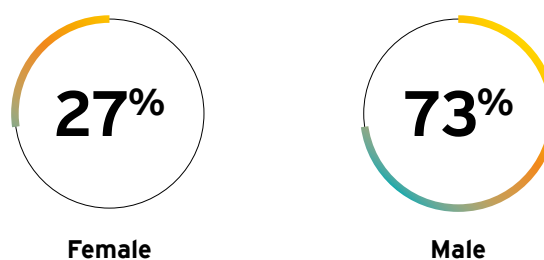
The Chair of the Corporate Responsibility Board, the Chief Risk Officer, DE&I Council Leader and the Chief Talent Officer are all part of the Swiss Management Committee.

Diversity in governance

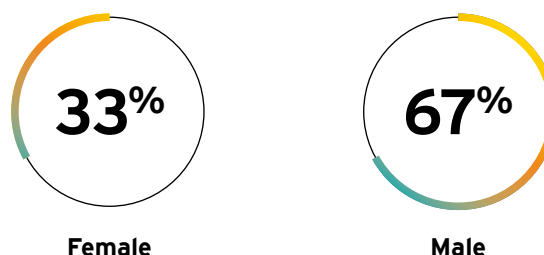
Diversity is a key consideration in the appointment of members of the Board and the Swiss Management Committee (SMC). Members are appointed considering factors such as their subject matter expertise, skills, achievements and competencies. Overarching these key attributes is diversity (i.e., gender, nationality, etc.). Diversity in governance enables us to generate valuable insights while developing our effective strategies, policies and procedures. Our gender diversity as of the date of this report is as follows:

Figure 6

Gender diversity in the SMC



Gender diversity in the Board



Remuneration of the Board and Swiss Management Committee

The same remuneration system applies to all partners of the firm, including the Swiss Management Committee and Board members. We follow the EMEIA Partner Reward System, which is a retrospective cash-based variation system that is managed at EMEIA level but monitored and approved by the Regional Partner Forums through delegates to the EMEIA process. The EMEIA Partner Reward System takes into consideration feedback from stakeholders as well as EY colleagues through our internal performance evaluation system.

Annually, the EMEIA Partner Reward System determines the portion of the distributable income of the firm to be allocated to each partner. Variable compensation to the Swiss Management Committee and the Board are linked to organization level goals, including but not limited to service quality; increasing diversity, equity and inclusiveness in the workforce; and contributing to prosperity in the communities. The performance outcome has a direct impact on variable component of each partner's income. The performance evaluation and final remuneration is reviewed and approved outside of Switzerland.



Driving sustainability at EY

The EY Global Sustainability Executive comprises EY leaders across EY service lines, sectors, industry and geographies and helps coordinate the value-led sustainability work that EY teams provide to EY clients. It is chaired by EY Global Vice Chair- Sustainability, with representatives from across the global EY organization including the EY Global Climate Change and Sustainability Services (CCaSS) Leader. The EY Global Corporate Responsibility Governance Council (CRGC) includes seven members of the Global Executive and represents a cross-section of senior leaders across geographies. The CRGC works with the EY Global Corporate Responsibility function, which operationalizes the EY Ripples program, drives progress on EY sustainability ambitions and works toward greater transparency. The EY Global Corporate Responsibility function is led by the EY Global Corporate Responsibility Leader, who reports to a Global Executive member and sits on the EY Global Sustainability Executive.

The Responsible Business function operationalizes the EY environment strategy and other sustainability-related initiatives around the globe and reports to the CRGC. This function collaborates with EY member firms to translate EY global initiatives into local opportunities across the Areas. This helps to embed social and environmental value creation across the EY organization and drives global consistency on leading services. The Responsible Business function also manages nonfinancial reporting processes. This includes the EY annual report, all voluntary nonfinancial reporting, such as Carbon Disclosure Project (CDP), and reporting to the market on declared commitments. This function also coordinates internal quarterly processes for nonfinancial reporting across a range of metrics.

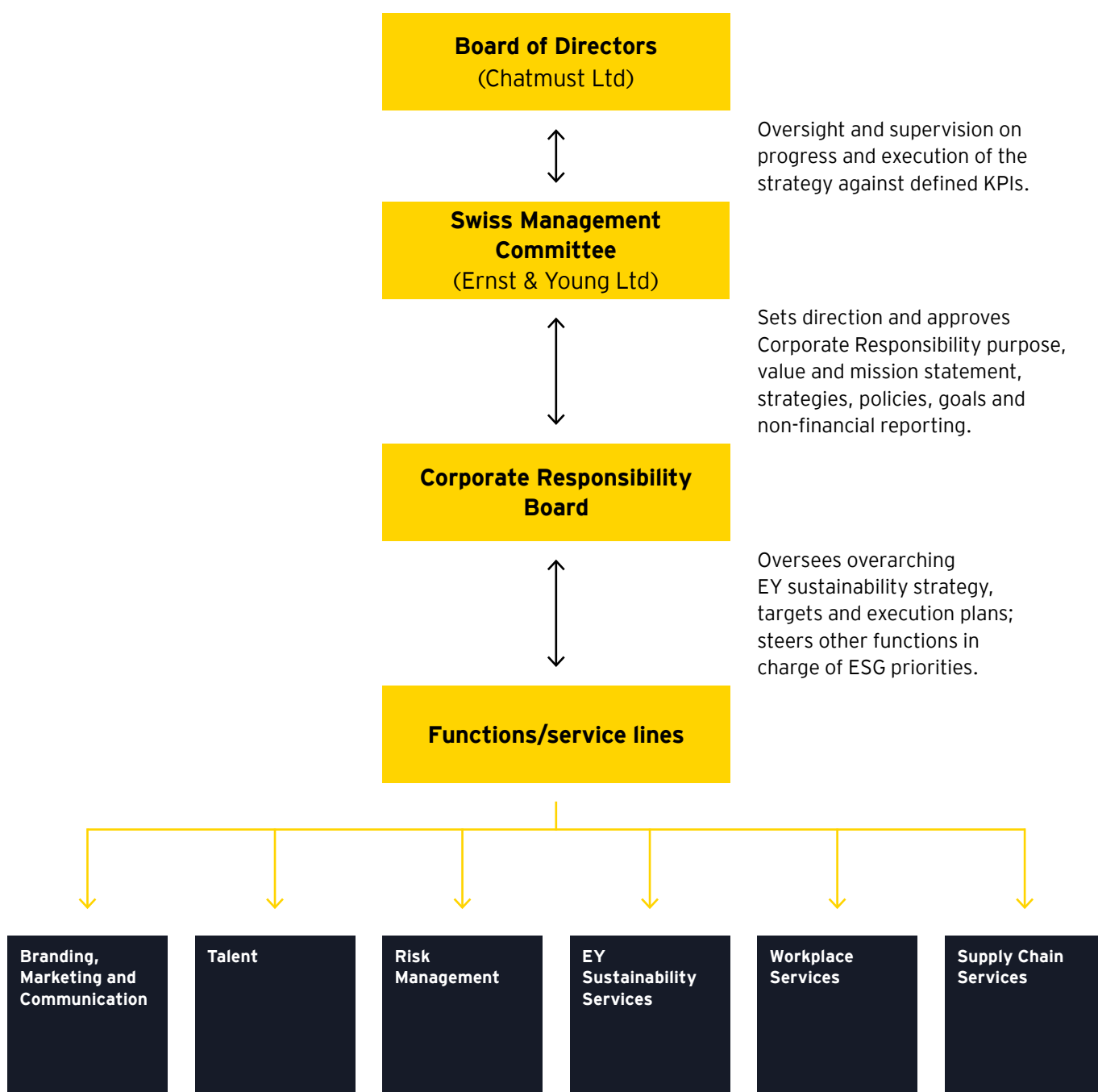
Aligning our sustainability practices with EY Global

Aligned with our global sustainability targets, the Swiss Management Committee defines the sustainability strategy and targets for EY Switzerland. Our Chief Risk Officer is a member of the Swiss Management Committee and leads the Corporate Responsibility Board, which has oversight and responsibility for the sustainability strategy execution as well as the sustainability report. Various functions and service lines are represented on the Corporate Responsibility Board; they represent the sustainability aspects of their business area and ensure alignment with the sustainability strategy, meet on a monthly basis and report back to the Swiss Management Committee at least bi-annually.



Figure 7

Corporate Responsibility governance driving sustainability priorities across the organization



Functions/service lines with direct responsibility for their sustainability-related strategy execution; reporting progress against the ESG scorecard for respective area of responsibility.

Business ethics

Through our commitment to audit quality, coupled with our focus on continuous improvement, we build trust and confidence in the capital markets, which drives investment and economic growth and creates long-term value for society as a whole. To be a trusted business partner, EY is committed to acting with the highest business ethics and professional standards. Ensuring that we and our clients comply with applicable regulations and industry standards is a top management priority. Any ethical lapse could damage our reputation and trust in the markets and result in severe consequences.

Our leadership is responsible for setting the right tone at the top and demonstrating EY's commitment to building a better working world through our behavior and actions. Our people understand that quality and professional responsibility starts with them. Our shared values guide our people to do the right thing and our commitment to quality and professional standards are embedded in who we are and in everything we do.

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other relevant policies and is embedded in the EY culture of consultation, training programs and communication

campaigns. Our Chief Risk Officer oversees ethics and compliance as part of the Risk Management function. The Risk Management function and the General Counsel Office are also responsible for communicating with and educating all EY people on their expected behavior and actions in line with the EY Global Code of Conduct as well as monitoring our people's continuous adherence to this Code.

We have a Financial Crime Compliance Leader responsible for the design and implementation of EY's first-line-of-defense anti-corruption policies and procedures and for monitoring of compliance. The Chief Risk Officer reports to the Country Managing Partner, Region and Area Global Risk Management Leader and the Financial Crime Compliance Leader reports to the Swiss General Counsel.

To further ensure that the Code of Conduct is embedded in the organization's culture, all EY people, regardless of individual role, position or service line, provide an annual confirmation affirming that they have read, understood and will act in accordance with the Global Code of Conduct. Both the Global Code of Conduct and the annual confirmation highlight the responsibility of EY people to speak up when they observe behavior that does not live up to the principles contained in the Global Code of Conduct.

“

Our Global Code of Conduct sets out a clear set of standards for the way we conduct business. It provides each of us with an ethical framework to guide us when we are faced with complex and challenging choices. We strive for a culture that emphasized the responsibility and accountability for all professionals for quality and trust.

Janet Truncale
Global Chair and CEO

In FY24,

- ▶ **81%** of EY people say they feel safe to voice their views.
- ▶ **86%** of EY people can meet expectations while maintaining ethics and integrity.

Our people can report any concerns through the EY/Ethics Hotline, which is operated by NAVEX Global, an externally contracted provider. The EY/Ethics Hotline provides EY people, clients and others outside of the organization a means to report confidentially any activity that may involve unethical or improper behavior, as well as any behavior that may be in violation of professional standards or otherwise inconsistent with the EY shared values or Global Code of Conduct. With an option for anonymous reporting, the hotline creates an environment that encourages everyone to act responsibly and report misconduct without fear of retaliation. The hotline is also a channel for our people to engage and communicate with us about any other concerns that may be beyond this specified scope.

Every report submitted through the EY/Ethics Hotline, either by phone or through the **website**, receives prompt attention with oversight from the Chief Risk Officer. Depending on the content of the report, appropriate individuals from Risk Management, Talent, General Counsel Office or other functions are involved in addressing the issue following the ethics protocols in place. The same procedures are followed for matters that are reported outside of the EY/Ethics Hotline.

The ethics process provides for escalation in case of significant matters. Depending on the severity and nature of the complaint, matters could be cascaded from the Swiss Ethics Oversight Committee to the region (Europe West or EMEIA Financial Service Organization), Area (EMEIA) or Global Ethics Oversight Committees. The grievance mechanism and remediation procedure are outlined in the minimum required standards and protocols for the EY/Ethics hotline reporting and escalation as well as performance and documentation of internal investigations. The Sanctions Framework for Personal Independence and Other Breaches sets out the key principles for consequence management considering local mandatory legal provisions. It further provides that every individual who reports shall be protected against retaliation and each case be treated with confidentiality.

In FY24, 13 cases were registered through the EY/Ethics Hotline. Of these, 8 related to workplace concerns and 5 to other concerns. The majority of cases (11) have been resolved and closed. In FY23, there were 15 registered cases, all of which were resolved and closed.

To further ensure adherence to ethical standards and behavior across the organization, we have our Global Policy for reporting Non-Compliance with Laws, Regulations and EY's Code of Conduct (NOCLAR), aligned with the International Ethics Standards Board for Accountants (IESBA). The policy sets out a framework to guide actions of professional accountants in deciding how best to act in public interest when they become aware of actual or suspected non-compliance with laws and regulations. This policy also reinforces the general principles of our Global Code of Conduct by rejecting unethical or illegal business practices, supporting compliance with laws, regulations and standards and upholding our commitment to ethical behavior and quality.

Risk management

Like other businesses, we deal with a variety of risks in our day-to-day operations. Therefore, managing risks is integral to ensuring that our teams comply with the relevant regulations while delivering quality and exceptional services to our clients.

EY Switzerland operates in accordance with applicable law and regulations, with our compliance framework, comprising numerous company-wide policies, enterprise risk management, procedures and controls in place. Compliance with legal requirements and ethics standards is a top priority and is ensured by our Risk Management and General Counsel function.

Our Risk Management is guided by our values, as outlined in the EY Global Code of Conduct and implements required internal controls based on key policies. An annual risk assessment helps us to identify, monitor and mitigate risks and summarizes major risks in a register. EY utilizes Archer, a tech-enabled risks management solution, to manage the planning, monitoring and mitigation of each of the 14 listed key risk categories for both EY Switzerland and the Liechtenstein subsidiary. These assessments cover all offices in Switzerland and Liechtenstein.

- ▶ Financial crime (anti-bribery and corruption, anti-money laundering, trading sanctions etc.)
- ▶ Business Resilience
- ▶ Insider threat, culture and business conduct
- ▶ Regulatory and public policy
- ▶ Data protection and data ethics
- ▶ Cybersecurity
- ▶ Information technology
- ▶ Program governance and execution
- ▶ Third party
- ▶ Talent management
- ▶ Markets Strategy and Service Innovation
Macroeconomic and geopolitical
- ▶ Client and engagement acceptance and continuance,
and service delivery and quality
- ▶ Independence
- ▶ Environmental, social and governance

Our risk management policies and practices

As an integral part of fulfilling our commitment to building a better working world, we serve the public interest by delivering high-quality audit and consulting services with independence, integrity, objectivity and professional skepticism. EY professionals focus on not only enhancing service quality and upholding independence, but also ensuring compliance with the applicable laws pertaining to environmental and social integrity. The foundation of our compliance framework is the EY Global Code of Conduct and the underlying policies and guidelines defining our values and ensuring compliance with applicable laws and regulations.

Internal controls and quality management standard

In 2023, the implementation of International Standard on Quality Management 1 (ISQM 1) in EY was finalized and for the first time, EY member firms evaluated their System of Quality Management and concluded on its effectiveness. ISQM 1 facilitated the implementation of a formalized system of quality management from the prior system of quality controls.

Further information on the System of Quality Management annual evaluation conclusion for EY Switzerland and Liechtenstein as of 30 June 2024 has been published in the **Transparency Report 2024**.

Client and engagement acceptance

The EY Global Policy on Client and Engagement Acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting EY people and meeting regulatory requirements. The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions to accept or continue clients or engagements.

- ▶ Identify and deal appropriately with any conflicts of interest.
- ▶ Identify and decline clients or engagements that pose excessive risk.
- ▶ Require consultation with designated professionals to identify additional risk management procedures for specific high-risk factors.
- ▶ Comply with legal, regulatory and professional requirements, including independence.

The Client and Engagement Acceptance and Scope of Services global policies were updated in August 2024. Key updates include for example:

- ▶ Services are to be reviewed at least every three years to support quality.
- ▶ Cryptocurrency has been added to the list of industries which require additional checks at the client level.
- ▶ New explicit engagement tests around government engagements, financial crime, supply chains.

In addition, the EY Global Policy on Conflicts of Interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions for managing potential conflicts of interest as quickly and efficiently as possible, using appropriate safeguards.

We use the Process for Acceptance of Clients and Engagements (PACE), an intranet-based system for efficiently coordinating client and engagement acceptance and continuance activities. As part of this process, we carefully consider the risk characteristics of a prospective client or engagement and the results of our internal checks and due diligence procedures. Before taking on a new engagement or client, we determine whether we can commit sufficient resources to deliver quality services, especially in highly technical areas and if the services the client wants are appropriate for us to provide.

It is important to EY that we remain aware of the ever-changing situation with respect to international economic and trade sanctions. EY monitors sanctions issued in multiple geographies both at the point

when business relationships are accepted and as they continue. Guidance is provided to EY people on impacted relationships and activities.

■ Anti-bribery and anti-corruption

The EY Global Anti-bribery Policy supports the EY Global Code of Conduct by prohibiting bribery in all forms, including facilitation payments. It provides EY people with direction on certain unethical and illegal activities. It emphasizes the obligation to comply with anti-bribery laws and provides a definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered with respect to bribery of or by EY personnel, as well as when we discover bribery at our clients. The EY Global Anti-Bribery Policy is accompanied by an anti-corruption compliance program, which is reviewed on a quarterly basis, and applicable to all EY member firms, partners and employees. In recognition of the growing global impact of bribery and corruption, efforts have been increased to embed anti-bribery measures across EY.

EY Switzerland has deployed the EY Global Anti-bribery Policy and adopted a Swiss addendum accompanied by an anti-corruption compliance program. This has been communicated to all EY people in Switzerland. Anti-bribery and corruption are part of the risk category "Financial Crime" and "Client Acceptance and Continuance". EY Switzerland and Liechtenstein are subject to an annual country-based risk assessment covering all EY operations.

To ensure that no corrupt activities exist across the organization's value chain, EY people are also expected to comply with the Global Procurement Policy, the Global Independence Policy and the Global Hospitality and Gifts Policy. The Global Hospitality and Gifts Policy may be helpful in identifying circumstances where corporate hospitality or a gift to and from a client may be acceptable and not characterized as bribery. The Swiss addendum to the Global policy defines local thresholds and approval procedures and additional requirements for Hospitality & Gifts involving government officials.

To prevent corruption and at the same time raise the awareness of our people for corruption risks, EY relies on a comprehensive training and communication approach.

All EY Switzerland partners and employees are required to complete the “Financial Crime Fundamentals” training. All people joining EY undertake this training and affirm their understanding of the policy to confirm their compliance.

EY people are empowered to bring to the attention of our Risk Management function any concerns about suspected fraud, bribery and corruption or any violation, without fear of punishment or unfair treatment through either the EY/Ethics Hotline, by directly approaching an internal person of trust or consulting the Employee Assistance Program. As of 30 June 2024, we confirm that EY Switzerland has not identified any incidents of corruption.

■ Independence practices

Independence is a concept fundamental to the audit profession and is pervasive in all dealings between EY member firms and their audit and assurance clients. Each EY employee is responsible for their own personal independence and the independence of EY.

We consider and evaluate independence regarding various aspects, including our financial relationships and those of our people; employment relationships; business relationships; the permissibility of services we provide to audit clients; applicable firm and partner rotation requirements; fee arrangements; audit committee pre-approvals, where applicable; and partner remuneration and compensation.

The EY Global Independence Policy requires EY Switzerland and Liechtenstein and our people to comply with the independence standards applicable to specific engagements, e.g., the IESBA Code of Ethics and the Swiss or Liechtenstein country independence standards, respectively and where required, e.g., SEC independence standards.

We have implemented EY’s global applications, tools, and processes to support us, our professionals, and other employees in complying with independence policies. For a comprehensive overview please refer to our **Transparency Report**.

Annually, EY Switzerland is included in a process to confirm compliance with the EY Global Independence Policy and process requirements and to report

identified exceptions, if any. All EY professionals and certain others, based on their role or function, are required to confirm compliance with independence policies and procedures at least once a year to help maintain independence from companies we audit. The timely completion of annual independence learning is required and closely monitored.

■ Global Competition and Anti-trust Law Compliance Policy

EY Switzerland is fully committed to compliance with competition and anti-trust laws. This compliance is essential to avoid reputational damage, fines and criminal penalties.

The provisions of our Global Competition and Anti-trust Law Compliance Policy reaffirm that we shall not exchange competitively sensitive or strategic information with competitors, or take other steps intending to impede, or that could have the effect of impeding, competition in the markets in which we operate. The policy encompasses the legal principles underlying competition and anti-trust law, the types of behaviors that might raise anti-competition questions and whom to consult in the event of questions regarding the application of this policy to particular situations.

Any non-compliance with this policy is a breach of the EY Global Code of Conduct and may result in disciplinary actions, including dismissal. Risk Management, in conjunction with General Council Office, is responsible for implementation of this policy, as well as training, compliance monitoring and internal reporting of violations.



There are no pending or completed court actions or out-of-court-proceedings, monetary fines or penalties for non-compliance with laws or regulations, nor were there any anti-competitive conduct or breaches of anti-trust laws issued against EY Switzerland as of 30 June 2024.

■ Global Anti-money Laundering Guidance

At EY, we are committed toward complying with applicable anti-money laundering and counter-terrorism financing laws and regulations and are intolerant of the involvement of money laundering and/or terrorism financing by our people and all persons acting for or on behalf of our organization, such as consultants and third-party subcontractors. The Global Anti-money Laundering Guidance identifies practices based on the Financial Action Task Force recommendations to mitigate the risk.

■ Global Insider Trading Policy

The EY Global Insider Trading Policy reaffirms the obligation of our people not to trade in securities when in possession of insider information, provides detail on what constitutes insider information and identifies whom our people should consult if they have questions regarding their responsibilities.

The Global Policy on reporting fraud, illegal acts and other non-compliance with laws and regulations or EY's Global Code of Conduct requires EY professionals to speak up on observing such behavior or acts.

■ Global Data Protection and Confidentiality Policy

The Global Data Protection and Confidentiality Policy supports and builds upon provisions within the EY Global Code of Conduct regarding how we respect and protect personal information in accordance with applicable law, regulatory frameworks and professional standards. This has been updated to be consistent with the EU General Data Protection Regulation (GDPR) and other local regulations across the globe.

Protecting confidential information is ingrained in the everyday activities of EY member firms. Respect for intellectual capital and all other sensitive and restricted information is required by the EY Global Code of Conduct, which provides a clear set of principles to guide the behaviors expected of all those who work with EY. The Global Data Protection and Confidentiality Policy further details this approach to protect information and reflect ever-changing restrictions on the use of data. This policy provides added clarity for those who work with EY member firms and forms the fundamental broader guidance that includes key policies on conflicts of interest, personal data privacy and records retention. Other guidance covers social media and information-handling requirements.

The Global Guidance on Reporting Loss, Theft or Inappropriate Disclosure of Confidential Information identifies the steps EY personnel should take in response to a loss/theft of EY, client or third-party confidential information. It supplements the requirements set out in the Global Acceptable Use of Technology Policy and the Global Data Protection and Confidentiality Policy.



■ Education and training

Our compliance framework is underpinned and consolidated by continuous and systematic training and development to promote and increase the awareness of EY employees on relevant risks. We have various global and local awareness and training programs including new-hire trainings, milestone trainings, rank-specific trainings and core service line curricula to sensitize relevant EY employee groups to policies, tools and procedures. The Global Code of Conduct and the Independence Update trainings must be completed each year by most employees, depending on rank and services they provide. There are exceptions for paid or unpaid leave such as parental leave, long-term leave or contract type (such as contract workers). Further, the assignment of some trainings is dependent on rank and client exposure.

Table 2

Name of mandatory training	Number of employees required to undertake training in FY24	Number of employees who have completed the training	% of employees trained in the respective business ethics topic*
Independence Policy (new hires)	689	688	99.85%
Independence Policy Update (annual)	2,336	2,272	97.26%
Conflicts of Interest	854	569	97.43%
Global Code of Conduct (new hires)	587	577	98.30%
Code of Conduct Learning Update FY24 (annual)**	n/a	n/a	n/a
Annual Data Protection and Information Security Update FY24	2,759	2,593	93.98%
Data Protection Fundamentals	637	594	93.25%
Annual Financial Crime Update FY24	2,433	2,353	96.71%
Financial Crime Fundamentals***	800	748	93.50%

Note: we had a total headcount of 3,174 as of 30 June 2024.

* The ratio depicts the completion ratio, i.e., the percentage of employees of the workforce required to undertake the training that have completed the training. Non-completion of trainings by some employees is either due to long-term leave, parental leave, status as contract workers or the training deadline being outside of the reporting period.

** The training for all people will be launched in the second half of 2024.

*** The training covers topics around anti-bribery and corruption, anti-money laundering and trade sanctions.

Trust and transparency

At EY, we maintain trust and transparency by regularly communicating with relevant stakeholders on how we manage risk, by maintaining independence as auditors and by ensuring sustainable service quality.

We are increasingly integrating sustainability practices into our operations and making long-term commitments such as achieving net zero carbon emissions, increasing diversity, equity and inclusiveness in the workforce and contributing to prosperity in the communities we operate in. To maintain trust and transparency with our relevant stakeholders, it is critical for us to measure and disclose progress against our commitments and action plans.

We foster trust and transparency with relevant stakeholders through the following disclosure mechanisms and assessments:

■ Transparency Report

We embrace the transparency objectives of the European Union's Regulation 537/2014, which require statutory auditors of public interest entities (PIEs) to publish annual transparency reports.

■ Sustainability reporting

This is our seventh sustainability report developed in alignment with the GRI Standards and follows our last edition for the financial year 2023. Through this report, we communicate to our stakeholders on the identified material topics, our sustainability-integrated business strategy and the policies, actions and reporting we have in place.

■ EcoVadis rating

The EcoVadis Business Sustainability Rating reviews the extent to which we introduce sustainability policies, practices and reporting in our business and helps us to understand the gaps to further improve our performance.

In FY24, EY Switzerland was ranked among the top 2% of companies assessed by EcoVadis in the legal and accounting industry, resulting in a gold medal for our fourth assessment. Our overall score increased by two points compared to FY23, to 75 out of 100. Our scores per category are as follows:

- ▶ Environment – 80/100
- ▶ Labor & Human Rights – 70/100
- ▶ Sustainable Procurement – 80/100
- ▶ Ethics – 80/100

As a supplier of services and solutions to clients, EY needs to meet the sustainability criteria defined by our clients for their supplier onboarding. We provide sustainability-related information in the pursuit process. Clients can also access our EcoVadis Business Sustainability Rating on the EcoVadis platform.

■ Swiss Triple Impact Directory

EY Switzerland is part of the Swiss Triple Impact, a program that enables Swiss companies to measure their contribution to the UN Sustainable Development Goals (SDGs) and thereby enhance their sustainability performance. By joining the Swiss Triple Impact program, EY Switzerland further commits to taking concrete sustainable actions and recognizing the crucial role the business community can play in achieving the SDGs and protecting the health and wellbeing of present and future generations.

■ United Nations Global Compact (UNGC)

EY has been a participant of the United Nations Global Compact (UNGC) since 2009. This sees all EY member firms, including EY Switzerland, commit to integrating the relevant principles of the UNGC and the UN Sustainable Development Goals (SDGs) into our strategy, culture and operations. Globally, we communicate our progress on the same through the formal **Communication on Progress** reporting. Since 2021, EY Switzerland has been a participant of the UNGC Switzerland & Liechtenstein Network, which supports companies who are striving to implement responsible business conduct and corporate responsibility within their sphere of influence.

