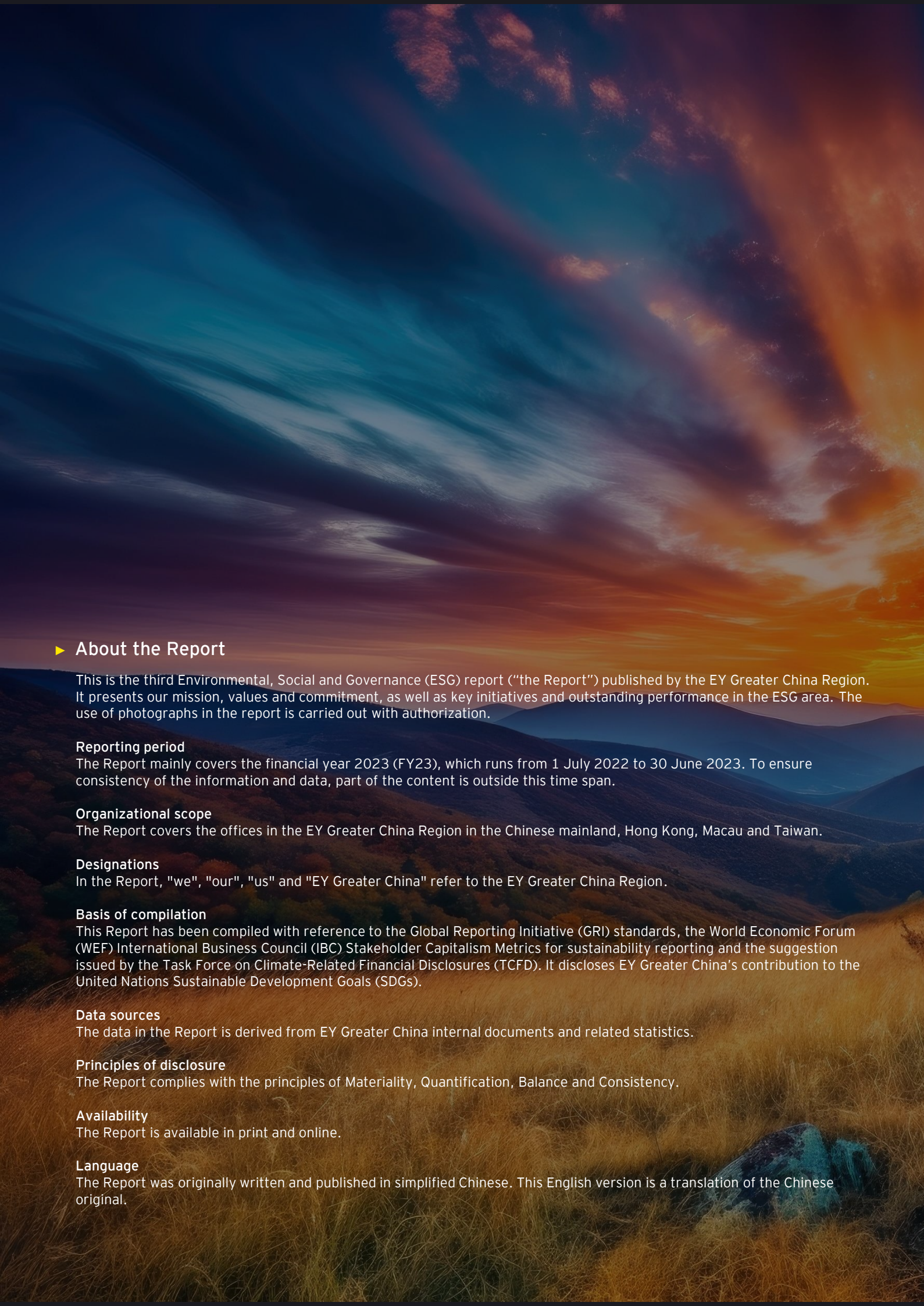


Embracing our heritage. Shaping the future

EY Greater China FY23
Environmental, Social and
Governance Report



► About the Report

This is the third Environmental, Social and Governance (ESG) report ("the Report") published by the EY Greater China Region. It presents our mission, values and commitment, as well as key initiatives and outstanding performance in the ESG area. The use of photographs in the report is carried out with authorization.

Reporting period

The Report mainly covers the financial year 2023 (FY23), which runs from 1 July 2022 to 30 June 2023. To ensure consistency of the information and data, part of the content is outside this time span.

Organizational scope

The Report covers the offices in the EY Greater China Region in the Chinese mainland, Hong Kong, Macau and Taiwan.

Designations

In the Report, "we", "our", "us" and "EY Greater China" refer to the EY Greater China Region.

Basis of compilation

This Report has been compiled with reference to the Global Reporting Initiative (GRI) standards, the World Economic Forum (WEF) International Business Council (IBC) Stakeholder Capitalism Metrics for sustainability reporting and the suggestion issued by the Task Force on Climate-Related Financial Disclosures (TCFD). It discloses EY Greater China's contribution to the United Nations Sustainable Development Goals (SDGs).

Data sources

The data in the Report is derived from EY Greater China internal documents and related statistics.

Principles of disclosure

The Report complies with the principles of Materiality, Quantification, Balance and Consistency.

Availability

The Report is available in print and online.

Language

The Report was originally written and published in simplified Chinese. This English version is a translation of the Chinese original.

Content

About the Report	1
Letter from the Chairman	4
About EY Greater China	5
FY23 ESG performance highlights	7

EY Greater China 55th anniversary: Embracing our heritage. Shaping the future	8
--	----------

Chapter 1 Governance

1 Strengthening ESG governance	14
2 Adhering to risk management requirements	22

Chapter 2 Our environment

1 Guarding Mother Earth	24
2 Practicing green governance	30
3 Creating long-term value	34

Chapter 3 Social

1 Enabling exceptional talent	46
2 Harnessing professional strengths	63
3 Upholding social value	78

Chapter 4 Collaboration

1 Driving forward - Climate advocacy	89
2 Rising influence - Social recognition	91

Chapter 5 Going forward

Appendix Contributions to the United Nations Sustainable Development Goals



Letter from the Chairman

2023 is special to EY as we celebrate our 55th anniversary in the Greater China region. In 1968, EY, then Arthur Young, was established as an accounting firm in Hong Kong, thus ushering a remarkable journey in the Greater China region. In over half a century, EY Greater China has established an enviable position as a trusted partner and advisor to businesses in the region, delivering seamless and exceptional multidisciplinary services. Embracing our heritage, shaping the future - we are committed to building a better working world, thriving in times of change and providing quality professional services to clients with forward-looking development concepts, in-depth industry insights and solid technology. We help clients innovate and develop in the ever-changing world through lean management, assist in building trust in the capital market, and committed to creating long-term value for employees, clients, and society, to promote high-quality and sustainable economic and social development.

Enhance climate governance

The EY global organization ("EY") has established a systematic governance structure for climate-related issues, with the executive committee and the senior management assessing climate-related business demand on a regular basis. Concerns with both risks and opportunities are part and parcel of our strategy and decision making. Furthermore, EY has also established an internal workflow mechanism for quarterly reporting. This aims to oversee and promote the implementation of strategies by tracking real-time progress on carbon emission goals, as well as making the necessary adjustments to our target plans.

In January 2021, EY announced its net zero and carbon ambition goals. The plan is a dedicated effort to reduce the absolute levels of carbon emissions. EY will hold to its commitment in the seven-component action plan. By 2025, greenhouse gas emissions in Areas 1, 2 and 3 will be reduced by 40% from the FY19 baseline, keeping with the goal of limiting global warming levels to a 1.5°C rise in temperature pursuant to the Science Based Targets Initiative (SBTi) under the Paris Agreement. To support carbon emission goals, EY has developed four management tools. In FY23, EY Greater China reduced carbon emissions by 82.15 tons via initiatives such as green office and resource conservation, equivalent to having planted 4,564 trees.

Adhere to people-oriented

Talent is the core resource for the development of EY, with diversity and inclusion the core elements of EY's corporate culture. EY Greater China has over 23,000 employees, with female employees accounting for 65%. EY is dedicated to the development and prosperity goals for its clients, but at the core of our vision there is also the drive to create exceptional working experiences for our teams. EY continues to enhance support and investment to the career development of our people. We advocate diversity, equity and inclusiveness (DE&I), with respect and appreciation to talents, capabilities, personalities, gender and age, and believe that they can bring innovation to business.

Innovation driven business development

EY adheres to innovation-driven business development. We continuously integrate industry service experience and innovative technologies to help clients seize opportunities in digitalization, intelligence, green strategies, and promote industrial transformation and upgrading. EY Greater China cooperates with national and local development strategies to continuously improve our business layout, and includes offices and innovation centers in 34 cities in Greater China.



Jack Chan
EY China Chairman
EY Greater China Regional
Managing Partner

From the Beijing-Tianjin-Hebei urban agglomeration to the Yangtze River Delta, from the Greater Bay Area to the Hainan Free Trade Port, we support national developments in China with steadfast commitment. We help pave the way for the Belt and Road Initiative, promote reforms in state-owned enterprises, innovate in the finance sector, and help drive the transition to a low carbon economy. In 2023, EY launched the ESG mobile carbon emission tracker, the intelligent carbon management app, as well as the 3060 Carbon Management System 2.0 products and tools. Furthermore, Ernst & Young Hua Ming LLP is one of the first group of green-certified companies permitted to operate independently in China.

Fulfill corporate social responsibility

EY actively assumes social responsibility and contributes to social development. Besides striving for excellence and innovations in our daily work, we have also introduced EY Ripples, a global corporate responsibility program which brings our knowledge, skills and collective expertise fully into play. By engaging with influential entrepreneurs, we facilitate sustainable development of the environment and aim to benefit the next generation. Our efforts have exerted positive influence for millions of people. It is furthermore envisioned that, by 2030, our efforts will become notable on one billion of the world's population. At the same time, EY advocates for the advancement of the business world by discovering the potential of women and empowering them accordingly. This year, 15 female entrepreneurs have been selected for the EY Entrepreneurial Winning Women™ Asia-Pacific program. EY also launched the first Power Up training this year to facilitate exchanges amongst professional working women. At EY Greater China's 55th anniversary celebration, we announced the pledge of HK\$550,000 in donation to the Treasure Trove of The Boys' and Girls' Clubs Association of Hong Kong. EY Greater China held the second CSO Forum and Sustainability Excellence Awards, recognizing the remarkable contributions made by exceptional Chinese enterprises, individuals and model cases in green and high-quality sustainable development, encouraging listed enterprises to play a demonstrative and leading role in the high-quality development of the country.

As a movement, sustainable development has resonated broadly with the world audience. The current business environment presents challenges and opportunities that bear enormous potential for growth and the need for new strategies. EY is at the forefront to assist clients in capitalizing on the unique institutional advantages of China's socialist market economy through the tremendous demand arising from the sheer size of the mega market, the advantages of an integrated supply and production chain, the wealth of high-quality labor, and the insights and expertise of entrepreneurial leaders and rising talent. EY is well-positioned to assist China's future development as the nation sets sail in a sea of possibilities.

Our vision is backed by a firm commitment to integrity. EY envisions ESG to be a necessary choice for the future, whereby all stakeholders must make concerted efforts for coexistence and mutually beneficial business choices. As one of the world's leading professional services organizations, EY Greater China will dedicate itself to the practice of ESG ideals, with emphases on creating the strategic conditions for its propagation, addressing the needs in improving governance structures, and arranging for the implementation of ESG objectives. In promoting high-quality development, EY Greater China will be the torch bearer for pragmatism, and contribute its fair share to China's unique path of modernization.



| About EY Greater China

Our mission and vision

In a rapidly changing world, EY is committed to making a lasting positive impact through the NextWave strategy. As a professional services organization with deep insights and high-quality services, we actively cultivate outstanding leaders, encourage teamwork, and build trust and confidence in capital markets around the world. We strive to make a positive impact by building mutual trust among enterprises, supporting them in their sustainable development, and promoting broader and deeper collaboration. As part of our commitment to stakeholders, EY is actively involved in sustainable development and engages like-minded organizations and individuals, playing an important role in building a better working world.

“

Our vision:

Building a better working world.

“

Our mission:

To lead high-quality and sustainable growth with best-in-class talent, innovation, entrepreneurship and corporate responsibility. Committed to creating long-term value to be the most trusted professional services organization.



Our businesses and markets

EY is a global leader in assurance, consulting, tax, strategy and transactions, providing professional services in more than 150 countries and regions around the world. In Greater China, EY has employed more than 23,000 people and has been offering professional services for 55 years. As we continue to expand and improve our geographic presence, we have successively set up 34 offices in the Greater China region and remain committed to contributing to regional development.



Over **23,000** people



34 offices in Greater China



FY23 ESG performance highlights

Environmental

- ▶ Achieved a total reduction of 82.15 metric tons of carbon emissions, via initiatives such as green offices and resource conservation, equivalent to having planted 4,564 trees
- ▶ Achieved a total reduction of 391.39 metric tons of carbon emissions, equivalent to having planted 21,744 trees
- ▶ Ernst & Young Hua Ming LLP became one of the first group of green-certified companies permitted to operate independently in China
- ▶ EY Global named a leader in International Data Corporation's (IDC) inaugural MarketScape on ESG Strategy Services

Social

- ▶ Employment
 - ▶ More than 23,000 full-time employees
- ▶ Training
 - ▶ On-site training: on average 45.18 hours per person
 - ▶ Online training: 640,781 participants
- ▶ Charitable donations
 - ▶ Donated HK\$550,000 to the Treasure Trove of The Boys' and Girls' Clubs Association of Hong Kong
 - ▶ The EY Ripples program in EY Greater China has brought positive impact to more than 1 million people
 - ▶ In FY23, more than 6,000 EY volunteers participated in the EY Ripples program, positively impacting the lives of more than 2.9 million people
- ▶ Named an outstanding business unit in the 2022 "Spreading Your Wings Plan" Special Internship Action for Hong Kong, Macau and Taiwan College Students by the Guangdong Committee of the Communist Youth League and the Guangdong Youth Federation
- ▶ Named as one of the "Best Workplaces in Greater China 2022" by the Great Place to Work Institute
- ▶ Ernst & Young (China) Advisory Limited named one of the top 100 foreign-invested enterprises in Shanghai for tax contribution and employment creation in 2022

Governance

- ▶ 50% of the Greater China Leadership Team members were women in FY23
- ▶ Awarded the Ona Award 2022 - Outstanding Public Welfare Practice at the 5th Social Responsibility Conference Ona Award 2022
- ▶ Awarded the Ona Award 2023 - Sustainable Development Contribution Enterprise and Ona Award 2023 - Outstanding Social Responsibility Report at the 6th Social Responsibility Conference

华章思源 匠心致远

Embracing our heritage · Shaping the future

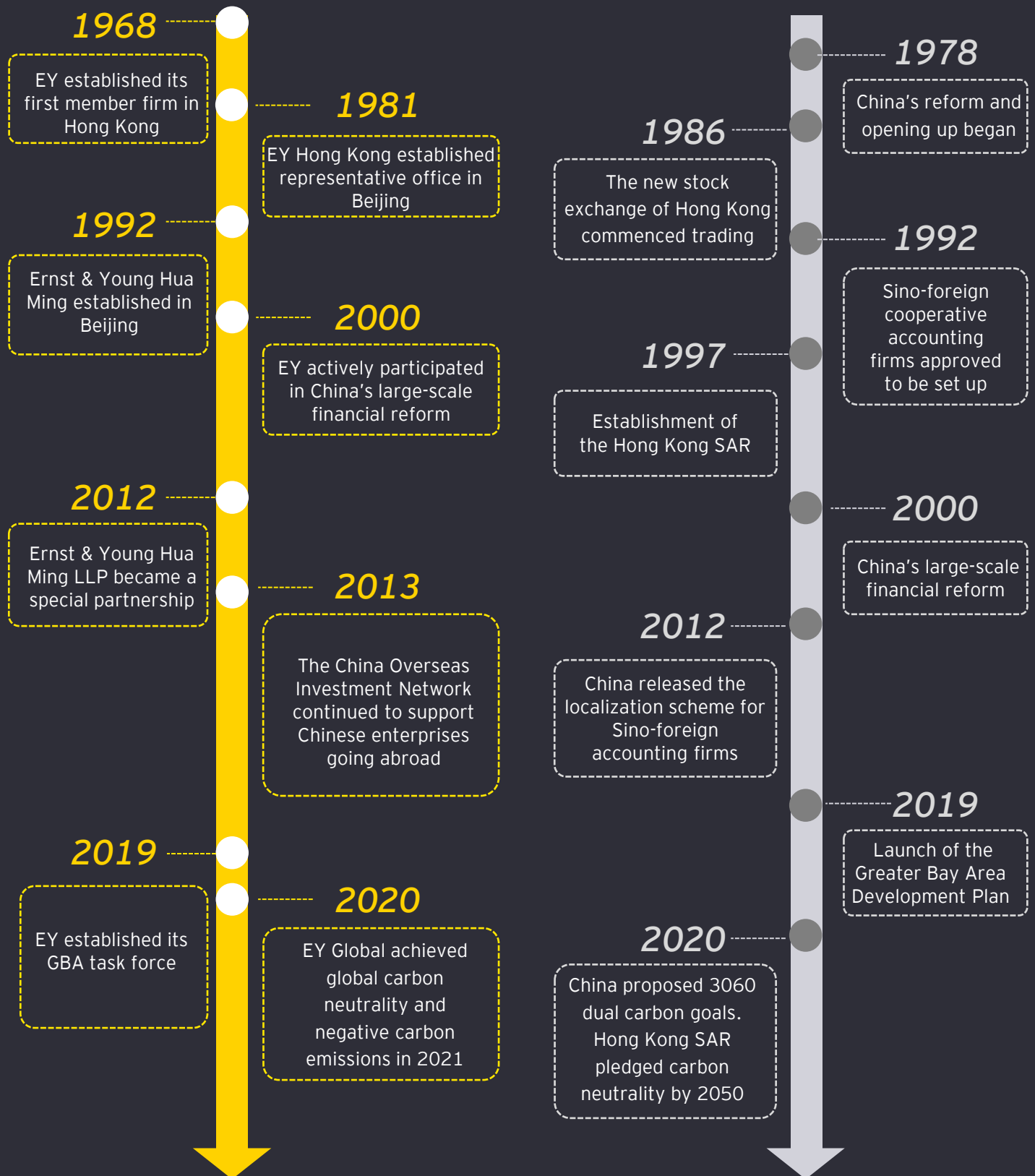
安永大中华区55周年

EY Greater China 55th anniversary



EY Greater China 55th anniversary: Embracing our heritage. Shaping the future

2023 is special to EY as we celebrate our 55th anniversary in the Greater China region. In 1968, EY, then Arthur Young, was established as an accounting firm in Hong Kong, thus ushering a remarkable journey in the Greater China region. For over half a century, EY Greater China has established an enviable position as a trusted partner and advisor to businesses in the region, delivering seamless and exceptional multidisciplinary services.



Special event in Hong Kong

Looking back over the past 55 years, Hong Kong has played a key role as an international financial center. It is also a bridge connecting the Chinese mainland and the rest of the world through its continued investment in innovation and market access, combined with its deepening connectivity with the mainland.

Hong Kong's unique advantage of "leveraging the mainland while engaging the world", has helped global investors understand China's growth story. With its global network of professionals, coupled with many years of excellent professional services experience, EY has helped high-quality local enterprises gain access to global capital market opportunities and supported the operations of Chinese enterprises going global. The EY Greater China Economics Forum, a highlight of the anniversary campaign, included two Hong Kong-specific panel discussions.

As part of the 55th anniversary celebration of the EY Greater China Region, the EY Greater China Economics Forum in Hong Kong brought together C-suite business leaders to explore the enormous opportunities we see in the region and the significant role that Hong Kong plays in facilitating trade, investment and the overall economic development.



John Lee, Chief Executive of the Hong Kong SAR and Jack Chan, EY China Chairman and Greater China Regional Managing Partner



Paul Chan, Financial Secretary of the Hong Kong SAR and Jack Chan, EY China Chairman and Greater China Regional Managing Partner

EY Greater China Economics Forum | Tech-up Hong Kong's future to embrace the emergence of green finance, virtual assets and fintech

Representatives of the Hong Kong Special Administrative Region (HKSAR) Government, enterprises, academia and other fields were invited to speak on a panel discussion to discuss "Tech-up Hong Kong's future to embrace the emergence of green finance, virtual assets and fintech". The speakers shared their insights and experiences on Hong Kong's progress in green finance, virtual assets, innovation and development prospects in the field of FinTech, suggesting directions for the development of Hong Kong's fintech industry.



EY Greater China Economics Forum | The evolution of the Hong Kong brand and its dual role as the international hub and a gateway to the Chinese market

Guest speakers representing Hong Kong enterprises and academia were invited to speak on the panel discussion "The evolution of the Hong Kong brand and its dual role as the international hub and a gateway to the Chinese market". They discussed how Hong Kong can leverage its advantages in the future to help the country achieve a higher level of economic development.

The panelists agreed that Hong Kong is well-positioned to play an important role in the global market with its unique strengths. In the future, it will attract investors through high-quality development planning, promoting technological innovation and industrial restructuring and upgrading, and enhancing talent cultivation. At the same time, Hong Kong will become an important gateway and capital center for the "Belt and Road Initiative" and play an important role in the Greater Bay Area (GBA), transforming itself into the center for technological innovation and financial services, promoting regional integration and achieving a higher level of economic development.



Gala dinner held in Hong Kong under the theme "Embracing our heritage. Shaping the future"

To celebrate the significant milestone, more than 300 senior officials, eminent industry leaders and EY Greater China Region Partners attended the gala dinner and shared their best wishes for future development.



2023 has been a year of renewal for China. As the "super connector" of the Chinese mainland, Hong Kong will continue to fully support the country in becoming the main driving force of the global economy. This year marks the 55th anniversary of EY Greater China. To resonate with the theme "Embracing our heritage. Shaping the future", we will continue to operate in Hong Kong, to serve the country, and align with the motherland to compose a dazzling new chapter of "connectivity" in the next 50 years and beyond.

Celebrations of the 55th anniversary of EY Greater China at offices across the region



Celebrations at the EY Hong Kong office



Celebrations at the EY Shanghai office



Celebrations at an alumni event



Celebrations at the EY Guangzhou office



Celebrations at the EY Taipei office



1

Governance

Strengthening ESG governance

1.1 ESG concept

Based on the NextWave strategy, EY continues to incorporate ESG into its daily operation. It has established an ESG governance structure, bolstered communication with stakeholders, enhanced employees' ESG awareness, and strengthened ESG-related information disclosure. At the same time, EY maintains its commitment to the UN Global Compact and the Sustainable Development Goals (SDGs).

1.2 ESG management structure

EY Greater China has established an ESG Management Committee responsible for formulating ESG strategies and objectives, overseeing and guiding the implementation of ESG plans, maintaining efficient communication with internal and external stakeholders, and continuously enhancing EY's influence in the ESG field.

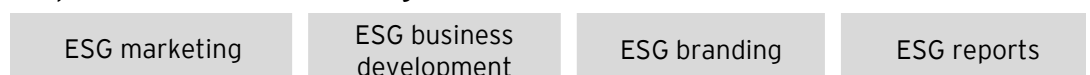
The EY Greater China ESG Management Office has launched a monthly meeting mechanism for the ESG core working group, which is attended by the Managing Partners of each market segment in Greater China, service lines leaders and relevant ESG leaders to share the latest ESG results and insights, explore the latest cooperation opportunities, and jointly promote business growth.

On 30 November 2023, the ESG Management Committee of EY Greater China held a meeting where the ESG Management Office reported and summarized the annual work of EY Greater China in FY23, and the Committee reviewed and approved the FY23 Environmental, Social and Governance Report.

EY Greater China ESG management structure



Scope of work of the ESG Management Office:



1.3 Communicating with stakeholders

With respect to the demands from stakeholders, we constantly improve the participation mechanism and communication methods to understand their needs and requirements. These efforts are made to clarify our ESG strategy and key ESG issues to enable stakeholders to participate in ESG governance work effectively. We promptly improve the communication mechanism based on feedback from stakeholders and continuously improve the effectiveness and timeliness of our communication with various stakeholders.

Stakeholders	Stakeholders' demands/expectations	EY team's response (including but not limited to)
Government and regulatory agencies	▶ Support for national strategies ▶ Promotion of regional development ▶ Operation in compliance with the law and regulations ▶ Ensuring tax compliance	▶ Signing up to a strategic partnership agreement ▶ Serving in external positions and on committees ▶ Getting involved in formulating policy and making policy suggestions ▶ Responding to public policy ▶ Supporting national and regional development ▶ Responding to regulatory policy ▶ Cooperating with regulatory inspections
Clients	▶ Satisfactory services ▶ Effective communication ▶ Privacy protection ▶ Data security	▶ Carrying out customer satisfaction surveys ▶ Providing a diverse range of services ▶ Implementing data protection and information security plans ▶ Initiating marketing campaigns ▶ Holding meetings with clients
Employees	▶ Optimal employment policies ▶ Effective training system ▶ Clear career development paths ▶ Smooth communication channels ▶ A good work-life balance	▶ Various talent recruitment activities ▶ Putting in place employee communication and engagement systems ▶ Setting up platforms to support employees' mental and physical health ▶ Launching employee assistance programs ▶ Customizing training for employees ▶ Collecting timely feedback and suggestions ▶ Providing leadership assessment and development ▶ Hosting the EY alumni network
Community	▶ Philanthropic activities ▶ Charitable donations ▶ Community development ▶ Localized operations	▶ Organizing charitable activities ▶ Providing volunteering opportunities for employees ▶ Launching the EY Ripples program ▶ Launching the EY Entrepreneurial Winning Women™ program
Suppliers and partners	▶ Fair and equitable procurement ▶ Good partnerships	▶ Implementing the supplier risk assurance program ▶ Adopting sustainable supply chain management
Industry associations self-regulatory organizations	▶ Industry exchange ▶ Experience sharing ▶ Forward-looking research	▶ Attending conferences ▶ Organizing forums ▶ Regularly publishing articles

The second CSO Forum and Sustainability Excellence Awards

In November 2023, EY Greater China hosted the second CSO Forum and Sustainability Excellence Awards Gala dinner in Beijing. Under the theme "Create long-term value; Build sustainable future", the forum is committed to exploring and promoting the best practices of low-carbon transition and sustainable development among the listed companies in China. The event also gathered representatives from government departments, regulatory agencies, industry organizations, academic institutions and leading companies to jointly explore China's innovative, green and high-quality sustainable development path. This year's selection refers to the world's latest evaluation system and ESG standards. An independent judging panel is composed of local experts. After a vigorous selection process, the judging panel selected 16 outstanding companies, 2 outstanding individuals, 15 outstanding cases and 2 winners of the Special Jury Prize. All of the winners have demonstrated the great achievements of Chinese enterprises in exploring innovation, transformation and sustainable development.



Winners of EY Sustainability Excellence Awards 2023

Special Jury Prize

- ▶ Metallurgical Corporation Of China Ltd
- ▶ Contemporary Amperex Technology Co., Ltd

Outstanding companies

- ▶ Air China Limited
- ▶ China National Building Material Co., Ltd.
- ▶ China Life Insurance Co., Ltd.
- ▶ JD.com, Inc.
- ▶ Beijing Yanjing Brewery Co., Ltd.
- ▶ Tongwei Co., Ltd
- ▶ CSSC (Hong Kong) Shipping Co., Ltd.
- ▶ GEM Co., Ltd.
- ▶ China Railway Construction Co., Ltd.
- ▶ CGN Power Co., Ltd.
- ▶ Contemporary Amperex Technology Co., Ltd.
- ▶ Beijing Oriental Electronics Technology Group Co., Ltd.
- ▶ BAIC BluePark New Energy Technology Co., Ltd
- ▶ Haier Smart Home Co., Ltd.
- ▶ Swire Properties Limited
- ▶ Xinjiang Tianshan Cement Co., Ltd.

Outstanding individuals

- ▶ Christine Loh, Chief Development Strategist, The Hong Kong University of Science and Technology
- ▶ Dr. Shawn Qu, Chairman and CEO of Canadian Solar Co., Ltd.



Outstanding practice - Financial cohesion empowerment

- ▶ China Construction Bank Corporation - Build an innovative ESG rating system to help promote green, low-carbon and high-quality development
- ▶ Bank of China Limited - Bank of China Macau Branch's "Biodiversity" Themed Green Bonds
- ▶ Industrial and Commercial Bank of China Limited - ICBC Optimizing ESG Governance System, Refined ESG Governance Structure, Improving ESG Information Disclosure System
- ▶ Ping An Insurance (Group) Company of China, Ltd. - Ping An AI-ESG intelligent integrated management platform
- ▶ Shanghai Pudong Development Bank Co., Ltd. - Establish dual certified "zero-carbon" bank outlets that meet both international and domestic standards

Outstanding practice - Technological innovation and progress

- ▶ Metallurgical Corporation Of China Ltd. - Ceri HBIS Zhangxuan Tech Hydrogen Metallurgy Demonstration Project
- ▶ Zhejiang Huayou Cobalt Co., Ltd. - Establishing the world's leading green integrated industrial chain cluster of the new energy Li-ion battery materials industry
- ▶ LB Group Co., Ltd. - Key technique and industrialization of multi-stage resource utilization of titanium dioxide by-products
- ▶ GCL Technology Holdings Limited - Granular Silicon: Driving Global Low-Carbon Energy Transition
- ▶ Hengtong Optic-Electric Co., Ltd - R&D and Industrialization of Green Optical Communication Products

Outstanding practice - Social action leadership

- ▶ Greentown China Holdings Limited - Green Building: 1 Athlete Village of the Asian Games Village
- ▶ China Longyuan Power Group Corporation Limited - Photovoltaic sand-fixation
- ▶ China Shengmu Organic Milk Limited - Moving towards a New Natural Economic Model with benefits for nature
- ▶ Ningxia Xiaoming Agriculture & Animal Husbandry Co., Ltd. - Be a pioneer in the green development of China's egg breeding chicken industry
- ▶ China Tourism Group Duty Free Corporation Limited - Discover the Beauty of Environmental Protection in cdf

Inaugural Shanghai International Carbon Neutral Expo

The launch of the Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements (also known as the Shanghai International Carbon Neutral Expo) is one of the most important measures to implement and accelerate the formation of green production and lifestyle. EY participated in the Shanghai International Carbon Neutral Expo 2023 under the theme of "Exploring the unlimited potential of carbon neutrality with green insights". We focused on regional carbon neutrality, low-carbon transformation of industries and enterprises, net-zero investment, green taxation and the six modules of ESG framework, to comprehensively help all sectors of society to seize dual carbon opportunities and jointly create a future of green transformation.

Supporting the Zero Carbon Vision Roundtable for Chinese and Foreign Enterprises

In June 2023, the Zero Carbon Vision Roundtable for Chinese and Foreign Enterprises, hosted by the Shanghai International Trade Promotion Commission and supported by EY Greater China as a think tank, was held at the first Shanghai International Carbon Neutrality Expo. This roundtable meeting received strong support from the Shanghai Development and Reform Commission, the Shanghai Economic and Information Technology Commission, the Shanghai Commerce Commission, the Foreign Affairs Office of the Shanghai Municipal People's Government, the Shanghai Investment Promotion Center of the United Nations Industrial Development Organization, the Shanghai Foreign Investment Association, the Anglo Chinese Trade Association, and the French Chamber of Commerce in China. Representatives from more than 10 Chinese and foreign enterprises were invited to discuss how to improve low-carbon management enterprises and deeply explore topics such as promoting the zero carbon vision. EY serves as a think tank support for this roundtable, assisting in creating communication bridges and providing insights into low-carbon practices.



"Global ESG disclosure trends" discussion at the Carbon Neutral Expo

In June 2023, EY held a discussion forum on "Global ESG disclosure trends" at the first Shanghai International Carbon Neutral Expo. Representatives from international ESG rating agencies and outstanding companies were invited to discuss the latest climate information disclosures requirements, the opportunities and challenges that climate change brings to enterprises, and how enterprises should respond to climate change practices and improve climate performance, along with other trending topics. The event helped enterprises better respond to global climate information disclosure requirements and achieve a more resilient and visionary green and low-carbon development.



“Interpreting EU sustainable development policies” roundtable

In June 2023, EY held a roundtable under the theme of “Interpretation of EU sustainable development policies” at the first Shanghai International Carbon Neutral Expo. Guests included representatives from the Shanghai Council for the Promotion of International Trade (CCPIT) and the Environmental Working Group of the European Union Chamber of Commerce in China, as well as experts from the environmental and energy industries. In-depth discussions covered topics such as the latest bill on the Carbon Border Adjustment Mechanism (CBAM), the EU plastic packaging taxes, and the interpretation of corporate sustainability reporting directives. The event helped enterprises focus on key issues and proactively meet the opportunities and challenges brought by the EU's sustainable development policies.



Promote clean and low-carbon transformation and support dual carbon goals

On 12 June 2023, EY held a themed event on "Coal power flexibility and energy transformation" at the Shanghai International Carbon Neutral Expo. This event was hosted by Alex Zhu, EY Greater China Carbon Neutrality Leader and Energy and Infrastructure Consulting Leader. He gave an interactive speech with guest speaker Jia Jilin, General Manager of Hepu Energy and Environmental Technology Co., Ltd. They exchanged ideas and discussed the relationship between low-carbon transformation of coal power and "dual carbon" goals, as well as the key technologies for the low-carbon transformation of coal power.



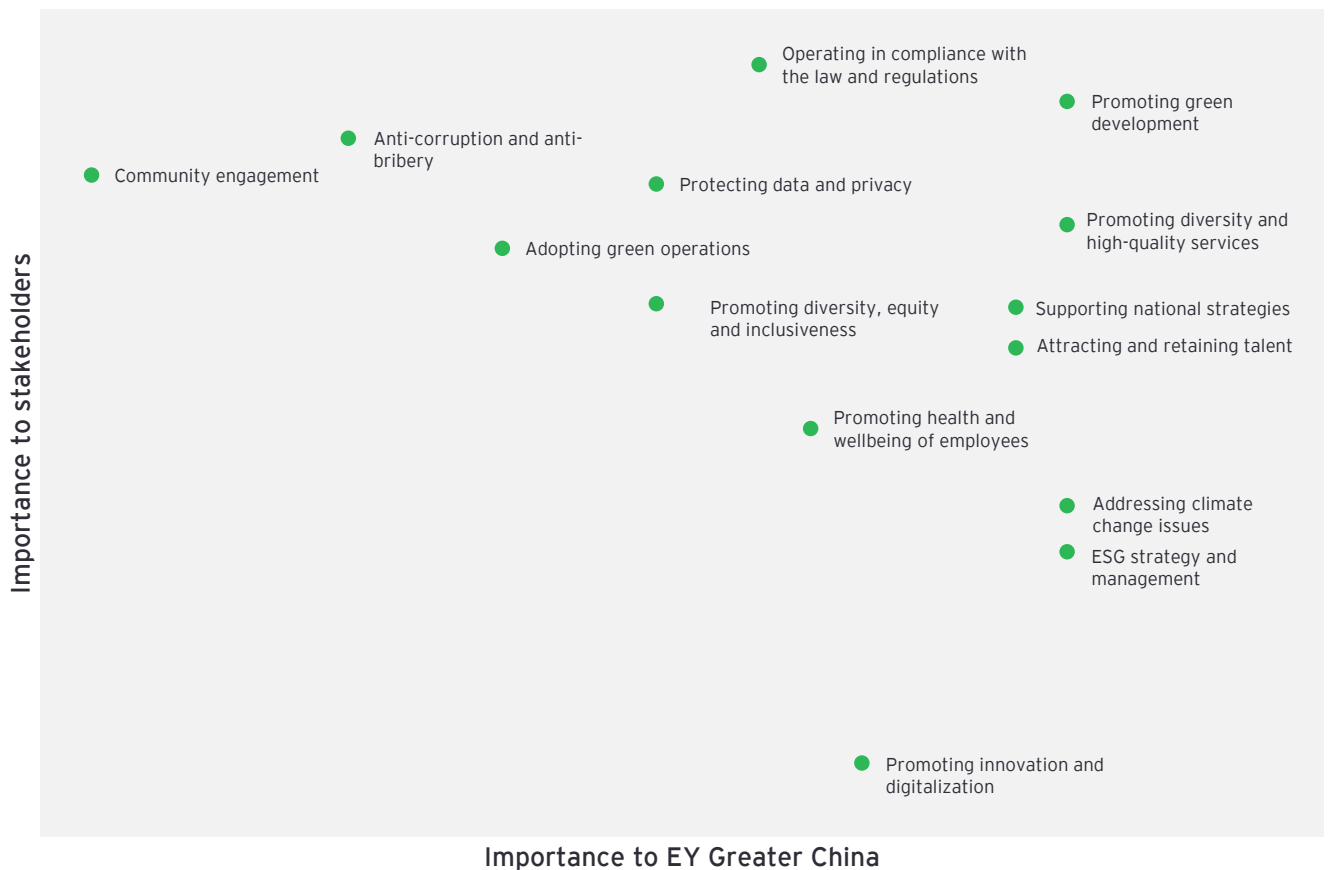
Release of *Capital empowers China's climate science and technology industry toward 2060 Whitepaper*

In June 2023, the *Capital empowers China's climate science and technology industry toward 2060 Whitepaper*, jointly prepared by EY Research Institute and Shanghai Yangtze River Delta Business Innovation Research Institute, was officially released online at the first Shanghai International Carbon Neutral Expo. As one of the world's leading professional service institutions, EY continues to pay attention to the development of China's climate technology field and collaborated with the Shanghai Yangtze River Delta Business Innovation Research Institute to jointly prepare the *Capital empowers China's climate science and technology industry toward 2060* and the *China Climate Technology Industry Whitepaper*, outlining the development overview of China's climate technology industry.



1.4 Annual materiality analysis

To identify the ESG issues that have the greatest impact on the performance of our business and stakeholders, EY Greater China Region communicates regularly with stakeholders to gather their input. The communication channels include having dialogues with management and clients, actively listening to employees through multiple channels, maintaining relationships with suppliers, regulators and government representatives, sending questionnaires and collecting feedback from all sectors of society via WeChat. Core ESG topics for the Greater China region in FY23, along with the related risks and opportunities, have also been identified and highlighted in the report.



EY Greater China core ESG topics and analysis of related risks and opportunities

Dimension	Index	Risks	Opportunities
Environmental	Promoting green development	The needs of the market and clients have changed amid low-carbon transformation	Provide low-carbon transformation consulting services to meet growing market demand
	Addressing climate change issues	For detailed analysis of the risks and opportunities related to climate change, please refer to EY's net-zero commitment	
	Adopting green operations	Rising energy prices lead to increasing operating costs	Reduce operational consumption through green operation management improvement
Social	Promoting diversity and high-quality services	Fierce market competition and increasing customer demands	Innovate and diversify services and business scope to improve customer satisfaction
	Supporting national strategies	Increased investment and operating risks caused by changes in policies and regulations	Open new market opportunities and business areas to gain competitive advantages and growth opportunities
	Attracting and retaining talent	Loss of employees with specialized skills and experience, and the increasing costs of attracting new employees	Build a future-oriented professional team and promote service innovation
	Protecting data and privacy	Fines and reputational damage resulting from breach of customer information	Earn customer trust through high levels of data security and privacy protection
	Promoting diversity, equity and inclusiveness	Reputational damage caused by negative information leads to resistance from clients, employees and other stakeholders	Provide a diverse, equitable and inclusive work environment to increase employee satisfaction and adapt to market changes with diverse perspectives and experiences
	Promoting health and wellbeing of employees	Increased labor costs due to declining employee health, and decreased employee satisfaction caused by related issues	Improve employee productivity and satisfaction, and enhance the stability of the talent pool by caring for employees' health and wellbeing
	Promoting innovation and digitalization	Market competition and uncertainty about future technology	Improve service efficiency, innovate business scope, and improve customer satisfaction through digitalization and innovation
	Community engagement	Reputational damage caused by negative information leads to resistance from clients, communities and other stakeholders	Establish good community relations and enhance the sustainability of future development by actively participating in community co-construction
Governance	Operating in compliance with the law and regulations	Fines and reputational damage caused by violations of relevant laws and regulations	Establish good reputation and trust, and establish more stable long-term cooperative relationships with clients
	ESG strategy and management	Reputational damage caused by poor ESG management leads to distrust among stakeholders and affects market position and sales	Better meet social needs, create shared value, improve community relations and enhance corporate reputation
	Anti-corruption and anti-bribery	Fines and damage to corporate reputation resulting from incidents such as corruption or fraud	Promote trust and transparency with stakeholders

Adhering to risk management requirements

EY adopts a comprehensive and forward-looking enterprise risk management process to ensure and improve our performance in risk management and compliance. The EY risk management function contributes to the creation of long-term value and trust by enabling responsible growth in a rapidly changing world, aligned with EY leadership's appetite for risk. EY has established an extensive network of professionals to respond to compliance requirements in different regions and respond quickly when needed.

EY Global risk categories are assessed through regular senior leadership reviews and are regulated by the Global Executives. Based on the potential impact on EY strategy and operations, EY Global will consider independence requirements under three dimensions: assessing our capability in providing clients with multidisciplinary services; creating and maintaining a culture consistent with our values; and safeguarding data and network security risks while maintaining technological innovation. Key risk categories are sorted out under these dimensions. At the same time, EY leverages Archer, a technology-enabled risk management solution, to manage the planning, monitoring and response for each key risk category.

Risk management: Three lines of defense

1

The first line of defense consists of frontline service line leadership, supported by service line quality and risk management teams. Key activities include client and engagement acceptance, and risk ownership and management during project and audit delivery.

2

The second line of defense consists of experienced risk management professionals who provide support to the first line of defense. The second line provides policy development, frameworks, tools, advice, guidance and monitoring.

3

The third line of defense is the annual global internal audit campaign. In addition to the sustainability goals of individual member firms, EY has a set of globally coordinated sustainability goals, including our net zero target. Likewise, climate-related risk management processes will be assessed globally.

A full-page background image of a mountain landscape. In the foreground, a calm lake reflects the sky and the surrounding scenery. The middle ground is filled with a dense forest of trees with vibrant autumn foliage in shades of orange, yellow, and brown. In the background, a sharp, rocky mountain peak rises against a sky with soft, pinkish-orange clouds, suggesting a sunrise or sunset. A semi-transparent dark grey rectangle is positioned on the left side of the image, containing the number '2' and the text 'Our environment'.

2

Our
environment

Guarding Mother Earth

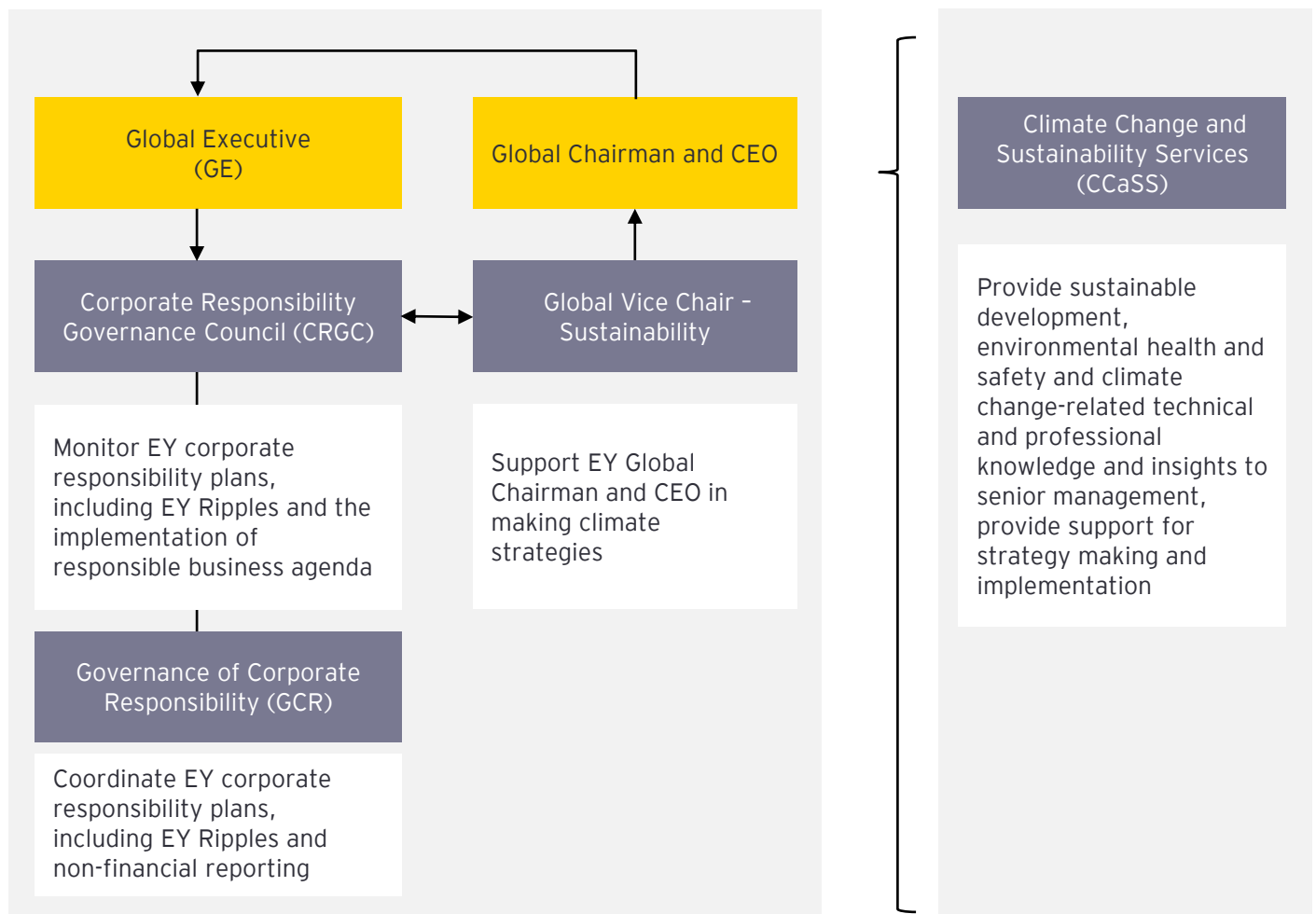
1.1 EY's net zero commitment

In accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) Framework, EY conducted a practical analysis on the climate-related risks and opportunities for employees, operations, clientele and society. We have identified the internal logic for providing high-quality services, maintaining effective service continuity and creating long-term value for the interested parties, including EY employees, our clients and the community.

Governance

The EY organization has established a global systematic governance structure for climate-related issues, with the executive committee and the senior management assessing climate-related business demand periodically. Concerns with both risks and opportunities are part and parcel of our strategy and decision-making. Furthermore, EY has also established an internal workflow mechanism for quarterly reporting. This aims to oversee and promote the implementation of strategies by tracking real-time progress on carbon emission goals, as well as making the necessary adjustments on target plans.

Climate governance structure of EY Global



Strategy

EY has incorporated climate-related risks and opportunities into its overall development strategy. Professionals from EY at global level and EY regions have formed specialized supervisory teams. The supervisory teams conduct a quantitative ranking of the climate-related risks and opportunities based on qualitative feedback and financial practicalities. With insights from the priorities, data availability and relevant supporting literatures of the interested parties, the teams divide the main climate-related risks and opportunities into two dimensions of priority items and continuous concern items. Due to data availability and the need for analysis, we will continue to conduct more detailed assessments for climate-related risks and opportunities.

Priority group for climate-related risks and opportunities

Category	Type	Descriptions of risks and opportunities	Impact
Physical risks	Long term	Business disruptions due to the rise in average temperature, changes in precipitation, synoptic model changes and rising sea level	Operation
Physical risks	Short term	Business disruptions caused by increasingly frequent incidents of hurricanes, wildfires and flooding	Operation
Transitional risks	Reputation	Rising demands for climate-related disclosures and reports causing reputational damage and increasing concerns by interested parties	Services
Transitional risks	Market	As driven by policies and regulations, market demand may change as energy transitions	Services/Clients
Opportunities	Services	Demand for sustainability-focused services increases	Services
Opportunities	Market	Raising brand value by maintaining and developing leadership in climate-related agenda	Services

Continuous concerns for climate-related risks and opportunities

Category	Type	Descriptions of risks and opportunities	Impact
Physical risks	Long term	Labor productivity rate changes due to the rise in average temperature	Operation
Transitional risks	Market (Short term)	Market demand changes due to extreme changes in temperature	Clients
Transitional risks	Market (Long term)	Market demand changes due to the increasing frequency of extreme weather incidents	Clients
Opportunities	Resource efficiency	Step up adoption of new technology to reduce the reliance on airline travel internally or by clients	Operation

Risk management

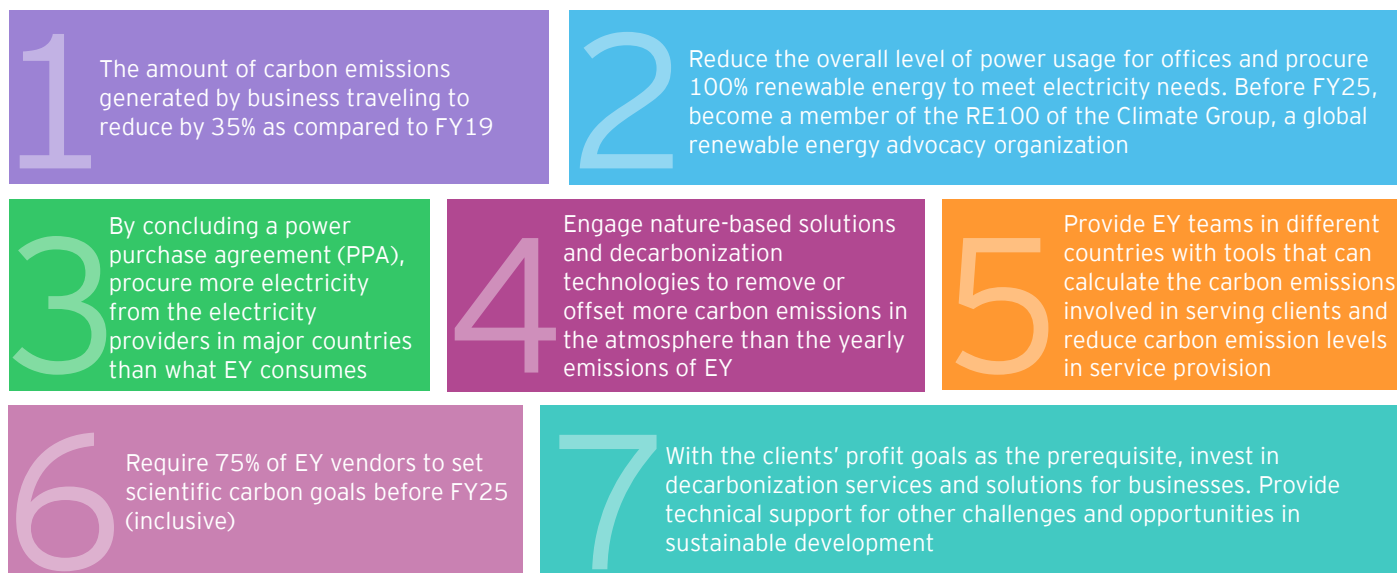
The EY organization has combined the TCFD framework recommendations and the EY global risk management workflow to conduct a detailed assessment of climate-related risks and opportunities. EY has initiated climate scenario analysis, building quantitative scenario models under the “business as usual” (BAU) and “low carbon economy” (LCE) scenarios that are consistent with TCFD requirements and yielding detailed analyses on physical risks, transitional risks and relevant opportunities. Furthermore, EY has also proposed corresponding proposals and plans that are responsive to these issues. At the same time, we have also incorporated these findings into our overall corporate risk management workflow to trace the management and implementation of these risks and opportunities.

Indicators and goals

In January 2021, we proposed the net zero plan as the goal and commitment in carbon emission reduction. This plan is a dedicated effort to reduce the absolute levels of carbon emissions. By 2025, greenhouse gas emissions in Scopes 1, 2 and 3 will be reduced by 40% from the FY19 baseline, keeping with the goal of limiting global warming levels to a 1.5°C rise in temperature pursuant to the SBTi under the Paris Agreement.

The EY seven-component action plan

By FY25,



In FY23, EY Greater China has reduced 82.15 tons of carbon dioxide emissions by way of green office and energy conservation measures. This is equivalent to planting 4,564 trees. In the past five years, there has been an accumulated reduction of 391.39 tons of carbon dioxide, equivalent to planting 21,744 trees.

Chart: EY Greater China greenhouse gas emissions performance in FY23

Indicators	Unit	FY23	FY22	FY21
Scope 1: Greenhouse gas emission level	CO2e	491	407	480
Scope 2: Greenhouse gas emission level	CO2e	6,049	5,488	6,531
Scope 3: Greenhouse gas emission level	CO2e	11,831	8,759	13,000
Total level of greenhouse gas emissions	CO2e	18,371	14,655	20,011
Greenhouse gas emission intensity (Scopes 1 and 2)	CO2e/person	0.28	0.26	0.32
Greenhouse gas emission intensity (Scopes 1, 2 and 3)	CO2e/person	0.80	0.64	0.91

Notes:

The surveyed areas included data from EY Greater China. Due to an increase in production levels, the amount of greenhouse gas emissions has increased in FY23. EY Greater China will actively implement the EY Global green office, green operation measures, and contribute to the net zero plan.

The emissions source of Scope 1 is gas consumption.

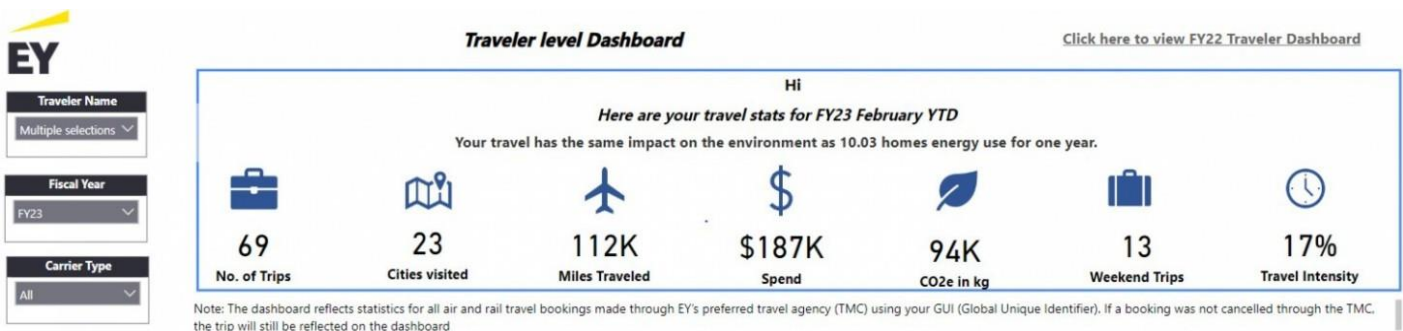
The emissions source of Scope 2 is purchased electricity consumption.

The emissions source of Scope 3 is business travels by air. We encourage our staff to take the railway instead of short haul flights to reduce carbon emissions associated with business travels.

Development of supportive tools for carbon emission reduction

To support our carbon emission goals, we have developed four management tools:

- ▶ EY participates in carbon calculator: this tool is used to calculate the carbon emission levels that are associated with the business travels for client projects or internal teams, in order for us to balance the needs for business travels during the project and facilitates the carbon neutrality goals for both our clients and EY.
- ▶ EY Sustainable Travel Assessment Tool (STAT): this tool enables our clients to understand the financial and carbon footprint impact of business travels during the approval process of the project and raise awareness for low carbon business travels for the parties concerned.
- ▶ Travel emissions dashboard: this tool tallies up the current levels of carbon emissions associated with business travels and compares the data with the target limit. It assists EY management to learn and manage carbon emission levels associated with business travels.
- ▶ Travel level dashboard: this tool enables an in-depth understanding of the booking behaviors of the staff. By assisting staff in understanding how different business travel choices will affect their health, costs and the environment, it encourages staff to choose low carbon business travels.



1.2 ESG empowerment in EY

Here at EY, we believe that the comprehension of the core problems of sustainability is vital for leading real changes. Therefore, with our commitment to the empowerment of our staff, we have launched skill-enhancement plans for all EY colleagues. We impart in them an understanding of the risks and opportunities pertinent to a net zero future, the environmental and social influences of climate change, biodiversity, and other essential issues.

Sustainable development and EY ESG Badges

EY Badges is an issue-based, guided talent development system applicable to a wide range of knowledge areas. The sustainability badges aim at helping our staff to understand sustainable development under the concepts of environment, society and economy. Staff can apply their learning through client participation, internal projects, and work in other aspects. EY Badges equip staff with adequate knowledge to recommend sustainable solution plans to clients, staff and the society, as well as creating strategies and useful tools with long-term value.

EY Masters in Sustainability

The EY Masters in Sustainability program is in collaboration with the Hult International Business School (Hult). The program is available for all EY staff and aims to significantly widen the knowledge in the field of sustainability and climate-related issues, helping them apply the skills in making recommendations for sustainable solutions to clients, staff and the society. As of June 2023, two staff members in Greater China have already graduated and received their Master's degree certification awarded by Hult.

Sustainability Now!

Sustainability Now! is a beginners' learning module designed for anyone hoping to enhance their confidence and understanding in sustainability and climate change. The module introduces the core problems of sustainability, describes the sustainability journey of EY, and offers the opportunity for clients to participate in dialogues and share personal initiatives to deliver positive impact.

Sustainability@EY

In FY23, EY launched Sustainability@EY. Using a community-led approach, Sustainability@EY helps EY staff enhance their understanding in important climate-related problems and learn to help clients create value in sustainability. Individual and group initiatives are also encouraged to create impact.

Practicing green governance

2.1 Green operation

We are committed to achieving a net zero future and creating a green technology environment as we build a modern workspace. To reduce waste, carbon emissions, and operational costs, as well as to lower the risk of data loss, we regularly replace high-energy-consuming facilities and equipment. For example, to promote green office, we use sensor lights to reduce power usage and improve the utilization rate of power resources with other energy-saving electrical appliances. By 2025, all EY offices will be using 100% renewable energy.

EY carries out conservation initiatives. We adopt various water-saving devices, such as water taps with sensors, and replace water barrel dispenser with tap water, to reduce the consumption of water resources. EY adheres to the concept of environmental protection by carrying out waste sorting campaigns and spreading the knowledge and requirements of waste sorting across our staff regularly. Through advocacy, guidance, and inspection, the awareness of waste sorting is strengthened. In FY23, EY Greater China saved 585,933 pieces of A4 paper of different specifications and reduced a total of 20,219 barrels of water.

EY “Green office, reducing printing” reminder email

绿色办公 节约打印

我们在打造现代工作空间的同时也致力于实现零碳愿景、创建绿色科技环境。为了减少资源浪费，降低碳排放，同时节约成本，减少数据丢失的风险，温馨地提醒您：

- ▶ 请尽量使用扫描及电子文档，通过电子邮件及其他合规工具传送文件，减少不必要的打印
- ▶ 尽量使用黑白及双面打印，彩色打印费用是黑白打印的6倍
- ▶ 请不要打印与业务无关的文档

请您加入我们，低碳办公，共建绿色星球~

你知道吗？在EY，每减少100张打印，便可以减少约1.37千克碳排放，节约约36升水。

Regards,
EY Technology

EY Greater China FY23 resource usage performance

Indicators	Unit	FY23	FY22	FY21
Energy use - gasoline	Liter	195,873	162,407	191,477
External electricity purchase	Kilowatt hour	8,758,261	7,946,615	9,455,748
Water consumption	Liter	9,234,000	6,959,000	13,357,871
Paper consumption	Piece	28,018,888	28,604,821	32,171,045

Notes:

The statistics only covers the data of EY Greater China. Due to the increase in production activity, figures of energy use in FY23 increased. EY Greater China will continue to strive for a global EY green office and implement green operation measures and make active contributions to EY Global net zero emissions pledge.

EY awarded Green Office and Eco-Healthy Workplace plaque

Established by the World Green Organization in 2013, the Green Office and Eco-Healthy Workplace Awards Labeling Scheme aims at identifying and encouraging organizations that put effort into maintaining a green office. EY has always been actively improving the carbon footprint in the office environment, energy consumption, and the health of our staff, and we were awarded the Green Office plaque in spring 2022.



Recycling plastic bottles in exchange for “carbon tokens”

In recent years, plastic waste has been an issue of public concern. EY is committed to promoting green actions and to accelerating environmental sustainability. To assist EY staff in better practicing green living and to reduce the pollution caused by plastic waste, EY Greater China installed a plastic bottle Reverse Vending Machine (RVM) in the Hong Kong office. EY staff can recycle the plastic bottles used daily in the RVM and accumulate “carbon tokens” to exchange for selected items of their choice or make donations to charitable organizations.



Low-carbon practices, coffee grounds recycling and reuse

Coffee has become a daily necessity to many people, but the generation of coffee grounds afflicts certain harm to the environment. To jointly promote the concept of low-carbon practice, EY launched the Coffee Grounds Recycling Project in 13 regions including Beijing, Shanghai and Hong Kong. The aim of the project is to encourage everyone in the office to reuse coffee grounds innovatively, giving it a second life, by offering staff coffee grounds generated in the office for free, aiming to integrate low-carbon practices into our daily lifestyles.



EY Loves Walking WeChat mini program

The Facility Management team has utilized the common spaces at our office and introduced a fitness and walking zone, along with the EY Loves Walking WeChat mini program, which helps to keep track on flight of stairs participants have taken and calories they have burnt. The accumulated steps will then be converted into points to encourage green mobility.



A day in your dual carbon life - vlog competition

Dual carbon is not only a slogan, but also a lifestyle. EY Greater China Region launched a well-received vlog competition, encouraging EY staff to document their creative approach on how to achieve a sustainable lifestyle.



2.2 Green procurement

EY adheres to the principles of sustainable procurement by considering environmental, social and governance factors when making procurement decisions. We also established our guiding principles for sustainable supply chain management in order to reduce the adverse impact that may occur in the lifecycle of the purchased good. In FY23, the number of suppliers of EY Greater China in the mainland, Hong Kong and Macau reached a total of 643, with local suppliers accounting for 100% of the procurement expenditure, while procurement contract fulfillment maintained at 100%.

EY guiding principles for sustainable supply chain management

1	Focus on the ESG impact and risks associated with the categories, products and services based on their possible impact and likelihood of occurrence		
2	Incorporate ESG consideration in existing supply chain practices and the requirements for collaboration with suppliers	3	Enhance ESG responsibility and ethics in the entire supply chain
4	Challenge the demands for products and services that inflict significant adverse impact and risks on the environment and the society	5	Adopt and execute strategies to avoid unnecessary expenditure and management demand
6	Consider purchasing reusable, recyclable and locally reusable goods and infrastructure	7	Identify, weigh and mitigate negative ESG impact on multidisciplinary categories

2.3 Green philosophy

2023 Earth Hour campaign

On 25 March 2023, from 8:30 p.m., EY turned off unnecessary lighting in Hong Kong and mainland China offices for an hour in support of the Earth Hour activity. We encouraged staff to do the same at home and join us in our advocacy in the protection of wetlands. The act of “switching off lights” is just the beginning of our commitment. EY will continue to make efforts to conserve wetlands and contribute to the preservation of nature as a whole.



Creating long-term value

EY Greater China relies on our professional service teams to support clients in creating long-term value and assist them with escalating the pace of transition to a low-carbon future, confront climate risks and practice sustainable development. EY Climate Change and Sustainability Service team and other service lines assist clients in discerning risks and opportunities relevant to environment, social and governance, as well as initiating the advancement of service and tool innovations for sustainability, to aid clients' transition to a green and low-carbon future.

Seminar on ISSB challenges and opportunities of disclosure standards for Chinese listed companies

In May 2023, EY held the International Sustainability Standards Board (ISSB) Challenges and Opportunities of Disclosure Standards for Chinese Listed Companies seminar at EY wavespace™ Shanghai onsite and online. The seminar featured participants from multiple parties such as ISSB's full-time directors and representatives from the academia, industry associations and corporations. They communicated and discussed with EY Greater China partners the challenges and opportunities brought to Chinese listed companies by the implementation of ISSB Sustainability Disclosure Standards.



Ernst & Young Hua Ming LLP becomes one of the first green-certified agency approved for independent operation in China

To further standardize the assessment of the conduct of certification entities and promote high-quality development of the green debt financing instrument market, the National Association of Financial Market Institutional Investors (NAFMII) issued an announcement on 2 November 2022. Entities published in the results of green bond assessment certification agency market review can carry out green debt financing instrument evaluation and certification business. Ernst & Young Hua Ming LLP ranked top place in this green bond assessment certification agency market review and became one in the first group of 11 green-certified entities in the country to be approved for independent operation.

3.1 Audit

EY Sustainability and ESG Services team is dedicated to assisting our clients in revealing and raising nonfinancial performance. We also provide recommendations for developing nonfinancial reports and the framework for integrated reporting. We help clients confirm the expectations of interested parties and assist the markets in boosting confidence for business performance and the creation of long-term value.

- ▶ The development of ESG, social responsibility or sustainable development reports, management system, strategic planning consultation, the raising of ESG or sustainable development capital market performance, communication with interested parties, responsible branding and communication
- ▶ The testing of carbon footprints, greenhouse gas emissions reduction inventory and renewable energy planning
- ▶ Strategic and management consulting for sustainable supply chain, sustainable supply chain risk and performance assessment, sustainable supply chain competence building
- ▶ The development of impact assessment framework and strategies, project design/monitor and assessment
- ▶ Environment, Health and Safety (EHS) management consulting

EY establishes Scope 3 carbon emissions assessment and calculation tool for a well-known property developer

Carbon emissions in Scope 3 usually constitute more than 85% of a commercial property developer's carbon footprint. The EY team has integrated the relevant guidance, and assessed the accessibility of business scope, value chain and information to tailor the assessment and calculation tool to meeting our clients' needs. The Scope 3 calculation tool that we develop for our clients is for long-term use, so that clients may renew the Scope 3 emissions checklist according to their own business development. By assessing and calculating Scope 3 emissions, clients can assess the hotspots for emissions in their supply chain and ascertain the associated resource and energy risks. It is then possible to identify energy efficiency and cost-cutting opportunities to prepare the way to become a zero-carbon enterprise.

EY establishes an online ESG data collection platform for a well-known client

An EY team has collaborated with a well-known enterprise and successfully assisted this client with setting up EY CapES, an online ESG data collection platform developed by EY. This platform is intended to assist enterprises in collecting, analyzing and reporting data related to Environment, Social and Governance effectively. The EY team established a versatile and user-friendly platform according to the client's specific needs.

The use of a large data collection and management tool enables a convenient collection of ESG data from different sources for further monitoring and analysis in real time. Clients will be able to better understand their ESG performance with this platform as the insights gathered will inform their decision making and reports with a view to improving their performance in sustainable development.



EY provides green and low carbon consultation for a well-known listed e-commerce enterprise

In 2023, EY professionals provided green and low carbon consultation to a well-known publicly listed e-commerce enterprise. The scope of consultation included carbon emission inventory, the planning for decarbonization goals and roadmap, a white paper on carbon neutrality, internal training and value export. The carbon emission inventory was conducted on all the enterprise's service lines on-site and in accordance with internationally recognized standards. We developed and completed the carbon emission data checklist, collected the emission factors and completed the overall carbon emission inventory. Based on the results of the carbon emission inventory, we identified the status and the shortcomings of the enterprise's energy usage and carbon emissions. As we discovered the main source of the enterprise's emissions and management weaknesses, we garnered a clear picture of the potential for energy conservation and carbon emission reduction. On this basis, we developed a roadmap for carbon neutrality, conducted the technical pathway scenario analysis and confirmed the course and strategy for carbon emission reduction. In coming up with a carbon neutrality white paper, we assisted this enterprise to enhance their corporate image. The provision of a series of carbon training is how we help the client lay the foundation for managing the dual carbon goals.

EY assists a public utilities gas enterprise to augment ongoing ESG performance

EY is committed to the promotion of sustainable development and the firm resolution for innovative empowerment. Since 2020, EY teams have been providing ESG consultation to an A-share listed public utilities gas enterprise, assisting this enterprise with ESG reports, carbon neutrality reports and biodiversity reports. The teams collated the expectations of various interested parties, including regulatory authorities, assessment institutions and investors, and considered the strategic direction of development in the gas segment for this enterprise to come up with an implementation roadmap for augmenting ESG management in the short, medium and long term. This joint effort will assist the enterprise in promoting its ESG management capabilities systematically and comprehensively. In 2022, the ESG assessment outcomes of this enterprise has improved significantly. In 2023, EY assisted this enterprise to pass the assessment by the United Nations, as such becoming a formal member of the UN Global Compact.



3.2 Strategy and Transactions

The EY Strategy and Transactions team is rooted in long-term value creation and sustainable development consultation. It has established itself upon the basis of in-depth industry insights and professional knowledge. The team assists clients in meeting the challenges of sustainable development as they optimize resource allocation and forge the ability in sustaining value creation within an evolving traditional business model. It is in this sense that enterprises can embrace the opportunities and challenges of the low carbon economy and unlock the growth potential of key climate technologies by engaging in forward-looking capital market operations.

Consulting services for low carbon transition, ESG or sustainable development strategy

The dual carbon goals have presented carbon emission reduction and transitional challenges for enterprises, but they have also given rise to emerging opportunities. The Strategy and Transactions team assists enterprises in unravelling the current business situation, assessing priority items, determining and executing decarbonization transition strategies, implementing action plans, and assessing implementation outcomes. It is with multidisciplinary thinking and technical capabilities that the EY team assists enterprises in different sectors to assess opportunities and risks, to execute transaction strategies, and to be engaged in a dynamic process of transition into green, low carbon, digitalization and intelligentization. With concerted effort, the dawn of a sustainable, green business world is in sight.

Carbon neutrality/zero emission strategic consultation

Transition strategy consultation

Green electricity/clean energy strategy

Sustainable Development/ESG strategy consultation

Digitalization consultation

Consulting services for innovation or green business model and ESG carbon assets or long-term value

The low carbon economy presents enterprises with the urgency to transition into green production and operation, at the same time also to meet the changing demands of the market. Traditional business models based on the sales of products and the provision of services must make a leap in the future by engaging in intensification, customization and innovation. The Strategy and Transactions team assists enterprises in ascertaining short-term economic benefits and long-term resource allocation. By seizing the opportunities presented by these changing times, enterprises should work on self-renewal and forge the ability to create sustainable value for the economy, the society and the environment.

Design of business model and innovation consulting

Long-term value analysis

ESG value or impact assessment

Carbon asset management consulting

Restructure of strategies

Consulting services for green investment financing

Climate technology is a critical component in assisting the society and enterprises to fulfill their dual carbon goals. It is also a growth segment in green industry development. The EY Strategy and Transactions team is well versed in the pioneering developments in key climate technology, the innovative practice of business models, the positive interactions between industries and capital markets, and the professional services necessary for investment and financing. The team assists clients in identifying the targeted developmental potential and inherent value in climate technology with a forward-looking mindset. Our services cater to all our clients' needs, including strategic and business model analyses, market due diligence, the feasibility of investments, transaction, merger and acquisition consultation, and valuation and financial consultation.

Key climate technology consultation

Renewable energy strategy and transactions consultation

Green or sustainable infrastructure financing consultation

EY provides strategic ESG consultation for a world-renowned photovoltaic enterprise

Energy transition trends, coupled with geopolitical situations, have heightened the operational uncertainties for multinational corporations. As ESG regulatory requirements become increasingly stringent, Chinese enterprises that export clean energy technology abroad confront regulatory headwinds, which are manifested in market access and product advantages. It was within this overall context that the EY team assisted a world-renowned photovoltaic enterprise in devising an ESG strategic plan that meets the enterprise's specific business needs. The consultation entailed, amongst others, analysis and compilation of the client's current ESG management status and external ESG regulatory requirements and industry practices. The resulting ESG strategic plan consisted of various dimensions, from the establishment of organizational structure, the design of the management system, to a stage-by-stage implementation plan. The recommended measures aimed to strengthen the client's internal ESG competency, enhance its versatility in meeting changing external regulations and standards, augment its flexibility in management and operations, and finally develop the agility necessary to adapt to the ever-evolving conditions in external markets.

EY assists a new energy company listed in Hong Kong to analyze virtual power plant key markets and business model

EY professionals assisted a client in analyzing the virtual power plant industry worldwide, with focuses on the virtual power plants in relatively more mature markets mainly in Europe, while analyzing the business model and providing relevant case studies. Furthermore, a feasibility study for virtual power plants was conducted with consideration of the power markets undergoing institutional reforms in mainland China. These efforts have provided the supporting reference for the client's internal strategic decisions.

EY assists a fund management enterprise in environmental due diligence

An EY team assisted a fund management enterprise in conducting environmental due diligence on a target company for potential investment and to learn how this company practiced its management of environment-related issues. There was an emphasis on identifying the hidden risks involved in this potential transaction or any other issues of concern. During the due diligence investigation, the EY team requested an examination of all the target company's environmental licenses and certificates as required by the relevant environmental regulatory provisions. Investigation and analyses were also conducted on the target company's energy consumption patterns and the types of energy used. EY studied its internal policies for climate change and the management of greenhouse gas emissions. Finally, EY inspected all the wastes generated in the target company's operation and production, and the origin, storage, transportation and disposal of wastewater and dangerous materials. All these have provided factual and analytical support for the client's investment decision.

EY provides financing consultation for a leading new energy vehicle charging service enterprise

For two consecutive cycles, EY teams served as the exclusive financial consultant for a leading new energy vehicle charging service enterprise. The EY consultation covered all bases including the preparation for recommended materials, financial forecasting, the identification of potential investors, assistance with the due diligence process, and negotiation support. As the client proposed brand new solutions, but lacking benchmark enterprises, the EY professionals eventually approached the consultation from the perspectives of the end-user experience and the investors to institutionalize the comparative business model. Consequently, investors can understand the new business model quickly and directly. Furthermore, the EY teams introduced to this enterprise a number of EY clients, whose businesses would present synergistic opportunities to the organization, enabling further collaboration besides equity investment.

3.3 Tax

Using multi-functional tax management methods, EY Tax services help businesses evaluate the impact of relevant tax policies. Our services include calculating the carbon footprint of corporate value chains while taking business operations into account; helping companies identify specific tax incentives, deductions and exemptions, and other financing mechanisms in phases, eventually achieving the ideal goal of aligning companies' tax planning with their supply chains and business models. We provide clients with innovative services to help them cope with the challenges of tax administration while addressing carbon neutrality.

An analysis and clarification of sustainability and green tax systems in the world

A periodic update of the green tax systems in different countries and regions globally, as they are applicable to the enterprise

Pay attention to overall trend developments

Take full advantage of the tax benefits of tax deductions and incentives as they are applicable to multinational corporations

Green tax management for "going global"

Conduct detailed analyses on the tax policies of specific nations and regions, assist enterprises with the study of applicability and feasibility of sustainability policies

Confirm tax incentives, deductions and other fundraising mechanism in stages and a step-by-step manner

With consideration of the enterprise's own business situation, create tax plans that are suitable for the enterprise, and furthermore provide multiple solutions from which to choose

Implement tax arrangements that are consistent with the enterprise's supply chain and business model

Green tax management for local and "bringing in" enterprises

A series of green tax policies have been made governing pollution, energy conservation, environmental protection, integrated use of resources and renewable energy

Make adjustments for limitation taxes, which could be oppressive to enterprises, and facilitate green development

Assist enterprise with practicing multifunctional tax management, fully utilize the cost reductions and efficiency-boosting features of green taxes

EY publishes EY Green Tax Tracker

In June 2023, during the Shanghai International Carbon Expo, EY launched the fifth edition of the EY Green Tax Tracker. This report details the latest overview of the sustainability policy incentives, carbon system, environment-related tax policies and tax exemption policies of 44 nations and regions globally. The content covers around 1,950 sustainability policy incentives and around 3,000 environment-related tax and exemptions. These 44 nations and regions had a combined GDP constituting 90% of the world's GDP. This report will be updated periodically. According to EY Green Tax Tracker, most countries and regions adopt a tax policy-driven approach to guide green developments in the business world. On one hand, tax incentives encourage green activities and development; on the other hand, increased taxes are levied upon activities and technologies that increase greenhouse gas emissions. Based on this insight, EY advises "going global" enterprises to focus their attention on the relevant green tax policies in the jurisdictions in which they have invested and combine policy requirements with reasonable investment planning or operations.



EY joins large energy enterprise in a dialogue on hot topics such as green tax and ESG

An EY team participated in a series of exchanges with a large energy enterprise and discussed key ESG issues. In this dialogue, hot topics in the industry and latest insights were shared. EY discussed some cutting-edge issues, such as the assessment of risks for energy enterprises and the corresponding measures, the Carbon Border Adjustment Mechanism (CBAM) of the EU and Spain's plastic packaging tax. Furthermore, in addressing some of the difficulties that enterprises confront, EY provided tax training for key officials in the enterprises, including revenue tax, value-added tax and tax audit. These efforts support enterprises in understanding the latest developments in green and low carbon transition and assist them in discovering new opportunities of development within this process of transition.



3.4 Consulting

EY Consulting Services team is oriented towards the risks of sustainable development. Based on a framework of comprehensive enterprise risk management, the team leverages an extensive network of talent, and provides clients with solutions for sustainability risks by conducting risk management, internal control, and internal audit. From government to industries, client interests are always at the core of EY Consulting teams' concern. Combining years of experience in sustainable development, the team supports clients in successfully navigating through times of change and forging ahead on the path towards a green and low-carbon future of sustainability.

Services for the government

Green strategy think tank: the national carbon peaking and carbon neutrality (dual carbon goals) development plan, dual carbon action plan

Green industry planning: industry research and planning, dual carbon policy consulting, district development planning

Green operation management: the forecast of green project development and the liaison of investment planning, state-owned enterprise management and reform training, service system construction, green mechanism innovation

Intelligent monitoring of carbon emissions

Services for the industries

Green development planning: dual carbon development strategies for enterprises, dual carbon action plans, dual carbon action public disclosures

Carbon monitoring and management: carbon footprint monitoring, carbon intensity benchmarking, carbon emission accounting, carbon emission management system plan, management of emission reduction projects, construction of carbon management financial system, application of carbon data visualization

Carbon emission reduction implementation: low carbon emission advisory in green businesses, including green manufacturing, transportation, building and services

Analyze the integration of ESG into risk management and the construction of internal control system

Most enterprises have yet to incorporate ESG in their development strategies. With the integration of ESG management into risk management and the construction of internal control system being poor, it is difficult to practice delicacy management, as such negative incidents occur frequently. To tackle these challenges, EY proposed the EY ESG maturity model. Combining assessment logic and data access, representativeness, systematicity, and effectiveness, the ESG maturity of enterprises is assessed on 3 themes, 7 key areas, and 31 ability groups under a five-level score rubric. The model assists enterprises in discovering the risks and shortcomings in the management system and during implementation, thereby addressing them by adopting corresponding measures.

EY launches Integrated Solutions for Urban Carbon Neutrality and Sustainable Development scheme

On 11 June 2023, at the first Shanghai International Carbon Neutrality Expo, EY launched the Integrated Solutions for Urban Carbon Neutrality and Sustainable Development scheme. The scheme helps local governments and urban investment operators to acquire sustainable development capabilities in urban areas of the current growth trajectory, which is characterized by low-carbon development. Drawing upon its own professional perspective and data accumulation, EY launched the Sustainable Development Potential of Urban Area evaluation system and established the supporting methodologies, so that carbon neutrality can rise as a competitive new public good. There are two indices, consisting of "green" and "development potential" in the evaluation system. Covering seven assessment criteria, including resources, environment, facilities, economy, society and governance of the urban areas, the system helps local governments and urban investment operators quantify environmental performances in the urban space.

3.5 Financial Services

EY professionals have long been committed to providing professional services in sustainable development to the financial industry. We actively assist financial enterprises in achieving carbon neutrality and offer clients diverse carbon neutrality consulting and assurance services. To provide the financial industry with support in achieving the dual carbon goals, our scope of services includes orientations such as greenhouse gas inventory, implementation path of carbon neutrality, green investment consulting and climate risk management. Furthermore, EY applies technology in empowering green transition blueprint to support enterprises in green development in order to fulfil the dual carbon goals of the nation.

Green financial services	ESG services	Carbon neutral services
▶ Green finance development plan, green finance management structure, green finance management institution ▶ Green financial management system ▶ Green financial product system, green operation management, environmental financial information disclosure ▶ Climate change risk stress tests, climate change risk analysis assessment reports, environmental and social risk management and the adoption of Equator Principles support ▶ Sustainability financial product validation ▶ Climate Risk Analysis Online System	▶ ESG, corporate social responsibility or sustainable development reports ▶ ESG management system ▶ ESG investment strategies ▶ ESG due diligence ▶ ESG investment reports ▶ Customized ESG performance analysis model, ESG performance analysis report, ESG investment indicator system ▶ ESG rating enhancement recommendations ▶ ESG intelligent management system	▶ Greenhouse gas emission inventory ▶ Carbon neutrality-related verification ▶ Carbon neutral path planning and management consulting ▶ 3060 Carbon Management System

EY assists a fund management enterprise to improve ESG investment performance

In cooperation with this fund management enterprise, EY professionals provided advice on the building of an ESG investment indicator system, helped the enterprise ascertain ESG-related issues of importance, and assessed ESG investment of the company by engaging effectiveness assessments on environmental and social aspects based on the United Nations Principles for Responsible Investment (UNPRI). The final offering was a comprehensive ESG investment report. Moreover, the EY team provided the enterprise with targeted ESG management enhancement suggestions to further promote the overall ESG management level of the enterprise. Currently meeting international leading standards of ESG investment management, the enterprise proudly received an A+ rating in the evaluation of the UNPRI.

EY provides an insurance group with a set of ESG management improvement services

Working hand in hand with an insurance group, EY provided the client with a set of ESG management improvement services. In accordance with the client's requirements, EY conducted research on green finance policies, and formulated a set of suggested professional solution plans covering ESG work system establishment, ESG-specific risk management, green business transition, and ESG information construction. At the same time, EY assisted the client on carbon inventory verification involving the whole organization, and incorporated client features in conducting methodological research on the calculations of green insurance environmental effectiveness. EY provided comprehensive assistance in the enterprise's enhancement of ESG management and the innovation in green insurance services.

EY assists a bank in issuing the first USD-denominated biodiversity-themed green bond in global financial institutions

On 16 November 2022, an EY team assisted a bank in issuing the first USD-denominated biodiversity-themed green bond through their overseas branches in global financial institutions. The issue was successful. It is also the first biodiversity-themed green bond in Europe. As a professional third-party verification entity, EY conducted pre-issuance assurance for this green bond and issued an assurance report. The bond is a three-year fixed-rate bond with an issue size of US\$400 million. Funds raised will be used in initiatives that bring forth biodiversity protection benefits, such as precious plants protection, aquatic environment governance, and lake ecology protection.

EY releases 3060 Carbon Management System 2.0

At the first Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements, EY released the 3060 Carbon Management System 2.0. This is the latest EY achievement in technological innovation in the field of green and low-carbon sustainable development. The 3060 Carbon Management System 2.0 aims at assisting enterprises in green development under the dual carbon goals and supporting financial institutions in low-carbon investments. The 3060 Carbon Management System 2.0 upgraded the former system from five dimensions: "scenario diversification, operation standardization, data visualization, process automation, and intelligent reporting" to generate digitalized, full-cycle, and fully linked carbon neutral solutions. By leveraging cutting-edge digitalization technology in carbon neutrality consulting, the 3060 Carbon Management System 2.0 provides enterprises with a one-stop solution to upgrade their ESG management competencies.



EY releases *Carbon Neutral Strategy for Banking and Insurance Institutions White Paper*

On 20 February 2023, EY organized a press conference to release the *Carbon Neutral Strategy for Banking and Insurance Institutions White Paper* in Beijing. Under the dual carbon goals, financial institutions such as domestic banks and insurance enterprises are facing a multitude of challenges brought by transitional pressure. To address the difficulties confronting the Chinese financial institutions in achieving carbon neutrality, EY released the *Carbon Neutral Strategy for Banking and Insurance Institutions White Paper*. The white paper aims at helping financial institutions to establish a comprehensive, scientific and financial carbon neutral strategy framework, thereby implementing the core steps in critical stages and formulating a complete solution plan in the process of achieving carbon neutrality.



EY launches ESG mobile carbon emission tracker, innovating the practice of dual carbon management and digitalizing the empowerment of green and low carbon development

EY released the EY ESG mobile carbon emission tracker at the China International Fair for Trade in Services 2023. Built upon the basis of the EY 3060 Carbon Management System, the carbon emission tracker combines corporate application practices and the demands of national low-carbon actions and actualizes carbon application scenarios of higher convenience, diversity and intelligence. It is an innovative mobile product targeting the needs of enterprises and individual clients. The tracker is the latest EY achievement in technological innovation in the realm of green and low-carbon sustainable development.





3

Social

Enabling exceptional talent

1.1 Talent management policy

EY is firmly committed to the nurturing of adaptable, market-oriented and digitalization-savvy talent. They are the professionals who provide solutions with professional insights to create greater value. Talent management is a critical aspect of EY's management. From occupational model to competency building, EY attends itself to every step in the renewal and turnover of talent management. This is the mindset that enables our talent to develop their own customized career trajectories.

Indicators		Unit	FY23
Total number of employees		Persons	More than 23,000
Percentage of female employees by rank and position	Below manager grade	%	67
	Manager grade	%	61
	Above manager grade	%	52
	EY Greater China Partners	%	39
	EY Greater China Leadership	%	50
Gender breakdown	Male employees	%	36
	Female employees	%	64
Age groups	Below 30	%	62
	31-40	%	26
	41-50	%	9
	Above 51	%	3
Geographical distribution	China North	%	25.5
	China Central	%	35.5
	China South	%	13.9
	Hong Kong	%	15.8
	Macau	%	0.3
	Taiwan	%	9.0
New employees		Persons	4,919

Rewards and honors

Awarding institute	Award
Universum	Most Attractive Employers in China of 2023 list for Business/Commerce students, first place for the auditing and accounting sector
Shixiseng.com	The Most Attractive Employer 2022
Beijing Municipal Education Commission, Beijing Municipal Human Resources and Social Security Bureau	Workplace experience base for college graduates in Beijing 2022-2026
The Guangdong Commission of the Communist Youth League, The Guangdong Youth Federation	Outstanding Work Unit for the Guangdong Internship Program for Hong Kong, Macau and Taiwan students 2022
JobsDB	Employer of the Year in Hong Kong top ten list
Universum World's Most Attractive Employer in China - Graduates' Choice 2022	Combined marketing grand prize, innovative brand short video grand prize, best social media activities grand prize

1) Digitalized recruitment

EY continues to provide a digitalized recruitment experience for job seekers, such as EY Experienced Recruitment, WeChat official account, offering smart recruitment platform and digitalized interview tools. The platform raises the efficiency of the recruitment process and improves the job seekers' job search experience. The EY online recruitment management platform has systematized the management of the recruitment process and the establishment of the local talent database. In the past year, the online recruitment management platform has completed the following upgrades:

► **Protection of personal information**

In accordance with the requirements of laws, regulations and policies, EY has actively implemented corresponding safety measures for the protection of personal information. When candidates enter the recruitment process, the online recruitment platform will automatically send out an email requiring candidates to read the relevant privacy agreement. Only when candidates confirm can they enter the formal procedure for recruitment. This is a safe and controlled means to protect the personal information of the candidates.

► **A broadened scope of usage**

The EY recruitment team and the Talent Shared Services (TSS) Team collaborate closely on an online recruitment management platform. The platform supports our interview arrangements and makes the offer-making workflow more efficient. It also smoothens the communication between the recruitment team, the TSS team and interviewers, as such encouraging better collaboration.

Furthermore, the EY recruitment team in Hong Kong has also been exploring the connection between Hong Kong's recruitment channels and the online recruitment management platform. This has resulted in the establishment of an online talent database. The recruitment team and interviewers in Hong Kong have also fully experienced the advantages of digitalized recruitment.

2) Internal transfer program

EY provides the option of internal transfer or rotation for those employees who wish to embark on a different career path or work at a new location. At the internal transfer portal, EY shows the relevant policies and application procedures. EY staff can explore internal opportunities through this program, and chart a new path for their careers by trying out even more fulfilling experiences. Moreover, the Assurance service line has an Audit Manager rotation program with open opportunities for work in periodic or permanent rotation at different teams and regions. This is a growth opportunity for Senior Managers and Managers to acquire diverse skills and experiences which may eventually help them achieve their career goals.

3) Optimization of campus recruitment turnover

EY is committed to the in-depth research in talent market trends, recruitment data and talent preferences. By engaging in creative and diverse activity designs and technological means, this will help EY attract the best talent to join its teams. The provision of an exceptional work experience for students who are about to join EY is what will raise the talent retention rate.

Creative and diverse initiatives for campus recruitment

In the past year, we have offered exciting campus recruitment activities to boost student experience, including summer leadership training camp, joint and multi-regional webcasts, camping, fall recruitment experience day for the incoming graduates and campus-enterprise joint courses.

Through a series of branding activities such as EY Open Day, employer brand promotional videos, Go Beyond Creativity Contest, EY Young Professional Tax of the Year Competition and Hackathons, we invite outstanding students from higher education institutes across the nation to learn about EY up close, so that they are equipped with the skills and knowledge necessary for their future career development.

For fresh graduates joining EY, we also organized training camps to help them develop the soft skills necessary for the workplace and achieve a smooth transition from campus to career.

By offering elite programs, we raise the career starting point for students who will join EY and open the door to more possibilities.

Moreover, we also engage actively in digitalization and roll out the latest technological means according to real-time market conditions for attempts and turnover.

Digitalization in campus recruitment enabled by social media

Campus recruitment comes with professional recruitment systems that assist us in completing large cohort intakes efficiently and with full compliance.

During the talent selection process, we test the overall competence of the students with online assessments; AI-powered English tests will assess the candidates' English fluency; AI-powered video interview will also be engaged for preliminary selection, which serves a gatekeeping function for various departments in matching skills.

We maintain an active presence on social media platforms, where we disseminate information for EY campus recruitment, EY's corporate culture and talent development approaches via different platforms and in different groups. By following the active engagement with the students, we learn more about the preferences and needs of the young students in the local talent markets. This will in turn inform and refine our talent intake, training and development strategies.

1.2 Facilitating talent development

EY is firmly committed to the cultivation of excellent leaders. It is through teamwork that we deliver our service pledge for all interested parties. As we are building a better working world, we create long-term value for our clients, people and society, with a view to building trust in the capital markets. Besides offering a clear career development ladder, EY also imparts into its employees the importance of developing a growth mindset, which thrives on intellectual curiosity and a daring spirit of exploration.

EY's talent development plan

We have designed full-content talent development courses that meet the specific needs of different service lines and roles.

- ▶ Professional development programs that are categorized according to service lines with a focus on the required professional techniques and job skills
- ▶ Professional development activities that are categorized according to the roles, such as new joiners, entry-level staff, senior staff, Managers, Senior Managers, Directors and Partners
- ▶ Other professional development activities, such as EY Badges and EY Masters in Sustainability

Indicators	Unit	FY23
Number of EY Badges issued	Piece	8,279
Percentage of completion in ethics compliance completed by EY Partners and employees	%	100
Fulltime staff training and development expenses	RMB10,000	4,058
Average hours of on-site training	Hours	45.18
Number of employees participating in on-site training	Persons	99,479
Average hours of online training	Hours	35.22
Number of employees participating in online training	Persons	640,781

EY talent growth training series

► Onboarding

Welcome to EY is the orientation program that takes two days with a full platter of activities. It offers wonderful sharing by EY staff at different career levels and the opportunities to interact and cooperate with fellow new joiners. Top up the experience with an orientation gift bag, EY welcomes the new joiners with genuine warmth and provides them with a full overview of EY's culture, its people, passion and professionalism, ensuring a wonderful onboarding experience.

► Milestone program

To recognize and celebrate the career achievements of newly-promoted employees, EY has set up a series of milestone activities for newly-promoted team leaders, Managers, Senior Managers, Directors and Partners, with the aim of assisting them in learning how to manage their new roles, learn the new skills, obtain advice and to further accumulate relevant experiences. This will speed up the transition process. They can also meet and have dialogues with the EY Greater China Leadership Team and sector leaders. The occasion allows them to have an in-depth understanding of our vision and strategies, as we celebrate their achievements together.





Greater China New Manager Milestone Program 2022



Greater China New Partners Milestone Program 2023



Hong Kong New Senior Manager Milestone Program 2023



Hong Kong New Manager Milestone Program 2023

On 30 June 2023, the EY campus recruitment team in Hong Kong held an annual welcome reception. The event invited students who will be joining in September to experience the culture of EY and to meet future colleagues. We invited business line leaders to share and enhance students' understanding of their own business lines, helping them adapt more easily to the work environment.



On 6 January 2023, the EY campus recruitment team in Hong Kong held the EY Academy Cocktail Party. The event invited new EY Academy students and selected EY mentors to help freshmen and sophomores understand the working environment and team spirit of EY. During the event, school recruitment activities were introduced, as well as the EY Academia and internship priority plan for students.



EY Badges

EY Badges is a talent development system to help our people develop skills for the future. The goal is to equip them with knowledge and insights, develop cutting-edge skills to transform leadership and businesses to succeed in the digital age. They can earn EY Badges by completing learning in related areas, practices, training and mentoring colleagues, and participating in the forums or publishing papers. After confirming the completion of a certain skill, they will be rewarded an EY Badge. As of June 2023, 34.5% of EY Greater China's people have participated in EY Badges learning, with a total of 7,436 people obtaining 16,533 badges.

EY Tech MBA

With EY Badges as the foundation, EY Tech MBA was launched on 1 July 2020. EY people can earn the EY Tech MBA issued by Hult International Business School by completing 300 hours of free online courses which cover technology, leadership and business. This is the first corporate MBA with official recognition. As of June 2023, two employees from EY Greater China have graduated and obtained the EY Tech MBA degree.

Masters in Business Analytics

Data and artificial intelligence (AI) have been revolutionizing the world. In the next five to 10 years, our success will hinge upon our ability to inject data and AI into the core business of EY and our clients. By offering the Masters in Business Analytics, we hope to provide EY people with the opportunity to receive top education and development in technology, thereby raising and broadening the scope of exposure to data and AI for EY people. The application for this degree involves meeting the challenges of data and AI by resolving the practical needs of our business with the knowledge that was acquired. EY employees may, at any time or cycle, continue to learn and complete the free application. As of June 2023, one person from EY Greater China has successfully applied and started taking the course.

Professional Qualifications

To be the most respected professional services organization, we ensure that all services and core business professionals should obtain relevant professional qualifications as early as possible. Therefore, we have developed the EY Greater China Professional Qualifications and Development Policy, which provides our people with study leave, exam leave, exam-related subsidies and rewards such as professional qualification allowances and annual membership fee reimbursement for their achievements. The policy covers a total of 42 qualifications and provides other benefits and incentives, as well as a pre-examination preparation program for CICPA, CCTA, CE and HKICPA candidates. Online courses, mock examinations and pre-examination courses are also available. In the 2022 examination, the number of applicants for the CICPA examination totaled 5,848, with a total of 16,263 subjects taken. The number of applicants for the HKICPA examination totaled 866, with a total of 1,240 subjects taken.

1.3 Safeguarding health and safety

► EYCare program

EY has always actively promoted the idea of employee caring. By offering a series of physical and mental health services and popular science activities, EY aims to create an outstanding workplace for its employees, as well as providing health and wellness protection for our staff and their families.

Employee Assistance Program (EAP)

The EAP allows timely and effective communication on issues of personal development, interpersonal relationships, emotional relief, stress relief, and parenting education. It contains early intervention for psychological crises and provides professional advice to employees and their families when they need assistance. In FY23, the “Listen to Your Heart” program provided 500+ counseling sessions for EY people and their families in the Chinese mainland and Hong Kong.

Health seminars

In FY23, EYCare has organized many seminars addressing health and wellness themes. Besides providing talks on physical, mental, social and financial wellbeing that are open to both EY staff and their family members, we also compiled the most concerned workplace topics for Generation Z workers, and held the seminar entitled "How can office rookies make a smooth entry into the workplace?". This was aimed to assist them in the transition from school to the workplace and to embrace life changes with a positive mindset.

EYCare on WeChat

This platform is where EY publishes workplace-related articles, staff sharing, health tips and psychological tests. EY actively disseminates health knowledge to our people through different means. Since its establishment, EYCare has earned many followers and the number is growing. There are currently more than 5,700 followers.

EY Smart Wellbeing

Ensuring the physical and mental health of employees has always been an important goal of EY. In FY23, we launched EY Smart Wellbeing, an integrated health platform that integrates various physical and mental health supports and resources. We have introduced more professional and interesting health activities online and offline.



The online check-in activity during the EY Wellbeing Week attracted more than 1,000 participants. Employees gained more health knowledge and concepts, and adopted a diverse mentality to look after their wellbeing and recharge themselves.

We produced customize wellbeing videos on topics including physical fitness exercises, women's health, energy enhancement and mood improvement, stretching and other 1m² workplace workout videos. We encourage our people to simplify the process and achieve exercise results efficiently.

In a workstation fitness pop-up event, professional coaches led more than 2,000 employees to exercise, relieving pain caused by sitting for long hours and to help improve their working condition.

Professional speakers were invited to share insights at our workshops on women's health, immunity and energy management. They explained common blind spots on health issues and offered participants the opportunity to experience exercise prescriptions as well as 1m² office workout, prompting employees to establish energy management concepts, assist in formulating management plans and reshape healthy lives.

During the Mother's Day health science lecture, employees interacted with medical doctors and discussed healthy lifestyle for women.

Over the course of several months, we invited medical specialists from Grade 3A hospitals to give four lectures in our cardiovascular health science series.

We launched the EY Smart Wellbeing WeChat mini program, allowing employees to gain physical health knowledge through daily vitality talks and interest-based webcasts.

In addition, we also held exciting and competitive sports games in Hong Kong and Macau, and organized various lectures and courses for physical, mental, financial, social wellbeing and other aspects. We also encouraged our people to participate in charity runs and health activities organized by relevant industry associations.



Highlights of Taiwan wellbeing activities

► EAP & the health service team

EY is committed to whole person health. We have cooperated with a number of employee assistance solutions organizations to provide professional psychological counseling for its employees, thereby ensuring that our staff receive the most appropriate emotional support. At the same time, our workplace nurses provide high risk staff with health management support once a month, as well as five sessions of one-on-one health consultation on-site.

► Health seminar

In May 2023, EY launched a series of psychological health promotions in the Taiwan region. In July, a psychological health seminar with the title "Exploring stress, unveiling sadness" was also held. This served as a reminder to our employees that they should be mindful of both their physical health and their psychological wellbeing, such as emotional relief.

► Standard Chartered Taipei Charity Marathon

The Standard Chartered charity run is a large-scale event that is popular among EY people. The EY running team conducted a series of sessions to provide employees participating in the race with pre-race information, as well as additional support and motivation during and after the race.

► Art and literature relieve stress - Bologna art exhibition

EY specially organized the Bologna art exhibition during the summer vacation, giving employees the opportunity to wander in the world of illustrations and experience the beauty brought by colorful works of art.



A safe and healthy workplace

EY continues to provide a healthy and safe office environment for its employees. For example, we have rolled out the work guidance under increment weather to ensure that staff members can protect their own safety when they carry out their work duties; a flexible work policy enables freedom in choosing work hours and locations for many employees, as such meeting the work-life balance that is more preferred.

It is also very important to improve the health and safety of employees. Every year, we promote flu jabs for our staff to boost their immunity against the flu during winter. Besides providing basic health measures such as psychological counselling services, annual body check and medical insurance, we have also traced market trends closely to upgrade our offer of health benefits. By engaging in digital platforms, we provide convenient and highly efficient healthcare benefits that addresses whole person wellness. We have also made new services available for our employees, such as the 24/7 online diagnosis platform, interpretation of body check results, green channel at the hospitals, prescription services and more. These are remote hospital services and resources providing health support for our staff. Furthermore, EY has also developed the practice of extending concern for staff that suffer from serious illnesses annually, as such creating a culture of warmth and care for our employees.

1.4 Communicating equality and diversity

EY's philosophy goes above and beyond our efforts to bring forth development and prosperity for our clients and the society. We respect employee opinions and are always willing to listen. Not only do we place great emphasis on communicating information amongst the teams globally and regionally, we also enhance the bilateral exchanges between management and employees. We care about our employees' thoughts, so that we can discover issues and address them in a timely manner. As a result, we have established a management system that incorporates satisfaction surveys for employees, townhall meetings, diversified communication channels and participation mechanisms, thereby ensuring highly-efficient communications for all parties concerned.

Diversity, equity and inclusiveness (DE&I)

Promoting diversity, equity and inclusiveness plays a key part in EY's corporate culture. We respect and recognise talents, their capabilities and personalities in all aspects and believe that they can bring innovation to business.

Pink Dot

EY participated in Pink Dot 2022 in Hong Kong to show our support for LGBT+ inclusion. Our teams in Hong Kong, including leaders of the Unity Network, participated in the activities on-site. The event was well-received and supported by an incredible turnout.



Pink Friday

In November 2022, EY Greater China once again participated in the Pink Friday event. EY employees showcased their support for LGBT+ inclusion by wearing pink colored accessories and clothing. Jasmine Lee, EY Hong Kong and Macau Managing Partner, and Peter Picton-Phillipps, leader of the Unity Network, together created a video to encourage staff to support the occasion. More than 4,500 people with many employees providing positive feedback on the successful event.



► Diversity and inclusiveness

To ensure equal opportunities and an open voice, EY Global held the Uplift Social campaign, where EY colleagues can share their own personal experiences and facilitate the formation of a positive sense of equality in society. We selected stories that were relevant to EY Greater China and shared the inspirational videos with our colleagues through DE&I activities and via EY Daily News. The push for social equality is a firm-wide effort.

The Inclusive Leadership for All (IL4ALL) course seeks to impart the ability of withstanding external challenges effectively by our employees and teams, and to enhance their strengths in adapting to changing circumstances. Having a transformative mindset is critical for our future leaders. During 2022, more than 8,000 colleagues participated in this course, with motivated efforts to raise awareness of and shape the conduct for inclusivity. These are positive contributions to promote our philosophy in maintaining a diverse and inclusive workplace. At the same time, our advanced training course on inclusive leadership, The Right Intervention, also debuted. It guides employees in developing the sensitivity for unfair situations that could be neglected based on real case studies. These efforts enhance the awareness for inclusive leadership and support for inclusive conduct.

EY Greater China is always attentive to the needs for diversity and its development by its employees. We renew our commitments continuously. During many of the festivities throughout the year, we celebrated cultural diversity with activities across 26 cities, attracting the interactions of 3,400 colleagues. More than 200 of them contributed their own unique insights in these events. They assist the firm in exploring cross-cultural, cross-generational possibilities and create an exciting culture of diversity in the workplace. Furthermore, we have also invited guests that exemplify cross-cultural, cross-regional backgrounds to share their experiences with us. These efforts aim to assist our teams in eliminating prejudices, build trust and promote a healthy sense of self-worth. Furthermore, our clients from different cultural backgrounds will also find rapport with our staff, together we form a win-win partnership.

World Day for Cultural Diversity for Dialogue and Development

On the World Day for Cultural Diversity for Dialogue and Development, our team in Hong Kong invited 30 students from different universities and with different cultural backgrounds for a tour of the office. The talent team introduced the relevant process of campus recruitment for EY. Colleagues from different service lines and ranks also volunteered to share their valuable experiences with the students.

Lunar New Year celebrations

Towards the conclusion of the year of the Tiger, EY colleagues in Greater China came together to learn about the traditional Chinese culture and also different New Year festivities around the world. They welcomed the year of the Rabbit in celebration of the world's diverse cultures.



► The empowerment of women in their career development

EY is committed to creating a workplace of diversity, equity and inclusiveness. EY's female employees have made important contributions to the organization's exceptional performance. To empower women, especially in assisting them with building confidence, raising their self-worth and realizing their full potential, we organized an array of activities, such as female leadership seminars and happiness workshops. We hope to bring out the very best of our female employees and unleash the fullest potential.

EY partner becomes first female career coach of Lujiazui Finance and Trade Zone

In March 2023, the Lujiazui Finance and Trade Zone launched the initiation of the Lujiazui Finance and Trade Zone Innovative Female Career Talent Alliance. Rebecca Zhou, EY Greater China Central Managing Partner, was appointed as one of the first female career coaches for the Lujiazui Finance and Trade Zone, joining hands with other coaches in the fields of finance, law and technology in nurturing the potentials of female talent via this alliance platform. They are the forerunners in charting new courses and new tracks, mentoring the next generation and leading innovative initiatives actively. The theme of "She Power" and "She Charm" speaks amply to the strengths and confidence of Shanghai as an international financial hub. In June 2023, Rebecca Zhou was awarded the honorary certificate "Friend of the Founding of the Communist Party at Lujiazui Finance and Trade Zone", at the 102nd Anniversary for the Founding of the Communist Party of China.



Female leadership in digital transformation

EY, together with our clients, held an activity themed "Female leadership in digital transformation" at EY wavespace™ Shanghai. Female leaders from the Assurance and Strategy and Transactions teams, along with the senior management of our clients, formed a strategic cooperation and dedicated themselves to the creation of a diverse, equitable and inclusive workplace. Together we push forward for the development of corporate female leadership.



EY celebrated International Women's Day

On 8 March 2023, EY teams in Hong Kong celebrated International Women's Day together. We invited industry leaders to share insights and suggestions, with a focus on improving teamwork and management to promote social equity and inclusive growth. At this International Women's Day event, we also specially invited social enterprises to provide catering services to help people with learning disabilities improve their ability to live independently and provide opportunities for people with disabilities.



Sharing session with female finance professionals

In April 2023, a sharing session themed "Hearing the flowers bloom" with female finance professionals was held at EY wavespace Beijing. The session proceeded both in-person and online simultaneously. Female leaders of EY and in the finance industry were invited to share their stories in embarking upon their career from different occupational backgrounds and experiences. With all sharings unique and personal, it was an enlightening session for everyone involved.



► Disability inclusion

EY Greater China's diversity and inclusion philosophy aims to create an open, tolerant and respectful culture. Our employees are treated even-handedly, so that they will devote themselves fully to their work every day. EY engages in multiple approaches in supporting disability inclusion in the workplace. We are firm in our search for diverse talent. We also provide career advice to university students with disabilities.

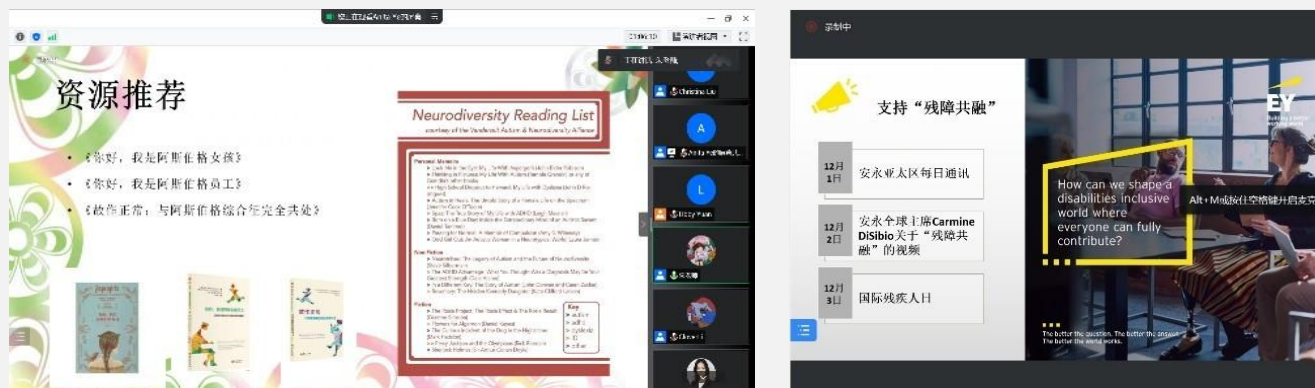
Inclusive Recruitment Fair

The EY Talent team in Hong Kong joined the Inclusive Recruitment Fair 2022 held by local nonprofit organizations in the city that promote disability inclusion, where the Disability Inclusion Index was also released during the ceremony. At the fair, many participants with disabilities expressed their interest in EY.



First online neurodiversity workshop

In November 2022, EY held the first neurodiversity online workshop for its mainland employees. Around 120 staff members participated with spirited interactions. We explored the relevant knowledge in autism and other kinds of neurodiversity.



Accessible communication channels

EY provides employees with the necessary information for better work efficiency. We would like to forge stronger relationships with our employees, and we are more than willing to help them understand the meaning of the firm's strategy on both their roles and personal development, to better create long-term value for our clients and the society.

Diversity communication and participation mechanisms

By facilitating the relationship coordination between EY global projects and our local service lines, we ensure that important information from EY leaders is communicated to our employees at all levels. By way of the Global all-people webcast and Global Chairman emails, we involve the participation of our staff in the priority items in our strategic development. For important measures taken by the Greater China region, we disseminate the relevant information via EY Greater China all-people communications or webcast. Our counselling family leaders also assist our people to understand our strategic thinking and infuse it into the day-to-day practice of their work.

Communication channels:

Daily news on EY intranet for global and local staff

Newsletters, including weekly news summaries and industry updates on WeChat

Talent development newsletters

Leadership communications or notices from EY Global, regional and service lines

Communications on special initiatives

► Diversified communications and engagement systems

We hope to understand employees' thoughts on their jobs, the work environment and business development. Therefore, we provide multiple channels for our employees to give suggestions and share ideas, and ensure their feedback is properly received by our leaders. In the counselling family (CF), employees can first communicate with the counselor and give feedback to the management team via the CF leader. We will also set up a think tank or meetings made up of employee representatives, to share their thoughts in detail. In this way, we can take swift action on the current problems based on their suggestions.

EY Greater China service lines also hold quarterly employee representative meetings. Employee representatives can provide direct feedback to management on their daily observations and colleagues' comments and suggestions and discuss possible improvements. In addition, we will also set up discussion sessions in various thematic meetings, where participants can directly express their ideas and views on some plans, practical initiatives, and focus issues. These channels allow our employees to provide insights on urgent topics, enabling us to take timely actions.

► Townhall meetings

Each service line in EY Greater China will conduct regular townhall meetings, providing employees with an opportunity to communicate with partners and their supervisors. The meetings are organized regularly by each service line and are attended by all members of the team. During the meetings, partners spend the first half of the session updating our staff on business progress, recent achievements, people development initiatives and various events. The second half of the meeting is an interactive session where our staff can ask questions and leaders can share their insights and gather feedback for further improvement. In addition to the Q&A sessions, we also have group discussions on the latest trending topics, and further arrange video and audio calls while some service lines would set up feedback surveys to collect comments and suggestions.

1.5 Enhancing employee satisfaction

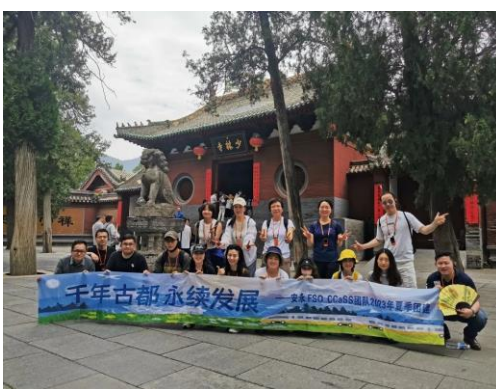
► EY People Pulse Survey

Globally, the EY People Pulse Survey, conducted three times per year, is an important way for us to understand our employees. It also helps us to better the workplace environment by reaching out to all employees for their opinions. The survey revolves around career values, customer service, culture and values, inclusiveness, quality, recognition and rewards, the EY NextWave program, teamwork and corporate sustainability.

After the survey, we consolidate and compare the survey data, presenting the survey results directly to our business leaders and the Talent team. Management teams and the Talent team can gain direct insight from the results and analyze and plan possible improvement measures. The approach also allows us to better understand the thoughts of employees so that certain measures can be taken. The survey results are shared with employees so that they can discuss with their leaders and teams. This provides a great opportunity for teams across the global network to communicate directly.

We believe that sharing and discussing findings together is not only part of the research program, but also an important part of communication. Before we analyze and take action based on the results, we encourage everyone to be proactive and participate in creating an exceptional EY workplace together. In addition, similar satisfaction surveys have been applied to the onboarding and offboarding experiences, and communication channels for large project teams. This provides our employees with more opportunities to provide feedback on their EY experience and helps the organization to gain valuable insights.

► A full schedule of people engagement activities



Harnessing professional strengths

2.1 Provision of professional services

We pride ourselves in our talent, innovation, commitment in corporate responsibility and leadership in driving high-quality sustainable development. As we provide excellent and comprehensive professional services to our clients, we have also become a trusted advisor to many clients in the Greater China region. In the future, EY will continue to capitalize on its professional strengths, create mutually beneficial relationships, build trust in the capital markets and actively promote sustainable development in the region.

Serving national strategies; supporting regional development

From the Beijing-Tianjin-Hebei Urban Agglomeration to the Yangtze River Delta, from the Greater Bay Area to the Hainan Free Trade Port, EY Greater China supports national developments with steadfast commitment. We promote regional coordination of development, empower industry upgrades and participate in the nation's overall development agenda, which includes the coordinated development amongst different regions. We participate in the general implementation of the Belt and Road Initiative, and help drive reforms in state-owned enterprises and innovations in finance and low carbon economy transition. We remain ever determined in our initial vision of creating long-term value by providing excellent and comprehensive professional services for our clients, creating mutually beneficial relationships, building trust in the capital markets and becoming the trustworthy strategic consultant to the clients of Greater China.

► Contributing expertise to the integration of Beijing, Tianjin and Hebei

On 2 September 2023, the China International Fair for Trade in Services 2023 was held in Beijing. The fair advances a cooperation platform that facilitates global trade and exchange in services. EY Greater China participated in the 2023 fair under the theme "Support trade in services for sustainable innovation". With a focus on "intelligence, green, open and cooperation". EY presented many key products, industry insights and innovative case studies. The event was a great occasion to share development opportunities with different sectors of society and contributed its strengths to motivate the development of trade in services.

Reports and guidelines published by EY

- EY supports the global release of *Guidelines on sustainability-related disclosure for private equity fund managers*
- EY releases the *Whitepaper on the insights on new tea and beverage brands in 2023*
- EY releases the sixth edition of *EY Green Tax Tracker*
- EY releases the *Report on enterprise finance and management reporting automation infrastructure 2023*
- EY releases *Urban investment transition services solutions at the China International Fair for Trade in Services*



In September 2023, EY was invited to join forum held by the Beijing Institute of Certified Public Accountants titled “Beijing Institute of Certified Public Accountants Digitalized Innovative Services Forum: Creating a digitalized ecology, serving a digitalized China”. The forum focused on cutting-edge issues in digitalization and innovation. It aimed to facilitate exchange and cooperation among different sectors and promote the application and development of digitalization in different fields. Leaders, scholars, professional services institutions and representatives from leading state-owned enterprises gathered to discuss how to pioneer new courses of development by capitalizing on digitalization and the relevant innovative thinking.



In September 2023, EY participated in a discussion entitled "Developing sustainable supply chain, propelling new competitiveness for industries" at the China International Fair for Trade in Services 2023. EY began its sharing with the current challenges in developing sustainable supply chain, and explained the importance and necessity of sustainable supply chain for all industries in creating long-term value. It was the first time that EY proposed a reference framework for sustainable supply chain management. This framework captured the concerns of different industries and provided a general overview of the differentiation of sustainable development in the supply chains for different industries.



EY releases industry map and business promotion policy database

In September 2023, EY released the industry map and business promotion policy database at the China International Fair for Trade in Services. The aim was to assist the government in learning about the status of industries and enterprise policy implementation by offering a one-stop, all-encompassing tool. The products offered a convenient and highly efficient search tool for industrial policies, effectively addressing the issue of asymmetric information.



EY releases digital risk assessment products and services

EY fully utilized the opportunity to participate in the China International Fair for Trade in Services 2023 by introducing a risk assessment digital tool. The tool comes with industry research, financial analysis and risk forecast and warning. It meets the policy call for the regulation of automation technology and metadata analysis to assess important false alarm for risks. The tool will assist the highly efficient development of digitalized auditing, and provide broad industry insights with convenience.



► Supporting the integrated development of the Yangtze River Delta

The Yangtze River Delta region is one of the regions with the most active economic development, the highest degree of openness and the strongest innovation ability in China. The year 2023 also marks the fifth year of Yangtze River Delta's integration into the national development strategy. EY has dedicated itself to the dutiful provision of professional services in furtherance of China's national strategies and contribute our professionalism and rigor in the economy of the Yangtze River Delta.

Supporting the construction of Shanghai Oriental Hub

As a strategic point for participating in the domestic and international dual circulation, Shanghai plans to build an oriental hub project with Shanghai East Station as the core and linking with Shanghai Pudong International Airport, becoming a world-class comprehensive transportation hub connecting the Yangtze River Delta and the world. EY, as a collaborator in strategic planning, industrial planning and mechanism innovation for the Shanghai Oriental Hub project, is continuously providing international and forward-looking solution suggestions for the project, accompanying its high-level progress. The Oriental Hub Project is positioned as a new benchmark for international open gateway hubs in the new era, with the goal of integrating stations, yards, and cities, planning and construction, and operation management. It will be an important carrier for Shanghai to accelerate the construction of the "Five Centers", strengthen linkage with the Yangtze River Delta region and better play a radiating and driving role.

ESG and Green Development Innovation Forum for the Yangtze River Delta

The ESG and Green Development Innovation Forum for the Yangtze River Delta was jointly held by EY and a number of participating organizations. Experts and scholars from the government, higher institutes of education, research institutes and enterprises came together to discuss the issues concerning technological innovation, industry ESG and sustainable development at the Yangtze River Delta region. Suggestions and viewpoints were shared to promote the healthy development of green economy and social culture in the Yangtze River Delta.



Release of the Report on the Fourth Anniversary of the Science and Technology Innovation Board of the Yangtze River Delta Capital Market Service Base

In September 2023, the Fourth China Science and Technology Innovation Summit was held. The summit invited nearly a hundred guests who have made outstanding contributions to the Science and Technology Innovation Board. This includes regulatory authorities, local governments, listed companies on the board, science and technology innovation parks, top securities firms, investment institutions, accounting firms and law firms. The aim of the event was to gather at the summit to discuss the new state of the capital market and the new future of the board, and to forge ahead in promoting the development of China's scientific and technological achievements. EY Greater China fully participated in the research and assisted in the National Mission - Report on the Fourth Anniversary of the Science and Technology Innovation Board of the Yangtze River Delta Capital Market Service Base. In addition, EY A-share enterprises in overseas verification and assertion services were awarded the honor of 2023 Science and Technology Innovation Board Excellent Service Team at the summit for their outstanding service capabilities.



On 5 November, the Sixth China International Import Expo commenced with a grand opening ceremony in Shanghai. This is the sixth consecutive year that EY has participated in the expo. We maintain a positive outlook on China's economic development and have full faith in China's internal market opportunities. During the opening of the Expo, EY was invited to participate in many government-held activities, in which we gave suggestions and advice with global perspectives, fully exhibiting our professional strengths.

EY released the following reports and guidelines

- ▶ Opportunities and challenges for China's auto insurance industry under remanufacturing trends
- ▶ Biotechnology industry report 2023 - Exceeding boundaries
- ▶ 2023 Life and health industry report
- ▶ Whitepaper on strategically-valued global treasuries

AI technology shines at EY wavespace

EY exhibited the education robot with the latest research technology at its wavespace exhibition booth. This robot has the perceptions and behaviors that closely resemble those of a human being, offering a revolutionary solution to the education sector. Moreover, we have exhibited a series of commercially applicable enhanced-reality technology. Visitors had the opportunity to wear enhanced-reality glasses and enter the EY green office, providing an immersive experience that transported them to a new realm of carbon neutrality. This solution showcases EY's steady efforts in delivering professional services and next-generation technologies.



EY releases ESG intelligent carbon management app at China International Import Expo

The ESG intelligent carbon management app that EY released at the China International Import Expo is an upgraded product of EY's ESG smart management system. It provides the thoroughway between ESG application ecologies, addressing the corporate demand in a more comprehensive, versatile and convenient ESG management tool. The ESG intelligent carbon management app targets the issue of enterprises being unable to build their own effective ESG governance structure and responds by extending digitalization capabilities. The app features an array of services, which includes helping enterprises build their ESG structures and systems from between the ESG management of each branch entity.

At the same time, the ESG intelligent carbon management app is a product-grade tool with limitless potential. The PC end and the mobile end are fully synchronized, allowing reporting officers to easily handle reporting on their mobile phones, while enabling managing officers to handle the management process with precision.



EY Consulting Challenge 2023 Hackathon

On 6 November 2023, the EY Consulting Challenge 2023 Hackathon took place at the Shanghai Import expo. In recent years, with the rapid development of information technology and digital economy, the demand for cybersecurity talent has increased significantly. Adapting to the rapidly changing world, this year's competition focused on cybersecurity talent and the popularization of privacy security knowledge, integrating cutting-edge cybersecurity concepts with traditional Capture the Flag (CTF) competitions. The aim was to target a wider range of students and encourage more young talent to participate.



EY METIS - EY AI enterprise application platform

On 7 November at the China International Import Expo, Jianguang Chen, Consulting Partner, Data and Analytics, Ernst & Young (China) Advisory Limited, showcased the latest EY product, EY METIS. EY METIS has laid the basis of modeling combining the features of open-source large models, commercial large models and traditional AI. Armed with the vertical knowledge in multiple domains including finance and taxes, corporate management and compliance, EY METIS has capabilities in useful applications such as setting up system operation assistants and professional knowledge inquiries. It also enables a better compatibility with the complicated application systems for enterprises, as such assisting enterprises in implementing the application of large models. EY METIS is easy to operate as a one-stop platform providing pre-training for large models. With this platform, enterprises do not need a history of AI usage before setting up and using AI.



► The “Six Connect” to promote connectivity in the Greater Bay Area

The Guangdong-Hong Kong-Macao GBA is an important aspect of the economic development strategy as envisioned in China's 14th Five Year Plan. It is also one of the important development strategies for EY. The continuous rollout of policies for the GBA is propelling speedy economic integration. Synergies are deepening between the systems, taxes and laws of Guangdong, Hong Kong and Macau. From this development arises the opportunity for modern services industry to take off in its development. To meet the demands of the nation's development vision for the GBA, EY Greater China has dedicated itself to the multifaceted developments in Shenzhen-Hong Kong cooperation and the general GBA. We have worked closely with many units in the GBA and reached consensus in cooperation. In the pipeline are earnest efforts to support and drive the continuous integration in the GBA. We will continue to integrate our professional service capabilities in Guangdong, Hong Kong and Macau within the framework of “Six connects in 11 cities”, and assist enterprises in seizing the economic opportunities from the opening up of the GBA with its global perspectives and expertise in local markets.

EY Greater Bay Area Center of Excellence in Qianhai opens services strategy, deepens business innovation

EY has launched its GBA Center of Excellence in Qianhai. This is a significant step indicating EY Greater China's deepening business involvement in the GBA. EY will assist the development of Qianhai and the GBA with a strategic determination in offering its insights with innovativeness. In the context of this background, EY launched the Greater Bay Area Center of Excellence, as its move to enhance its presence in the GBA. It is hoped that the services offered will meet the needs of Qianhai and speed up research and development for innovations in science and technology, contributing its fair share to the establishment of excellent service industries.



EY signs strategic cooperation agreement with the Commerce Bureau of Shenzhen Municipality

In July 2023, Ernst & Young (China) Advisory Limited signed the Strategic Cooperation Agreement with the Commerce Bureau of Shenzhen Municipality at the Hong Kong-Shenzhen Investment Forum. This forum was jointly held by InvestHK of the Government of the HKSAR, the Commerce Bureau of Shenzhen Municipality and the Nanshan People's Government of Shenzhen, with support by the trade office of the economic department of the Liaison Office of the Central People's Government in the HKSAR. Exchanges were made on special topics on commerce and trade, with the aim to enhance cooperation between Shenzhen and Hong Kong and facilitate high-quality development in the GBA.



Scientific and technological developments to revolutionize the future of the Greater Bay Area

In August 2023, EY was the primary sponsor of the Synergize GBA Forum 2023 in Qianhai, Shenzhen, with co-sponsorship from the Hong Kong Trade Development Council, the Shenzhen Foundation for International Exchange and Cooperation and the Nansha District Committee of the China Council for the Promotion of International Trade. This is the third consecutive year that the Synergize GBA Forum has been held. In this session, the forum was extended to a two-day event, offering plenty of opportunities for representatives from different sectors to engage in thorough exchanges.



► New model empowers the construction of the Hainan Free Trade Port

As one of the first international professional service providers setting foot in Hainan, EY has long participated in the cutting-edge developments and construction work of the Hainan Free Trade Port. EY has already provided over one hundred sessions of professional consultation to different levels of government departments, district units and enterprise clients in Hainan. The scope of service covers a multitude of subjects, including top-level design of economic and social development, the facilitation of enterprise establishment, assessment of and suggestions on business operation environment, combined research in innovative policymaking and planning services for important and strategic projects. EY has exceptional experiences in Hainan projects, and contributes its global perspectives, industry insights and professional service competencies. EY will remain committed to following the latest developments in Hainan and are well-positioned to assist the high-quality developments there.

New model assists Hainan Free Trade Port in marketing and promotion

On 29 June 2023, a Hainan Free Trade Port observation delegation consisting of representatives from 30 enterprises embarked its tour at the Yundong Library in Haikou. EY was a working partner for this new explorative initiative in Hainan. By leading enterprises in observing the operation of the Hainan Free Trade Port, EY hopes to introduce Hainan Free Trade Port's unique developmental strengths and advantages to these enterprises along with an interpretation of the policies of the port, and eventually for these enterprises to uncover investment opportunities there. At the same time, EY will also engage in a new model in empowering the Hainan Free Trade Port in its efforts to market and promote its strengths for the purpose of attracting investments.

In-depth analysis series on the fiscal and tax policies of the Hainan Free Trade Port

More and more enterprises are considering or preparing for the establishment of their operations in Hainan. They are keen to acquire thorough knowledge on the relevant fiscal and tax incentive policies and practical operational insights. EY held five sessions of offline seminars in Beijing, Shanghai, Guangzhou and Shenzhen in June 2023. By offering carefully selected representative case studies, EY shared about the relevant practical operational insights and knowledge on Hainan's fiscal and tax policies and analyzed the impact of the relevant incentives and business environment on corporate establishment with a discussion on the emerging opportunities that are available to the enterprises. During the seminar, more than 10 EY professionals with expertise in revenue tax, indirect tax, customs and transfer pricing shared about the relevant developments in Hainan's fiscal and tax policies with a few hundred enterprise participants.



EY publishes *China International Consumer Goods Expo Sustainable Development Report* with the Hainan Provincial Bureau of International Economic Development

In April 2023, the Green Consumption, Forces in the Future - China International Consumer Products Expo Sustainable Development Report was jointly published by EY and the Hainan Provincial Bureau of International Economic Development. The report made its debut at the third China International Consumer Products Expo. This was the first report on sustainable development at the Expo. It contains a comprehensive introduction of the relevant issues by the three approaches of green vision, green exhibition and green branding. This report demonstrates the critical role of the Consumer Products Expo in leading the practice and meaning of green and sustainable consumption.



EY publishes *Green Power Transactions: Driving Green Energy Consumption*

At the China International Fair for Trade in Services 2023, EY released the paper entitled *Green Power Transactions: Driving Green Energy Consumption*. The report states that the establishment of a joint system in power and carbon markets to form an organic integration of power prices and carbon prices is necessary. There are shared market entities between the carbon and power markets. Both markets facilitate the development of clean energy and are effective means to facilitate a large-scale allocation of resources. At the same time, there are existing differences between market elements and transaction mechanisms. China's green transaction markets are making steady progress. To leverage the marketization process to encourage the development of renewable energy, considerations such as policy coordination, inter-market connectivity and synergistic development of the carbon market and green energy market should be made.



Contribute to economic and social development, harnessing professional expertise to drive state-owned enterprise reforms

In report to the 20th National Congress of the Communist Party of China, it was proposed that state-owned enterprises must step up deepening reforms, accelerate the optimization and structural adjustment of state-owned economic layout, promote state-owned capital and state-owned enterprises to become bigger and stronger, enhance the competitiveness in the core market, improve the modern enterprise system with Chinese characteristics, promote entrepreneurial spirit, and become world-class enterprises.

EY article published in *State Assets Management* Magazine

In August 2023, the *State Assets Management* magazine published article “*Strategic intensification and austerity and digital intelligence integration and connectivity - A study of the reconstruction of global treasury values*” in the eighth issue of 2023. In June 2022, the Institute of State-owned Assets Management of Tsinghua University joined the *State Assets Management* magazine and initiated the drive for articles themed in “National foundation—establishing the theory of state-owned assets management in new China”. With years of accumulated insights and practical industry knowledge in state-owned assets management, The EY State-owned Assets Management Group in the EY Research Institute wrote a number of theses on the issue of state-owned assets management and submitted them to the organizers. These articles focus on the major, innovative and cutting-edge issues in this field. From theory to practice, from institution to operational controls, we shared our insights and discoveries covering all bases.

Trends in state-owned assets management and the plan for institutional establishment

In face with new policies and requirements, many large enterprises have been studying how to lead reforms in asset management with the integration of financial technology and long-term value. EY addresses the typical problems and the need for transition that confront the conduct of asset management currently. Combining the research process of world-class management upgrade benchmarks and compiling the accumulated experiences in the best practices of asset management by large corporations, EY formed the content framework for World-Class Asset Management Systems. With basis upon world-class asset management system framework and core elements, in accordance with the different operational controls, management demands and developmental stages as exercised and experienced by different corporations, EY brought forth five typical models of thoughts and arrangements for asset management systems. This will serve as reference for the improvement of enterprise asset management practices.

The practice and challenges for digitalization of state-owned enterprises

A digitalized supply chain is a critical means for raising efficiency, lowering costs and augmenting competitiveness for state-owned enterprises operating amidst the forces of the modern markets. There have been numerous policies that provide firm support for the digitalization of supply chains for enterprises. The transition to a digitalized supply chain requires planning by the enterprises, a process that involves consideration of the enterprise’s own nature and conditions, a gradual approach and continuous effort in making adjustments. EY teams proposed both “bottom-up” and “top-down” models, including an assessment model for the maturity of digitalized supply chain and a “four-step” gradual approach for a digitalized supply chain to fulfill the vision of digitalization strategies.

2.2 Service quality uplift

The high-quality development of the economy lies at the foundation for societal progress and sustainable development. Developments in the economy, the society and the environment are interwoven. Enterprises must understand and respond to the expectations of a broader segment of interested parties than their own investors. By way of continuous innovation and investment in services, talents, technical skills, operations and culture and leadership, EY is able to provide value to our clients consistently. We are stepping up our efforts in upgrading our service competencies and implementing innovative approaches in operations and talent management, so that we maintain our leadership position in the market.

Quality as the most important and most critical assessment standard

High-quality service lies at the core of the EY values. In our firm commitment to raise the quality and standard of our services, EY has augmented the investment of relevant resources, including the initiation and development of professionalism and ethics, research methodologies and critical investment fields. By exploring new fields of work and delivery of work product, and investing heavily in new technology, we raise our competencies and efficiency in all of our service lines.

Accountability at our foundation, quality as our priority-EY Greater China Quality Audit Day

In October 2022, EY Greater China holds the Quality Audit Day in Beijing, Shanghai, Guangzhou and Hong Kong respectively. More than 260 auditing and professional service partners joined the activities online and offline. They held focused discussions and studied the main concerns of how to maintain high-quality audit and its implementation in the current market environment. We will continue to invest in raising the quality of auditing, seize the opportunities that arise from the changing landscape, and remain supportive of the new requirements proposed by regulatory authorities and demanded by market entities. It is with a spirit of reflection that our quality, services and the market will be raised to new heights.



Product research and innovation speed up technology and industry integration

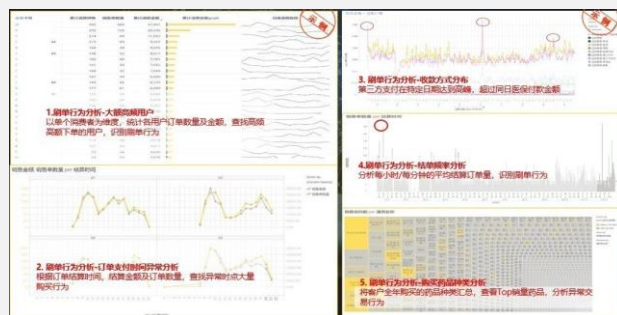
At the core of the EY vision is data-driven analyses and intelligent automation. We have developed risk-oriented data exploration to identify main audit risks sooner. We also make reasonable plans for audit resource allocation. We combine regulatory tracking and build fraud analysis models to reveal risks in a more comprehensive and thorough manner. Our work dispels falsity and preserves the truth. By combining digitalization tools and instituting higher levels of automaton in auditing, we place digitalization front and center in our auditing projects.

Seamless integration of digitalization and auditing to upholding audit quality

Auditing quality and efficiency are critical concerns for our audit teams and target enterprises. In terms of auditing quality, the EY CPR Digital Tool provides the Fraud Analysis Model and it is reflected on the indicator of fraud risks. In terms of auditing efficiency, EY Greater China combines the latest best practices in the world and conduct localization and upgrade them to suit the current needs in China. Subject to the satisfaction of regulatory requirements in China, we roll out many light-grade digitalization tools developed in-house. They raise the efficiency of the audit teams significantly. With assistance by the digitalization tools, EY Audit teams have attained work modes that have short cycles, low costs and are highly flexible. During the whole process of auditing, data collection and cleansing are quickly completed with the aid of the EY data retrieval tools and RPA intelligent robot. The EY-Helix financial data analysis platform supplies auditing insights to our Audit team. Skywind automation reporting uploads the data to the report template. All these are significant boosts to our audit efficiency. Furthermore, EY Audit teams engage the FIA finance insights tool to conduct and process analyses such as trend analysis, regression analysis and cluster analysis. With visualization capability in these tools, we present the results of business and financial risks clearly to clients.

EY CPR Digital Tool

Fraud analysis lies at the core of regulatory concern when auditing is conducted. The EY CPR Digital Tool's fraud analysis model combines years of audit experience in anti-fraud investigations. By conducting integrated analysis of results from multiple models, regulatory violations can be detected as early as possible. The goals of identifying fraud risks and facilitating enterprise compliance is reached. Amongst the many models, the cycle transaction model and click farming analysis model are of the highest importance, because they reflect directly the true situation of the enterprise's business operations, and determine whether there has been false inflation or reporting of revenue figures. The cycle transaction model is concerned with whether there has been fabrication of revenue figures in the enterprise's supply and production chains and it goes deep into the enterprise's business cycle. The click farming analysis model is concerned with the user's abnormal consumption behavior and the correlation between different users. It begins with the business scenario and conducts verification into the factuality of the enterprise's sales figure.



► Intelligent investment and facilitation

EY has long been concerned with the technical frontiers of applicable scenarios in digitalization. We extend significant effort in assisting governments with digitalization in their reforms, and provide end-to-end, full-chain coverage and full-cycle intelligent solutions combining intelligent investment and facilitation for intelligent governance.

EY Fudan Most Promising Enterprises Awards 2023

In September 2023, EY Greater China and Fudan University came together to hold the EY Fudan Most Promising Enterprise Awards. The aim of the event was to discover and recognize the most promising emerging enterprises. A total of 32 winning enterprises were selected by a panel of expert judges which included experienced professionals from EY Greater China and the School of Management of Fudan University.



EY releases intelligent investment and facilitation solution at the China International Fair for Trade in Services

In keeping with the rising trend of digitalization, EY Greater China has developed intelligent investment facilitation products systematically. These products can access the PC/PAD end, and they are also accessible on mobile application or mini programs. In effect, this product is an "industry investment solicitation map" with highly concentrated information, assisting investors in seeking projects, entrepreneurs in finding opportunities and governments in enhancing services. The platform includes six main functional modules, namely "latest information on industries", "commercial opportunity discovery", "enterprise risk monitor", "industry chain atlas", "investment solicitation policies" and "commercial opportunity management". The data is presented upon the basis of EY authoritative big data over years of accumulated experiences and empowers frontline investment advisors in understanding the details of local industry analyses, thereby developing the search for target enterprises and the determination of project risks in their regular course of work.



► Data intelligence

EY compliance information platform

As China continues to renew its laws on network security, EY Greater China observes the rapidly rising demand for network security compliance. EY Cyber Cruiser compliance information platform has emerged as a new professional network security portal. The EY Cyber Cruiser compliance information system integrates professional, legal and regulatory knowledge and AI technology for network security. It is a new generation knowledge sharing intelligence platform dedicated to the three-in-one provision in knowledge, technical skills and management. Its legal and regulatory functionality-driven database assists users in obtaining professional information in different scenarios efficiently, thereby raising their professional standards.

2.3 Safeguarding data security

At the dawn of the digitalized age, network security has become an unavoidable topic of discussion for the enterprises and organizations in the Chinese mainland. Incidents of private information leakage and the abuse of personal information appear frequently. They certainly cause damages to both the individual and the enterprise, but furthermore they could cause instability and chaos in the society as well. Therefore, both the enhancement of network security compliance and the protection of personal and corporate privacy and data security are necessary measures in ensuring public interest and social stability.

Information security and confidentiality

In recent years, China has promulgated the Cybersecurity Law, the Data Security Law and the Personal Information Protection Law, with attendant regulatory systems and supplementary standards. There has been increasing collaboration and interaction between the regulatory authorities and commercial entities during the compliance monitoring process. EY Greater China has established a specialized cybersecurity and data security management department responsible for the planning and practice of cybersecurity and data protection. At the same time, we have continuously devised and adjusted the corresponding strategies addressing the current cybersecurity situations, and implemented strict technical and management controls. Our staff in this field will continue to develop their awareness and knowledge training in security matters, thereby protecting the data assets of EY itself and our clients from unauthorized collection, retention, usage, disclosure, modification or damage.

Strong protective system and tools for security protection, protecting the safety of client information

EY Greater China attaches great importance to project and client data confidentiality, and we have mandated strict protective rules to ensure that project and client information will not be leaked

We execute confidentiality requirements from the three dimensions of systems, technology and staff

Network and data security

As enterprises increasingly demand strict protection of data security, we must implement higher standards and prove to our clients that we have a strong protective mechanism for protecting the confidential information of our clients and ourselves. The main business systems of EY Greater China have passed the assessments by the protective institutions on the national cybersecurity levels, ensuring the security of our systems and client data.

Credentials of EY Greater China

- ▶ The Audit Ecology System earned Grade 3 certification protection
- ▶ Data Center obtained SOC 2 Report
- ▶ Data Center obtained ISO/IEC 27001 Information Security Management System Certification
- ▶ ISO/IEC 27001 Information Security Management System Certification
- ▶ ISO/IEC 9001 Quality Management System Certification
- ▶ CMMI Grade 5 Certification
- ▶ Information System Integration and Services Qualified for Grade 4 Certification

Awards and honors

Organizer	Award
Forrester Wave™	World Leader in Cybersecurity Consultation

EY holds seminar on enterprise business chain continuity for multinational corporations under new data compliance trends

In April 2023, EY joined Shanghai Cyber Research Institute in co-hosting the Enterprise Business Chain Continuity Seminar for Multinational Corporations under New Data Compliance Trends. With support from the Shanghai Digital Governance Institute and the technical support from the Shanghai Data Security Cooperative Smart Lab, the seminar was held successfully. The seminar featured many experienced experts from the self-monitoring and regulation field, the academia, enterprise management and EY. Together they explored key topics on the trends of data security compliance and the implementation of business localization plan for multinational corporations.



EY jointly publishes *Global Data Compliance and Privacy Technology Development Report*

In September 2023, as the Data Security Law of the People's Republic of China marks the second anniversary of its promulgation, Data Security Shanghai's Shanghai Data Security Conference cum AIGC Data Security Governance Forum was held successfully in Shanghai. During this forum, EY Greater China and Shanghai Cyber Research Institute released the Global Data Compliance and Privacy Technology Development Report jointly. The report presents a comprehensive compilation of data security compliance systems for data security and algorithm application in China and abroad, with the latest updates in the past year on laws and regulations, regulatory trends and privacy technology concepts. By presenting the survey conducted with nearly one hundred leading enterprises in the finance, technology, media and communications, consumer goods, life sciences and manufacturing industries, the report produces objective observations on the current status of data compliance and the demand for privacy technology. It has provided case study reference and innovative thinking for the practice of data security compliance for enterprises in China and abroad.



EY signs cooperation agreement with the Research Center for Corporate Compliance and the School of Law of the Shanghai University of International Business and Economics

In May 2023, Ernst & Young (China) Advisory Limited, the Research Center for Corporate Compliance and the School of Law of the Shanghai University of International Business and Economics successfully held the signing ceremony for a cooperation agreement of the unveiling ceremony for the practical application base of the School of Law of the Shanghai University of International Business and Economic in the Gubei campus. More than 10 experts, scholars and industry representatives from EY and the Shanghai University of International Business and Economics attended the signing ceremony.



Upholding social value

Besides striving for excellence and innovations in our daily work, EY has also rolled out EY Ripples, a global corporate responsibility program, which brings our knowledge, skills and collective expertise fully into play. By engaging with influential entrepreneurs, we facilitate sustainable development of the environment and aim to benefit the next generation. Our efforts have exerted positive influence for millions of people. It is envisioned that our efforts will become notable on one billion of the world's population by 2030.

EY Ripples was launched in 2019. Since its inception, EY Greater China has already motivated our employees to launch more than 100 engaging and influential activities. We have called upon 15,000 of our employees to volunteer in these activities, which have covered more than 4.1 million participants. In FY23, there have already been 6,000 EY Greater China volunteers participating in EY Ripples, with positive impact on the lives of 2.9 million people.

3.1 Supporting youth development

It is an adage that where the youth thrive, the nation will thrive too. As the most vibrant and innovative group in the society, young students will take up the baton for the transitioning times. They are the ones who will grow up with the ideas of sustainable development in an ever-progressing society, and they will achieve the mutually beneficial goal of fulfilling their own individual calling as well as the common good in the society. EY Greater China takes upon itself the duty of providing excellent professional services and empowering the young talent in different fields. It is dedicated to the green transition and sustainable development in the economy and the society, contributing its fair share of wisdom and power to advance modernization and high-quality developments with Chinese characteristics.

EY Ripples – Supporting next generation events

EY has promoted a series of Supporting Next Generation activities. By sharing knowledge and skills, EY supports the development of youth and disadvantaged groups. The Supporting Next Generation counseling program covers a range of topics, including science, technical skills, engineering and mathematics, environmental awareness, career guidance, and entrepreneurship. At the same time, we have extended significant effort in promoting brand new models on virtual platforms, so that EY technical know-how and experience can reach the most remote corners of the society. EY Ripples has held more than 40 sessions of seminars entitled The Skills of the Future in the Greater China region. These seminars have assisted more than 3,000 students and members in disadvantaged groups to learn about job skills for the future.



EY signs Memorandum of Understanding with the Hong Kong Metropolitan University - Forging partnership in promoting commercial talent development in the GBA

On 30 June 2023, Ernst & Young (China) Advisory Limited and the Hong Kong Metropolitan University signed a Memorandum of Understanding, whereby the parties set the promotion of talent development as a joint objective, and agreed to cooperate in nurturing the next generation of commercial talent and business professionals in the Guangdong-Hong Kong-Macao GBA.

Both parties are well-positioned to make such commitment with their professional strengths and knowledge. EY Greater China and the Hong Kong Metropolitan University will provide professional training opportunities such as internships, work shadowing experience and mentorship programs. They will hold seminars, forums and case competitions to facilitate knowledge exchange between the academia and the industry. They will also develop case study-based teaching on the brands of GBA enterprises and entities. It is hoped that this cooperation will result in corporate solution consultation services offered to GBA enterprises.



EY launches 2023 Hong Kong, Macau and Taiwan Student Summer Internship Program

In August 2023, EY Greater China successfully launched the EY 2023 Hong Kong, Macau and Taiwan Student Summer Internship Program at EY member institutions in Guangzhou and Shenzhen respectively. The program has recruited a total of 32 students from Hong Kong, Macau and Taiwan. Besides the higher institutes of learning from Guangdong Province, we have also recruited from Sichuan University, Xiamen University, Shanghai University of Finance and Economics, Southwestern University of Finance and Economics, Zhongnan University of Economics and Law, the Chinese University of Hong Kong, and University of Macau. The students from these universities will be heading to Guangdong Province for learning and exchange. The students will also participate in immersive programs where they will be able to raise their skill profile, explore the culture of the GBA, observe at leading enterprises, and receive training in exclusive seminars to develop better job searching skills.



EY x Golden Education ESG University Student Innovation Challenge Contest (Season 2) launches in the effort to tap on youthful wisdom and to lead a green future

In order to promote Chinese university students' understanding of ESG management and sustainable development issues in the commercial world, and raise the students' ability in commercial innovation and practical research, Ernst & Young Hua Ming LLP has collaborated with Golden Education to launch the ESG University Student Innovation Challenge Contest (Season 2).

This contest will build upon the experience of the first season, but with more depth and upgrades. In the preliminary round, university students will be challenged to bring forth their innovative thinking, and focus on everyday occurrences to create short promotional videos for green living. The next round will emphasize industry research and enterprise analysis. By providing students with real-world case studies, the organizers will give students the opportunity to learn about the cutting-edge research findings in the ESG field and their industrial applicability. Students will also get their hands on ESG consultation. While the first season focused upon the propagation of ESG concepts, this season will require offline interviews, interactive engagements between universities and industries and online coursework etc. The participants' commercial thinking skills and the ability to apply ESG theory to practice will be the key judging criteria. They are expected to conduct thorough analysis in commercial case studies and broad integration of commercial principles and practice.



Knowing and Doing - Advanced courses at EY wavespace™ in Beijing

The courses of Knowing and Doing officially launched at EY wavespace Beijing on 26 April 2023. The courses are jointly organized by Tsinghua University of State-Owned Assets Management, Tsinghua School of Economics and Management Center for China's Industrial Development Research, Tsinghua School of Economics and Management MBA Education Center, plus in collaboration with EY Greater China, the *State Assets Management* magazine. The Knowing and Doing courses, which began in 2016, has already covered seven major strategic development regions in China and paid visits to 70 enterprises. This time which reached the central part of mainland China, is the 10th session. Over the past decade, Partners of the EY Greater China legal entities and Tsinghua School of Economics and Management MBA faculty, and the students at Tsinghua University, have worked together to provide a strong backbone for the initiative, demonstrating the significant value of this program.



3.2 Empowering social enterprises

Social enterprises combine social missions with commercial strategies to provide innovative approaches for more affordable goods and services in society. To empower improvements in financial, social and environmental well-being, EY leverages knowledge, skills, and experience to support social enterprises to expand and develop, while empowering people to change their lives and contributing to the achievement of the United Nations Sustainable Development Goals.

EY Ripples - "Impact Hive"

For the second consecutive year, EY Ripples organized the "Impact Hive" program to support social enterprises in addressing business challenges. By fostering the growth of social enterprises and expanding their impact on society, we can influence the lives of more people. With the active support of EY Greater China leaders, this project has already impacted 700,000 individuals in the Greater China region.



ENGAGE digital campaign series

In cooperation with Partners of the EY Greater China legal entities, EY Ripples recruited volunteers at EY to conduct six sessions of the "ENGAGE digital campaign" series, supporting more than 30 non-profit organizations in Hong Kong to plan, analyze, and implement digital marketing strategies. These workshops have played a vital role on impacting over 700,000 people in the Greater China region.



3.3 Advancing gender parity

EY has always been committed to the advancement of women's development in their careers and the creation of a workplace that is fairer and more inclusive. Not only is this idea at the core of our values and vision, but also it is the key factor in the creation of long-term value for our clients. EY advocates for the discovery and empowerment of female talent, and join hands with them in building a better business world.

15 female entrepreneurs selected for the EY Entrepreneurial Winning Women Asia-Pacific Program 2023

EY announced the list of 15 female leaders in the business world that have been selected for the EY Entrepreneurial Winning Women Asia Pacific Program 2023. This program is aimed at helping female entrepreneurs leading high growth enterprises to break away from current roadblocks, and eventually for them to fully exhibit their enterprising potential.

The entrepreneurs selected for this year's program come from China, Australia, Japan, New Zealand, South Korea and Sri Lanka. They work in a wide array of industries, including health, logistics, IT, education, biopharmaceuticals and auto making. According to EY statistics, the total revenue of their enterprises in 2022 exceeded US\$200 million, with employees numbering more than 1,500. This year, five Chinese female entrepreneurs were selected. They also come from different industries and specialties. With unique and innovative thinking and a will to exercise the ESG agenda in a commercial setting, they stare down the critical challenges that concern the world today.



Riding the wave - EY holds event on EY Entrepreneurial Winning Women Asia-Pacific 2023

On 26 May, an event on EY Entrepreneurial Winning Women Asia-Pacific 2023 was held offline in Yunnan. The female entrepreneurs that were selected this year and in the past years gathered at the beautiful lakeshore of Fuxian Lake to explore the commercial opportunities in the global economic recovery.

This regional offline activity was the first time after 2019 where the selected female entrepreneurs from the Greater China region from the three rounds of EY Entrepreneurial Winning Women Asia-Pacific gathered. In the morning, the female entrepreneurs joined two seminars with the themes "Data DNA activating enterprise transitions" and "Opportunities and challenges for corporate merger and acquisition". They shared their unique insights in these seminars. In the afternoon, the female entrepreneurs rode the waves at the Fuxian Lake, and enjoyed the passion and freedom of sailing. Indeed, the spirit of sailing is a perfect manifestation of their mettle in the exploration of future uncertainties.



EY Greater China celebrates “She Power” in regional offices

In February 2023, EY Greater China held the sharing session on female leadership at wavespace Shanghai with cooperating institutions. The event aimed to create a diverse, fair and inclusive working environment that facilitates the development of female leadership during this digital age. Participants included EY Strategy and Consulting Partner, and Leader of the Career Women Exchange Platform at EY China North Chang Ying, EY Greater China Region Value-added Tax Service Managing Partner Zhou Haoyu, EY Greater China Region Retail and Consumer Goods Industry Tax Service Managing Partner Wu Lifang, EY International Tax and Transaction Service Partner Hou Jieqiong, EY Indirect Tax Service Partner Yue Lei, EY Tax Technology Service Partner Meng Hui and female leaders from General Mills. They shared the best practices in promoting female leadership and the vision for future cooperation.



In March 2023, the brand new EY integrated health platform Smart Wellbeing organized a special session on female health. With both online and in-person sessions, it guided employees to focus on female health in the workplace. EY Greater China Talent Leader Rebecca Zhou emphasized EY concern with both physical and emotional health during the main in-person session. She encouraged colleagues to take care of their personal health when they had some gap time at work. On that day, participants online and offline followed the professional coach in learning the scientific theories relevant to female health, and experienced an interesting, effective "1m² workplace" stretching exercise.



In March, a sharing session themed “Tech women - She Power” combined both online and offline formats and explored the career development of women in the field of technology with firm-wide participation. Many female leaders of EY Greater China joined in the discussion, and “decoded” how technology women broke through numerous roadblocks in a time of diversity and made steady progress in their development and growth.



The "Dare to Dream? #PowerUp" event is jointly organized by EY Hong Kong, Shenzhen Hong Kong Macau Women Directors Alliance (WDA) and The Association of Women Accountants (AWAHK), and co-organized by Association of Chartered Certified Accountants (ACCA) and The Society of Chinese Accountants and Auditors (SCAA). The event is committed to promoting the popularization of inclusivity and diversity concepts to ensure that fair opportunities can be created in different dimensions. About 80 guests attended the event to share their foresight and insights into talent management.



On International Women's Day, EY Taiwan connected with other businesses in holding the charity handicraft event entitled "Embrace female power, extend the compassion". In this activity, our employees learned about the situation of disadvantaged women in the society. The activity has drawn forth the attention on other relevant issues as well. EY is committed to the advancement of gender equality.



Career women exchange platform - the first Power Up™ training

We bring to the fore our commitment in raising social equity by holding the first EY Greater China Power Up™ training. This training offers the opportunity for participation in sharing sessions with the guest speakers and small group discussions. With these discussions and reflection, the skillset necessary for high power career women are enhanced. It is hoped that our female leaders will apply themselves freely at work, and fully unleash their potential.

The key element in this course is the value of reflection. Reflection tools are proposed for female leaders to strengthen their leadership both inside and outside of the workplace.

At the same time, the workshop featured representatives from different groups to share their personal stories and journeys, prompting rounds of dialogues during the talk. They also promoted conduct that matched one's personal brand and emphasized the importance of self-awareness and realization. On International Women's Day, we held the first workshop, assisting our female leaders with the activation of their innate powers and raise their leadership competency.



3.4 Charitable initiatives

EY has remained steadfast in its commitment of building a better working world. We have also extended continuous attention and support to charitable giving. We believe firmly that corporate social responsibility must entail a firm presence in the society and a firm commitment to giving back. This is how enterprises contribute to social development. EY has supported the work of the Board of Supervisors of the Shanghai Elderly Foundation in the long-term and recognized by the foundation. EY has been dedicated to the development of charities.

"Our Hong Kong. Our Future" - EY donates HK\$550,000 to The Boys' and Girls' Clubs Association of Hong Kong

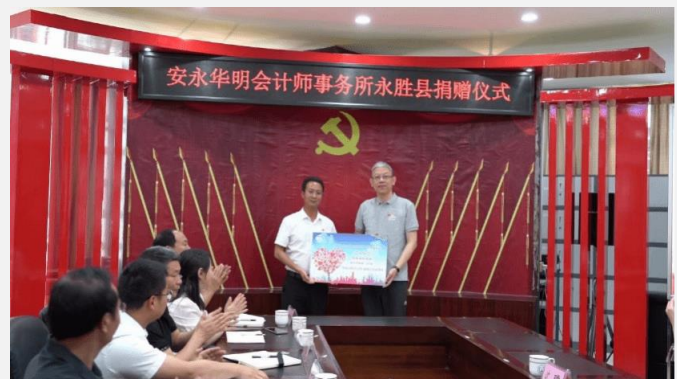
During EY Greater China's 55th anniversary celebration, EY announced its donation of HK\$550,000 to the Treasure Trove of The Boys' and Girls' Clubs Association of Hong Kong via Ernst & Young China Foundation Limited. This donation is intended to benefit disadvantaged children and youth, enabling them the access to all-rounded development and a full realization of their potential, so that they can grow up happy, healthy and prosperous.

In a previous activity jointly held with The Boys' and Girls' Clubs Association of Hong Kong named "Our Hong Kong. Our Future", EY collected 300 pieces of artwork drawn by children and youth. These artworks exhibit their hopes for Hong Kong's future with explosive creativity. EY had injected innovative technology in these artworks, and turned them into unique charitable digital art. They were presented to the guests of the celebration dinner as gifts. This is an innovative way to disseminate compassion and to pass on the spirit of talent nurture. The future is built by a concerted effort from all.



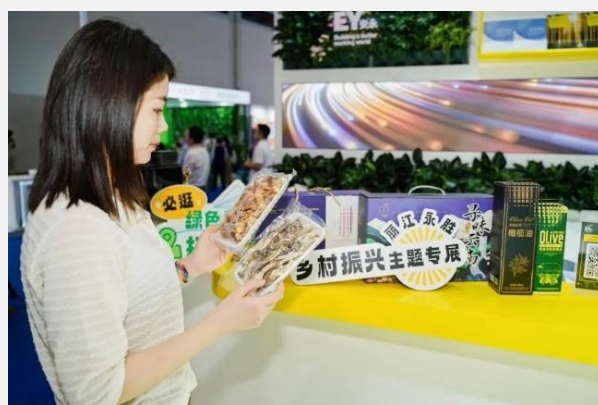
EY sends delegation to Yongsheng, Yunnan to spread love

With firm support from the Ministry of Finance and the coordination by the Ministry's Yongsheng Assistance Work Team, EY China South Managing Partner and Party Committee Secretary of the Guangzhou Office William Huang led a delegation to Yongsheng County for observation and study. During this trip, EY Greater China donated 200 laptop computers to the Yongsheng County Education and Sports Bureau. The team led by William Huang visited the Yongbei Town Secondary School, the Lijiang Zhong Yuan Green Foods Co. Ltd., the Biantun Culture Museum, the Cuihu Village of Sanchuan Township. They observed the basic cultural and educational infrastructures in the Yongsheng County, the "one county, one industry" initiative for fungi growing in the country, the cultural heritage of Biantun culture, and the nation-grade integrated farming and infrastructure of "Beautiful Sanchuan". They also made suggestions addressing the specific needs of these entities.



Support rural development - The revived Yongsheng Village makes appearance at EY live streaming of the China International Consumer Products Expo 2023

In April 2023, EY Greater China's Consumer Products and Retail Leader Denis Cheng hosted two live streaming sessions at the EY exhibition booth at the China International Consumer Products Expo 2023. The live broadcast covered the theme of the revival of Yongsheng Village in Lijiang. Representatives from the county government of Yongsheng village in Lijiang interacted with Partners of the EY Greater China legal entities in this live discussion. They introduced the natural scenery, cultural heritage and specialty products of Yongsheng village. They also gave online and onsite audience a thorough introduction of Yongsheng village. The unique cultural and folk features of Yongsheng village came alive in this session, which promoted Yongsheng village's investment channels for its competitive industries and attractive business policies.



School assistance in Hohhot City

The northern campus of the Yingfangdao Hui Primary School in Hohhot City, Mongolia, has a high number of left-behind children, children of migrant workers and disabled children. With the school facing limited and outdated resources, the children facing financial, mental and spirite deprivation, EY volunteers have stepped in since November 2021, purchasing and delivering supplies for the school. The volunteers also conduct regular home visits for the disadvantaged students and provide essentials such as clothing, books, necessities and more, offering hope and support to children in need.



"Love Lucky Bag" delivers warmth, Mid-Autumn Festival spreads care

The traditional virtue of the Chinese nation is to respect the elderly. On 31 August 2023, Jasmine Lee, Managing Partner of EY Hong Kong and Macau, attended the "Love Lucky Bag Celebration" ceremony together with Partners of the EY Hong Kong legal entities. They participated in a gift giving event on the eve of the Mid-Autumn Festival, visiting elderly people living alone and giving them love lucky bags to convey EY care.



The EY Hong Kong team participated in the Taikoo Place 8-Hour Charity Spin event, raising over HK\$40,000 for the Lawrence Sports Charity Foundation to support the mental health of young athletes in Hong Kong.

As a major supporter of Walk Up Jardine House event, EY Hong Kong donated HK\$60,000 to public welfare organizations to help raise awareness of mental illness and changing people's perception of mental illness.

During the 2023 ACCA Community Day, EY Hong Kong formed four human powered teams to participate in the competition and donated HK\$40,000 to support three local public welfare institutions in carrying out activities in the fields of education and health.

EY Hong Kong actively participated in the online charity event Pink Together 2022 organized by the Hong Kong Breast Cancer Foundation and donated over HK\$30,000 to support community projects to combat breast cancer and raise public awareness of breast cancer in Hong Kong.

EY Hong Kong sponsored 25 colleagues to participate in CPA Australia virtual marathon event in 2022, and donated some of the proceeds to the Hong Kong Cancer Foundation to support the promotion of mental health for cancer patients and their families.





4

Collaboration

Driving forward - Climate advocacy

In the past year, EY Greater China has actively participated in sustainability conferences, in which we shared the fruits of our research:

- ▶ EY was invited to attend the ESG Global Leaders Conference and delivered a keynote speech titled "Five areas of 'continuity' in driving ESG developments"
- ▶ EY has participated in both the exhibition and sponsorship of the ReThink HK commerce and trade convention on sustainable development for a consecutive second year
- ▶ EY was invited to attend the China Carbon Neutrality Forum 2023
- ▶ EY was invited to attend SwissTech Day, organized by the Switzerland Consulate in Guangzhou. SwissTech Day featured the theme of FinTech Connects China and Switzerland Innovation
- ▶ Low carbon transition, innovative developments – EY joins the Green Development Forum for Civil Aviation
- ▶ EY extended unreserved support to the "Net-zero carbon vision" roundtable for Chinese and foreign enterprises
- ▶ EY Hong Kong and the South China Morning Post co-organized the Redefining Hong Kong series



EY Greater China engages experts in dialogue about sustainable development:

- ▶ Empowering the Greater Bay Area - How the GBA property developers can prepare for the opportunities and challenges of TCFD
- ▶ EY holds seminar: The challenges and opportunities of the ISSB sustainability disclosure standards for China's listed enterprises
- ▶ EY holds roundtable: Empowering enterprises with technological innovations for zero carbon transition
- ▶ EY holds forum: Changes with times - The 3rd EY Intelligence Forum on the internationalization of talent management for Chinese enterprises.
- ▶ EY holds roundtable: China and Germany - New Age, New Industries, New Thinking



EY Greater China publishes periodic articles on sustainable development:

- ▶ [EY voice] Jack Chan: "Five areas of 'continuity' in driving ESG developments"
- ▶ [EY voice] Michael Bi: "An ESG profile with Chinese characteristics must meet Its context"
- ▶ [EY voice] Patricia Xia: "Realization of carbon neutrality goals brings significant change for single-use energy"
- ▶ Alex Zhu: "Having reached the turning point for global energy transition, China's leadership in green economy is secure for now"
- ▶ [EY voice] Judy Li: "The influence of sustainable development branding"
- ▶ Report: Integrated solutions for urban carbon neutrality and sustainable development
- ▶ White paper: Capital Empowerment: Toward China's Climate Technology Industries of 2060
- ▶ White paper: Carbon neutrality strategy for banking and insurance institutions
- ▶ Report: Energy Transition: Accounting Considerations for Carbon Capture and Storage
- ▶ Tax alert: A critical time: At the cusp of implementation of EU's carbon border adjustment mechanism, an urgent need for carbon customs compliance
- ▶ Report: EY Green Tax Tracker (5th and 6th editions)

Rising influence – Social recognition

EY teams provide comprehensive and all-encompassing approaches driven by technology to address some of the delicate social issues of our times. We collaborate with enterprises, governments, educational institutes and experts from all fields to promote positive developments. We build social trust and advocate persistence in accomplishments.

Date	Award	Content
March 2023	EY was named The Global Leader of Strategic Consultation for ESG and Sustainable Development	The IDC published the <i>IDC MarketScape: Worldwide ESG/Sustainability Strategy Consulting Services 2023 Vendor Assessment</i> , a study that assesses the capabilities and business strategies of 16 service vendors in technology and consulting, including the Big Four. EY was positioned as a leader in sustainable development strategic consulting.
March 2023	EY Hong Kong won CAMAHK's the Offshore China Award for Best Auditor	In partnership with Bloomberg, the Chinese Asset Management Association of Hong Kong (HKCAMA) held the award ceremony for Offshore China Fund Awards. EY Hong Kong's financial services and wealth and asset management teams won the Best Auditor Award.
March 2023	EY won the title of Pacesetter, the top honor, in ALM Intelligence Pacesetter Research's 2023-2024 Research Report	ALM Intelligence Pacesetter Research is the research report by world-renowned analytical research institute. In the latest ALM Intelligence Pacesetter Report on supply chain research (2023-2024), EY scored the highest of 89% amongst the 23 assessed service providers.
February 2023	The EY Jinan Branch won the Best Commercial Partner Award for Jinan's Lixia District	With its outstanding performance in auditing and consultation work, along with its dedication to the economic and social development of Jinan's Lixia District, the Jinan Branch of Ernst & Young Hua Ming LLP was honored by winning this award.
January 2023	EY was awarded the Greater China Best Workplaces Award in 2022	During the assessment process, Great Place to Work® invited EY Greater China's staff to participate in a survey. In accordance with the audit results of the Trust Index and Culture Audit, Great Place to Work® awarded the Greater China Best Workplaces Award to EY Greater China in 2022.
November 2022	Ernst & Young Hua Ming became China's first group of green-certified organizations permitted to operate independently	Ernst & Young Hua Ming LLP was among the top in this assessment of green bond and certification institutions. It became the first group of 11 green-certified organizations permitted to operate independently.
November 2022	EY won Outstanding Enterprise Award for HK01's Greater Bay Area Awards	HK01 held the Greater Bay Area Outstanding Enterprise Awards and Connecting and Co-creating in GBA Seminar 2022. With its service versatility, global perspectives and professional knowledge of the local markets, EY team offers an end-to-end service portfolio par excellence with cross-boundary and cross-industry coverage, well-deserving of this recognition.

5 Going forward

As a movement, sustainable development has resonated broadly with the global audience. With its vision of a harmonious coexistence between people and nature, China is moving forward toward a bright and beautiful future.

2023 marks the 55th anniversary of EY Greater China's professional presence in the region, with more than half a century of harnessing expertise and garnering strength. The 55 years of experience is dedicated to supporting China's implementation of its strategic development policies, to nurture outstanding professional talent locally and to carry out our commitments to the nation, the society and our clients. We are firmly grounded as a staunch supporter of high-quality development in China and will focus our efforts on cutting-edge segments in the new era, adhere to innovative solutions and strive for high-quality development. EY Greater China will remain keen practitioners in the world's sustainable development agenda. By bringing together all parties, we will help shape the standards for sustainable development and cooperate with policymakers to surmount the challenges of climate change and the protection of biodiversity.

Our vision is backed by a firm commitment to integrity. With determination, EY Greater China will continue to work closely with our stakeholders of the wider community in charting the course of sustainable development ahead, as we press on with building a better working world.





Appendix 1 – Contributions to the United Nations sustainable development goals (SDGs)

Note: The yellow cells represent the United Nations SDGs corresponding to the disclosures in the specific section of the report.

[illegible]

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.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients, nor does it own or control any member firm or act as the headquarters of any member firm. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2023 Ernst & Young, China.
All Rights Reserved.

APAC no. 03019060
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com/china

Follow us on WeChat

Scan the QR code and stay up-to-date with the latest EY news.

