EY UK 2025 Transparency Report

October 2025





Context

EY purpose: Building a better working world

EY is committed to doing its part in building a better working world.

The audits delivered by EY people help build trust and confidence in business and the capital markets. EY auditors serve the public interest by delivering high-quality, analytics-driven audits with independence, integrity, objectivity and professional scepticism. In so doing, the EY organisation helps protect and promote sustainable and long-term value for stakeholders.

In the United Kingdom (UK), Ernst & Young LLP (Company number: OC300001) is a limited liability partnership, wholly owned by its members, incorporated in England & Wales and is a member firm of Ernst & Young Global Limited (EYG), a UK company limited by guarantee. In this report, we refer to ourselves as 'EY UK', 'we', 'us' or 'our'. 'EY' refers collectively to the global organisation of the member firms of EYG. Unless otherwise stated, this report relates to the principal activities of EY UK for the reporting period from 29 June 2024 to 27 June 2025, referred to throughout the report as FY25.

Transparency

This report serves as an important mechanism for us to communicate with investors in the companies we audit, audit committee chairs and members, regulators and other stakeholders. Our aim is for this report to be fair, balanced and understandable.

Throughout this report, where we refer to the results of surveys, these surveys were sent to the full relevant population and the quoted results refer to the views of those people who responded. Where we refer to diversity representation, those percentages are calculated based on people who have declared their sex or ethnicity as relevant.

EU Audit Regulation

Article 13 of the EU Audit Regulation (537/2014) came into force on 17 June 2016 and requires the publication of an annual transparency report by audit firms that carry out statutory audits of public interest entities (PIEs). The EU Audit Regulation was incorporated into UK domestic law by Section 3 of the European Union (Withdrawal) Act 2018.

Local audit

We are also required to comply with the Local Auditors (Transparency) Regulations 2020, as in the current year we signed audit reports on the annual accounts of 'major local audits', as defined in the Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014.

Audit Firm Governance Code

First published by the Financial Reporting Council (FRC) in January 2010, the Audit Firm Governance Code (AFGC or 'the Code') sets a benchmark for good governance. The scope of the Code is firms that audit UK PIEs. The FRC encourages all such firms to adopt this Code voluntarily and expects firms to apply it once they audit 20 or more PIEs or if they audit one or more FTSE 350 companies. The version of the Code as revised in 2022 is applicable to EY UK from FY24.

The way in which a firm applies this Code can demonstrate its commitment to good governance such that it enhances the firm's long-term sustainability and resilience, and helps it to achieve the purpose of this Code. In this report, we publicly set out how EY UK has applied the principles of the Code. We also demonstrate how we have complied with its provisions and explain where we have not done so, including the alternative arrangements in place.

This Transparency Report was approved on 23 October 2025 and signed on behalf of EY UK by Anna Anthony.



Contents

Leadership messages	3
Section 1: About us	12
Legal structure, ownership and governance	13
Network arrangements	14
Section 2: System of Quality Management	16
Section 3: Components of our System of Quality Management	21
System of Quality Management risk assessment process	22
Governance and leadership	23
Relevant ethical and legal requirements	24
Client and engagement acceptance and continuance	27
Engagement performance	28
Resources	32
Information and communication	39
System of Quality Management monitoring and remediation	39
Section 4: Infrastructure supporting quality	43
Section 5: Independence practices	49
Section 6: Revenue and remuneration	53
Financial information	54
Partner remuneration	56
Appendix 1: List of UK PIE companies we audit	57
Appendix 2: Approved EYG member firms	61
Appendix 3: EY UK-specific content	64
Governance and leadership	66
People, values and behaviours	89
Audit quality and culture	96
Managing risk	107
Stakeholder dialogue	121
Appendix 4: EY UK Board Members' biographies	124
Appendix 5: EY UK Non-Executives' biographies	128
Appendix 6: Meetings attendance	131
Appendix 7: Descriptions of roles	133
Appendix 8: List of major Local Audits	137
Glossary	141



Message from EY UK leaders



Anna AnthonyEY UK Managing Partner

Phone: +44 20 7951 4165 Email: aanthony@uk.ey.com

Foreword from the EY UK Managing Partner

Introduction

I'm delighted to welcome you to our 2025 Transparency Report.

This is the first time that I have introduced this annual document, having been appointed as UK Managing Partner on 1 January 2025. Since last year's edition, a new UK Chair has also been appointed with Alison Duncan coming into role on 1 April.

Within this foreword, I will outline our approach to dealing with three areas which have been a focus during the financial year. First, the need to navigate an uncertain economic environment. Second, the key role of the audit profession and the broader professional business services (PBS) sector in supporting the UK's economic growth. Third, the continued importance of attracting, training and retaining the best talent to support our business ambitions. These three themes are covered below.

A year of change – both internally and externally

EY UK has delivered a solid performance in a challenging market, with 2% revenue growth in FY25. We have responded to the needs of our clients and carefully managed our cost base whilst continuing to build a platform for future growth through strategic investments in talent, technology and audit quality. We remain steadfastly committed to the delivery of quality audits and have been awarded our highest ever audit quality scores from the Financial Reporting Council. We have however had some specific challenges with our System of Quality Management, both of these matters are discussed by our UK Head of Audit – Annie Graham – in her foreword.

During this financial year, we've enhanced our governance with a new Board selection process and the appointment of new members, together with the continued implementation of our global 'All in' strategy.

Supporting the contribution of professional and business services to the UK

The government launched a new Modern Industrial Strategy in June 2025, setting out a 10-year roadmap to drive UK economic growth, and we were pleased to see the PBS sector recognised as a key growth engine in this plan. This reflects the sector's longstanding contribution to the economy, both domestically as a significant recruiter, tax payer and supporter of UK business, and as a major UK export and enabler for investment.

We look forward to working with the government to support the delivery of the PBS sector plan. Sustainable economic growth will require close collaboration between industry and government, with a blend of both smart policy and strategic investment.

Our contribution to the Modern Industrial Strategy has been just one part of our wider policy engagement over the past 12 months. We have continued to engage on the future regulatory landscape for audit and corporate governance, where we remain supportive of meaningful reforms that strike the right balance between effective regulation and fostering growth.

Developing skills, building talent and growing the attractiveness of the profession

Attracting, training and retaining the best talent is an important part of our business strategy and we are continuing to invest in the skills and capabilities needed to deliver high-quality, innovative services that meet the needs of our clients.

We are proud to be one of the UK's largest student recruiters and are continuing to hire across our graduate, school leaver and internship programmes. We are also making significant ongoing multi-year investments in training and development, with around 3,500 trainees in our business at any one time.

The EY Foundation – our independent charity working to improve social mobility through access to employability skills – has also supported more than 4,000 young people, worked with 348 employers, and created over 3,000 volunteering opportunities.

Conclusion

Over the last 12 months, our teams have delivered a solid performance in a tough market with 2% UK revenue growth. We have carefully managed our cost base whilst continuing to invest in the skills and capabilities needed to support our future growth and deliver high-quality, innovative services for our clients.

Whilst the economic environment remains unpredictable and challenging, we've had a strong start to the first quarter of our new financial year and have a clear strategy to drive our business forward.

In summary, I'm proud of the resilience our business has demonstrated in FY25 and the positive impact we're continuing to make in a significant sector for the UK economy.



Leadership messages



Annie Graham EY UK Head of Audit

Phone: +44 141 226 9094 Email: agraham2@uk.ey.com

Foreword from the EY UK Head of Audit

Introduction

I would like to begin by thanking our people for their dedication and hard work throughout FY25.

This has been my first year as UK Head of Audit after stepping into the role in July 2024. The solid foundations laid down by my predecessor enabled me to hit the ground running. The three areas of focus are as follows:

Evolving the EY UK audit strategy – centred on audit quality

Our audit strategy focuses on delivering consistent high audit quality, giving our people lifelong skills and experiences, and growing our business purposefully. During FY25, we continued to develop this strategy in line with our audit purpose of being committed and proud to deliver high-quality audits that serve the public interest. We execute on this purpose through our audit quality strategy, which in FY25 was founded on three pillars: curious mindset, connected teams, and continuous improvement. From FY26, we have expanded 'continuous improvement' to become 'courage in transformation', recognising the increasing role of technology.

Given the speed of change in business, technology and macroeconomic conditions, it is essential to consider how audit quality is maintained through these evolutions. Striving for the highest quality is grounded in our purpose-led culture, which embeds and amplifies the behaviours needed to achieve high audit quality.

Building on this culture, our audit quality strategy centres on our pride in the difference that audit makes to stakeholders ranging from companies we audit to investors and from the capital markets to wider society. As the needs of these stakeholders evolve, so must the audit itself. To stay ahead, there is EY investment of US\$1 billion globally over four years in developing our next-generation audit, with artificial intelligence (AI)-enabled tools at its core. Supported by our focus on communicating the right tone from the top, and on developing strong commercial acumen and a curious mindset among our people, these new capabilities are demonstrably improving the response to risk and overall quality of our audits.

A further positive impact of our audit innovations is that they increase the vibrancy of a career in auditing – bringing hands-on experience in leading-edge technologies shaping tomorrow's world. Far from being an 'ordinary' career choice, a career in audit is actually – and increasingly – extraordinary: dynamic, forward-looking, rich in business acumen, and empowered by new technologies. From assessing risks to designing new audit procedures, technology is reinventing what auditors do and how they do it. The benefits flow not just to the companies we audit, but also to every audit team member.

Continuous learning and maintaining close regulatory engagement

On the rare occasions when lapses in quality occur on our audits, we spare no effort in learning lessons and making changes to minimise the risk of a recurrence. This is demonstrated in the swift actions we have taken and continue to take to address the specific deficiencies in our System of Quality Management as described in our System of Quality Management annual evaluation conclusion. Whilst we are disappointed that these issues arose, we are confident that they have not impacted the quality of our audits which continues to be underpinned by our System of Quality Management.

The best indicator of our audit quality today is the collation of the FRC, the Quality Assurance Department (QAD) and our own internal Audit Quality Review (AQR) results. In the FRC's 2024/2025 Audit Quality and Supervision Reports on our audits, we received our highest quality scores to date, with areas of good practice identified across the audits reviewed. You can read more about the FRC's findings in Appendix 3: Audit quality and culture. We are however not complacent, and we continue to invest in audit quality.

Together, these strong results reinforce our confidence in the quality of our audits. Today's challenging macroeconomic landscape makes trust in audit quality more important than ever – and, as auditors, a key part of our role provides confidence in the UK's capital markets and economy through our independent scrutiny of financial statements.

We are discharging this responsibility in a regulated environment where the FRC is the principal regulator. And we engage proactively with the FRC to further strengthen the audit profession's vital contribution to the UK's financial ecosystem.

We welcome the reviews the FRC is undertaking into two key areas: the future of audit firm supervision, and end-to-end enforcement. We are actively contributing to the FRC's thinking on these areas, with a view to ensuring that any measures enacted reflect the needs of all stakeholders and are proportionate to the issues at hand.

Our people, skills, culture of quality – and the attractiveness of the profession

I began this foreword by thanking our people for their efforts – and I would now like to pick up on the theme of talent. The audit profession depends critically on attracting the best talent – and all parties with an interest in audit share a responsibility to foster the profession's attractiveness as a career. Anna has highlighted the key role of EY and the audit profession in fostering economic growth. To fulfil this role, we must recruit and develop the most capable candidates from across the talent pool, and support them with a culture and equip them with the skills needed to achieve consistent audit quality. We do this by providing high-quality training, widening their experience in areas like AI and sustainability, and offering them career mobility.

6

During FY25, we have stepped up our efforts to attract the next generation of talent through routes ranging from work experience and apprenticeships to graduate and senior-level recruitment. In FY25, we welcomed 764 talented individuals into the audit practice, of whom 532 were graduates and school leavers, as well as 232 on short term placements. Whilst technology will continue to impact how we work and the nature of the roles in audit, the scope and value of audit will also keep evolving – and we foresee great opportunities for emerging technologies to further augment people's careers in audit.

That said, increasing the overall attractiveness of auditing as a career is not something that we at EY UK – or indeed the profession as a whole – can achieve alone. Support and advocacy from the wider audit ecosystem will remain vital. To that end, the recognition by UK government of PBS sector being a key growth driver, given its pivotal role in the economy, contributes further to the overall attractiveness of the profession.

Staying on course

In closing, I would like to reiterate my gratitude to our audit professionals and teams. Thanks to them, FY25 has been a year of continued progress for the EY UK audit practice. We are confident in our purpose, and in our focus on the behaviours that foster high audit quality and fulfilling careers. The vital enabler in maintaining our progress? Our talented people. In a world where the audit is constantly evolving, that remains constant.

Conclusion

In my first Transparency Report as Head of Audit, I am delighted to say that in FY25 the EY UK audit practice made solid progress on the key drivers of audit quality, as recognised by the FRC in its annual assessment of our audits. However, the strong scores we have achieved in FY25 are no reason to rest on our laurels. Rather, now is the time to build on these promising results by continuing to strengthen our quality culture and our ability to attract and develop the best talent, whilst also capitalising on the potential of advanced technologies to help us further improve audit quality, the efficiency of our work, and the experience and skills of our people. In short, we are proud of what we have achieved in FY25 – and are committed to maintaining our positive trajectory in FY26 and beyond. If you have any questions or feedback, feel free to contact me at agraham2@uk.ey.com.



Leadership messages



Tonia LovellIndependent and Audit Non-Executive,
Chair of the EY UK Public Interest
Board



Ruth Anderson
Independent and Audit Non-Executive,
Chair of the EY UK Audit Board

Foreword from the EY UK Non-Executives

Introduction

EY UK Independent Non-Executives (INEs) and Audit Non-Executives (ANEs) are jointly referred to as Non-Executives (NEs), and discharge the responsibilities required under the Audit Firm Governance Code (AFGC, the Code) through their roles on the Public Interest Board (PIB) and Audit Board (UKAB). Some new faces joined during the year in review. Suzanne Raine (INE) and Sir Philip Rutnam (INE and ANE) joined in early FY25, and Suzanne will also become an ANE during FY26. As Tonia's second term came to an end in May 2025, her tenure with EY UK was extended until the end of 2025 in order to facilitate a handover to Carl Hughes, who took over as PIB chair from the beginning of FY26.

Overseeing leadership changes and reviewing governance arrangements

The NEs' activities during FY25 included overseeing changes in EY UK senior leadership and reviewing changes in governance arrangements. On senior leadership, the NEs were consulted throughout the various processes to help define the now-separated roles of Chair and UK Managing Partner (UKMP) and select individuals for them, with one of the NEs attending the special nomination committee.

On governance, the NEs participated in, and oversaw, the governance review that is described in more detail in <u>Appendix 3: Governance and leadership</u> and we oversaw the separation of the roles of Ethics Partner and Managing Partner for Risk Management.

Safeguarding high audit quality and pride in the profession

The ANEs' role on the UKAB – as defined in the AFGC – is to "oversee audit quality and the activities of the audit practice". This includes undertaking independent oversight of EY UK audit quality plans, audit strategy and remuneration in the audit practice, and considering risks to audit quality. In particular, we have discussed the specific deficiencies in the System of Quality Management as highlighted in Annie's foreword. We are satisfied that these deficiencies did not impact audit quality and we will continue to be closely involved as remedial actions are both formulated and implemented.

In FY24 we provided input to the refresh of the EY UK audit strategy to align with both the global 'All in' strategy and the changing needs of EY UK Audit. The evolution of this activity in FY25 included an increased focus on leadership behaviours, pride in the profession, fostering a curious mindset and courage in transformation.

On leadership behaviours, we welcome leaders being reminded of their responsibility to support the learning and personal development of people in their teams, including helping them to identify opportunities beyond their teams.

A further responsibility of leaders is managing the intensity of their people's work. We were pleased to see a greater focus in FY25 on monitoring metrics, dashboards and trends across the audit practice that might indicate heightened work intensity. These efforts draw on learnings from a programme sponsored by the audit partners on how reframing of the understanding of 'work intensity' can provide a better understanding both of its impact on people in the audit practice and also of how those individuals can equip themselves with the skills and support needed for success.

The NEs recognise that advances in technology are driving changes both in how clients do business and in the way audits are conducted, as Annie notes in her foreword. To help the ANEs keep pace with these developments, we are briefed regularly on audit technology and tools, providing us with insights into technology-enabled transformation of business models and possible implications for audit quality.

A specific focus this year was public sector audits of local authorities. We were impressed with how the audit practice stepped up in difficult circumstances to meet the backstop deadlines, as acknowledged by the FRC. We also debated the audit workplace culture, gaining insights by attending Culture of Audit Quality roadshows, and obtaining a perspective on offshore service delivery centres through presentations from their leaders.

During FY25, we also continued to engage with the FRC through regular meetings, both bilateral and alongside non-executives from other audit firms. This included attending non-executive roundtables on the enforcement process, the implications of private equity investment into audit, and – more recently – the FRC's Future of Audit Supervision Strategy (FASS) project. Since the end of FY25, we have participated in two further meetings with the FRC to discuss FASS. Topics of conversation in our bilateral meetings with the FRC in the past year have included EY UK governance changes, reliance on global processes, operational separation, audit quality results, and the audit quality strategy.

Public interest, firm-wide culture and people engagement

As we reported last year, during FY24 we oversaw the development and establishment of a new public interest framework. One year in, having monitored the application and functioning of the framework, we took stock of the learnings to date. This exercise led to some improvements to the framework, focussing more clearly on its three pillars of audit quality, the liquidity and resilience of EY UK, and reputation.

With regard to public interest considerations, the ANEs and INEs play different roles. The ANEs focus on how the public interest is taken into account in decision-making in the audit practice, for example by reviewing significant decisions on audit tenders. The INEs look beyond the audit practice and consider decisions that are not directly related to delivering audits but could potentially affect audit quality and/or the resilience of EY UK. In FY25 this included receiving presentations from non-audit service lines in Assurance and Consulting.

The NEs monitor closely how EY UK is embedding and sustaining an appropriate culture across the whole firm. We do this through a combination of engagement activities and reporting to the PIB and UKAB, including regular briefings on employee listening surveys. A further aspect of our monitoring of culture is reviewing the whistleblowing process and considering the number of cases raised through the different speak-up routes. An important aspect of our discussions with management in FY25 was understanding how employees are protected from retaliation and provision of support for those speaking up.

We also met during the year with representatives of EY Voice, a forum of elected employee representatives from across EY UK, and hosted employee engagement sessions. We listened to many views on areas including hybrid working and the EY UK culture.

The AFGC recommends that one INE should be designated as having primary responsibility for people engagement. In FY25, as in FY24, we decided to share this role between all the NEs, but we will keep this approach under review for future years.

Operational and financial resilience

To enable us to assess the principal risks facing EY UK, we received regular reports throughout FY25 from the risk team on the board risk profile, risk trends, and actions to mitigate these risks. The PIB specifically discussed AI in the context of principal risks, received regular briefings from the Ethics Partner on independence matters, and reviewed the functioning of the Reputation and Conflicts Panel (RCP). We also discussed the design of financial crime controls ahead of the introduction of the 'failure to prevent fraud' offence.

In the context of operational and financial resilience, given that EY UK has increasing reliance on EY Global processes, we discussed with management in FY25 how they satisfy themselves that those internal controls which are global are well understood and effective. We also engaged with the Global Chief Audit Executive to discuss third-line assurance over global processes and with the Global General Counsel to discuss data controls.

Post the end of FY25, we received detailed reporting on the financial performance and position of EY UK. We were also briefed on the viability exercise (covering refinancing options, banking facilities, interest, and working capital) and the annual review of internal controls, conducted to address provisions 25 and 24 of the AFGC, respectively.

Conclusion

During FY25, we were fully briefed on the significant governance changes being implemented, therefore being able to challenge and influence the outcomes with an ever-present focus on public interest. Clearly the consistent performance of high-quality audits is in the public interest, so when lapses in our high standards have occurred we have reviewed the analysis of the root causes and brought independent challenge to review and reinforce the EY UK response. We are satisfied that management has continued to embrace the challenge and input we provide.

Our confidence in the positioning and prospects of EY UK has been strengthened by our ongoing engagement at all levels, our monitoring of culture, and our oversight of EY UK audit quality. In FY26, we will maintain our focus on audit quality, resilience and serving the public interest, whilst also seeking ways to increase the value NEs provide to the firm outside of their participation in the PIB and the UKAB. To find out more, please feel free to contact us at eynonexecutives@uk.ey.com.



About us

About us



Information on the governance of EY UK, including details on board and committee membership structure, among other things, is included in Appendix 3: Governance and leadership.

EY member firms are grouped into three geographic Areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEIA) (Areas). The Areas comprise multiple regions (Regions). Regions are groupings of EY member firms along geographical lines. As of 1 July 2025, EY reorganised its Region structure and now has 10 Regions, reflecting the combination of certain previously existing Regions.

EY UK is part of the EMEIA Area. Within the EMEIA Area, there were eight Regions and, as of 1 July 2025, that number was reduced to five through a combination of Regions. During FY25, EY UK was part of the UK and Ireland (UK&I) Region, with the exception of its financial services practice, which was part of EMEIA Financial Services Organisation (FSO), which was treated as a separate Region. Since 1 July 2025, the EY UK (including its financial services practice) is part of the UK&I Region.

Ernst & Young EMEIA Limited (EMEIA Limited), an English company limited by guarantee, is the principal coordinating entity for the EY member firms in the EMEIA Area. EMEIA Limited facilitates the coordination of these firms and cooperation between them, but it does not control them. EMEIA Limited is a member firm of EYG, has no financial operations and does not provide any professional services.

Each Region elects a Regional Partner Forum (RPF), whose representatives advise and act as a sounding board to Regional leadership. The partner elected as presiding partner of the RPF also serves as the Region's representative on the Global Governance Council (GGC).

A holding entity, Ernst & Young Europe LLP (EY Europe), has been formed in conjunction with EMEIA Limited. EY Europe is an English limited liability partnership which, as at 27 June 2025, was owned principally by partners of EY UK and EY Limited (Gibraltar). It is an audit firm registered with the Institute of Chartered Accountants in England and Wales (ICAEW) but it does not carry out audits or provide any professional services.

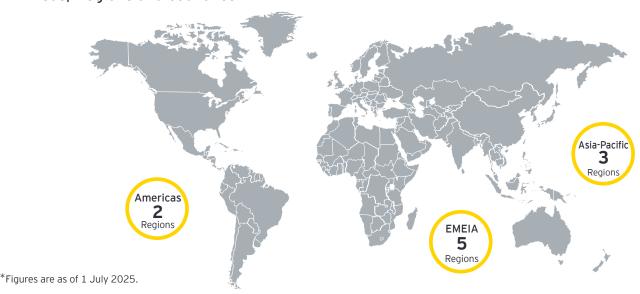
EY Europe acquired voting control of EY UK as of November 2008. It is a member firm of EYG.



Europe Operating Executive

The Europe Operating Executive (EOE) of EY Europe has authority and accountability for strategy execution and management of EY Europe. As at 27 June 2025, the EOE comprised: the Europe Managing Partner; the Deputy Europe Managing Partner; the leaders for Markets, Talent and Risk Management; the service line leaders for Assurance, Tax, Consulting and Strategy and Transactions; and all the European Regional Managing Partners. From 1 July 2025, the EOE comprises: the Europe Managing Partner, Deputy Europe Managing Partner; the European Regional Managing Partners; the Europe Risk Management Leader and two further members without portfolio.

EY Areas, Regions and countries*





Europe Governance Sub-committee

EY Europe has a Europe Governance Sub-committee, which includes one representative from each Region in Europe. It serves in an advisory role to the EOE on policies, strategies and other matters, and its approval is required for a number of significant matters, such as the appointment of the Europe Managing Partner, approval of financial reports of EY Europe, and material transactions.



EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, nearly 400,000 EY people in over 150 countries and territories share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional scepticism. In today's global market, the seamless integrated EY approach is particularly important in providing high-quality multinational audits, which can span nearly every country in the world. This approach supports EY member firms in developing and drawing upon the range and depth of knowledge and experience required to perform such diverse and complex audits.

EYG coordinates the various activities of the EY member firms and promotes cooperation among them. EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by EY member firms worldwide. Each EY member firm is a separate legal entity. Each EY member firm's obligations and responsibilities, as a member of EYG, are governed by the regulations of EYG and various other agreements.

As part of the **All in** strategy, EY streamlined its structure, moving from 18 regions to 10 as of 1 July 2025. The new structure will help enable future-focussed investments, including those related to the EY audit transformation journey. For companies that EY UK audits, we believe that the new structure will further support the multidisciplinary approach that their audits require, with access to the same high-quality, consistent, and connected range of services across Assurance and other EY service lines. For EY UK people, the new structure means more mobility and enhanced career opportunities across a bigger geographic footprint, which we believe will help EY UK retain top talent and attract new talent.

The structure and principal bodies of the global EY organisation, described below, reflect the principle that EY, as a global organisation, has a common shared strategy.

At the same time, the EY network operates on a Regional level within the Areas. This operating model allows for greater focus on stakeholders in the Regions, permitting EY member firms to build stronger relationships with clients and others in each country, and be more responsive to local needs.



Global Governance Council (GGC)

The GGC is a key governance body of EYG. It comprises one or more representative(s) from each Region, other atlarge representatives from EY member firms and INEs. The Regional representatives, who otherwise do not hold senior management roles, are elected by their RPFs for a three-year term, with the ability to be reappointed for one additional three-year term. The GGC representatives of EY US are members of its elected governing board. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, in some instances upon the recommendation of the Global Executive (GE), certain matters that could affect EY.



Independent Non-Executives (INEs)

Up to six global INEs are appointed from outside EY. They are senior leaders, either from the public or the private sector, and reflect diverse geographic and professional backgrounds. They bring to the global organisation, and the GGC, the significant benefit of their varied perspectives and depth of knowledge. The global INEs also form a majority of the Public Interest Sub-Committee of the GGC. The role of the Public Interest Sub-Committee includes advising on public interest aspects of decision-making and dialogue with stakeholders, issues raised under whistleblowing policies and procedures, and engagement in quality and risk management discussions. The global INEs are nominated by a dedicated committee, approved by the GE and ratified by the GGC.

Tonia Lovell, who is a UK INE, was appointed as a global INE in January 2023 and is currently serving her first term.



Global Executive (GE)

The GE brings together EY leadership functions, service lines and geographies. It is chaired by the Chair and CEO of EYG and includes:

- Global Managing Partners of Client Service, Business Enablement, Growth & Innovation, and Business Administration & Risk
- Area Managing Partners
- Global Vice Chair Talent
- Global Vice Chair Clients & Industries
- Global Vice Chair Strategy
- Global Vice Chair Alliance & Ecosystems
- Global service line leaders Assurance, Consulting, Strategy and Transactions, and Tax
- Chair of the Emerging Markets Committee

The GE and the GGC approve nominations for the Chairman and CEO of EYG and appointments of the Global Managing Partners and Area Managing Partners. The GGC also ratifies appointments of all other persons who are members of the GE.

The GE's responsibilities include the promotion of global objectives and the development, approval and, where relevant, implementation of:

- Global strategies and plans
- Common standards, methodologies and policies to be promoted within EY member firms
- People initiatives, including criteria and processes for admission, evaluation, development, and reward and retirement of partners
- Quality improvement and protection programmes
- Proposals regarding regulatory matters and public policy
- Policies and guidance relating to EY member firms' service of international clients, business development, and markets and branding
- EY development funds and investment priorities
- EYG's annual financial reports and budgets
- GGC recommendations on certain matters

The GE is also updated regularly on priorities related to the System of Quality Management and on issues that may require their attention. Further, the GE has the power to mediate and adjudicate disputes between EY member firms.



Global Practice Group

The Global Practice Group brings together the members of the GE, and leaders from the service lines, geographies, sectors and functions. It seeks to ensure a common understanding of the EY strategic objectives to drive global connectivity and consistent execution across the organisation.



EY member firms

Under the regulations of EYG, EY member firms commit themselves to pursue EY objectives, such as the provision of high-quality services worldwide. To that end, they undertake the implementation of global strategies and plans, and work to maintain the prescribed scope of service capability. They are required to comply with common standards, methodologies and policies, including those regarding audit methodology, System of Quality Management, risk management, independence, knowledge sharing, talent and technology.

Above all, EY member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, and all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values (see page 23).

Besides agreeing to comply with the regulations of EYG, EY member firms enter into several other agreements covering aspects of their membership in the EY organisation, such as the right and obligation to use the EY name and share knowledge among EY member firms.

EY member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, risk management, audit methodology and talent. EY member firms unable to meet quality commitments and other EYG membership requirements may be subject to termination from the EY organisation.



System of Quality Management

System of Quality Management

EY member firms completed their third annual evaluation conclusion of their System of Quality Management (SQM) as of 30 June 2025 in line with the requirements of the International Standard on Quality Management (ISQM 1).

In the UK, the FRC adopted ISQM 1 issued by the International Auditing and Assurance Standards Board (IAASB) and issued the 'International Standard on Quality Management (UK) 1' in July 2021 (subsequently updated in March 2023), effective 15 December 2022 (ISQM (UK) 1), expanding the scope to include additional services and specific other requirements. References to the application of ISQM 1 for EY UK are in accordance with ISQM (UK) 1.

The System of Quality Management emphasises our dedication to transparency, continuous improvement and adherence to rigorous standards in the performance of audits.

The System of Quality Management also reinforces the culture of quality and tone at the top, clearly defining leadership responsibilities and accountabilities related to quality.

The Global System of Quality Management Operations
Function, led by the Global System of Quality Management
Operational Leader, develops and continually enhances the
System of Quality Management for EY member firms to
adopt and customise based on local considerations. Whilst
EY member firms are ultimately responsible for establishing
and maintaining a System of Quality Management, the Global
System of Quality Management Operations Function provides
active support to EY member firms by:

- Developing policies and procedures in accordance with current quality management regulations
- Updating baseline quality objectives, risks and responses (e.g., controls)
- Providing a comprehensive annual risk assessment framework to use in identifying supplemental member firm specific quality objectives, risks, and responses
- Defining the methodology to conclude on the effectiveness of EY member firms' System of Quality Management
- Developing and updating tools, guidance, and training to facilitate the execution of key System of Quality Management activities

The Global System of Quality Management Monitoring and Analysis Function, led by the Global System of Quality Management Monitoring and Analysis Leader, also plays a key role through evaluating themes and learnings from monitoring activities to help EY member firms proactively address risks.

The Global System of Quality Management Leaders have been actively focussed on adherence to international quality standards, most recently preparing for the implementation of Public Company Accounting Oversight Board (PCAOB) Quality Control (QC) 1000, which has an effective date of 15 December 2026.

In the context of ISQM 1 and the annual evaluation of our System of Quality Management, EY UK refers to the following EY member firm performing audits or reviews of financial statements, or other assurance or related services engagements: Ernst & Young LLP.



Our role as auditors

EY member firms' commitment to providing high-quality audits is foundational to the EY Global All in strategy and vital to our role as auditors to build trust and transparency in financial reporting and serve the public interest. The reputation of EY UK for providing high-quality professional audit services independently and objectively is a priority, and fundamental to our success as independent auditors. We continue to invest in our System of Quality Management and to promote enhanced objectivity, independence, and professional scepticism. These are fundamental to the execution of high-quality audits. Designing, implementing and operating an effective System of Quality Management is essential to these efforts.

At EY UK, our role as auditors is to obtain assurance on the fair presentation of the financial statements of the companies audited. We bring together qualified teams to provide audit services, drawing on our broad knowledge and experience across industry sectors and services. We continually strive to improve quality and risk management processes, so that the quality of our service is at a consistently high level.

Whilst the market and stakeholders continue to demand highquality audits, they also demand an increasingly effective and efficient way to provide audit services. EY continues to look for ways to improve the effectiveness and efficiency of its audit methodology and processes, whilst improving audit quality.

EY Global works to understand where EY member firms' audit quality may not be up to its own expectations and those of stakeholders, including audit regulators. This includes seeking to learn from external inspections, internal inspections and other monitoring activities, and to identify the root causes of quality occurrences and positive quality outcomes to enable a continual improvement of audit quality.



Designing, implementing and operating a System of Quality Management

ISQM 1 requires a proactive and risk-based approach to managing quality by requiring EY member firms to design, implement and operate a System of Quality Management. ISQM 1 also requires evaluating, at least annually, the System of Quality Management.

ISQM 1 includes requirements for the governance, leadership and culture of professional accountancy firms, and requires a risk assessment process to focus the firm's attention on mitigating risks that may have an impact on engagement quality. It also requires extensive monitoring of the System of Quality Management to identify deficiencies that require implementation of corrective actions and to provide the basis for evaluating the overall effectiveness of the System of Quality Management.

ISQM 1 outlines an integrated and iterative approach to the System of Quality Management based on the nature and circumstances of the firm and the engagements it performs. It also takes into consideration the changes in the practice and the different operating models of the firms (e.g., use of technology, network and multidisciplinary firms).

The EY approach is to design, implement and operate a System of Quality Management that is consistently applied across the entire network of EY member firms to promote engagement quality and operating effectiveness. This is especially important in a global economy where many audits are transnational and involve the use of other EY member firms.

To achieve this purpose, EY member firms have access to certain policies, technologies, strategies and programmes to be used in the design, implementation and operation of the EY member firms' Systems of Quality Management. The purpose of these resources is to support EY member firms and their people.

For example, the EY approach to the required risk assessment process includes input and feedback from across EY service lines, functions, and geographic areas to develop global baseline minimums, including quality objectives (based on ISQM 1 requirements), and quality risks and responses (including System of Quality Management key controls) assumed to be applicable to EY member firms. In addition, global tools have been developed to support the System of Quality Management processes.

EY member firms, including that in the UK, are ultimately responsible for the design, implementation, and operation of their System of Quality Management, and have the responsibility to:

- Evaluate policies, technologies, strategies, programmes and baseline quality objectives, quality risks and responses provided to them
- Determine if they need to be supplemented by the member firm to be appropriate for use (e.g., if the policy needs to be amended to comply with local laws and regulations or if it is necessary to translate the content into local language)



System of Quality Management roles

To enable the design, implementation, and operation of the EY UK System of Quality Management, individuals are assigned to System of Quality Management roles. These individuals have the appropriate experience, knowledge, influence and authority, and sufficient time to fulfil their System of Quality Management roles and are accountable for fulfilling their responsibilities.

System of Quality Management roles and responsibilities are defined in the Global System of Quality Management policies to drive consistency in the execution of EY UK System of Quality Management. For individuals in EY member firm or regional leadership roles, there are accountability frameworks that outline how they will be held accountable for their System of Quality Management-related responsibilities, as well as other quality-focussed activities, and how the responsibilities link to their performance ratings.

Key roles within the System of Quality Management include:

Ultimate responsibility and accountability: The Ultimate Responsibility Committee (URC) is assigned ultimate responsibility and accountability for the System of Quality Management including evaluating and concluding on its effectiveness. The URC, chaired by the Country Managing Partner includes: the Managing Partner, UK FSO; the UK Head of Audit; and the UK Chief Financial Officer. The Country Managing Partner is the individual who signs the annual evaluation conclusion for the URC.

Operational responsibility for the System of Quality Management: The UK Assurance Managing Partner is the individual assigned operational responsibility for the System of Quality Management. This includes overseeing

the remediation process and recommending the System of Quality Management annual evaluation conclusion to:

- Oversight Committee
- Ultimate Responsibility Committee

A System of Quality Management Operational Committee chaired by the UK Assurance Managing Partner and the Managing Partner, Risk Management, UK was established to govern the operational responsibility of the System of Quality Management.

The System of Quality Management Operational Committee includes; the Country System of Quality Management Leaders, service line and quality leaders from each service line in UK and FSO (Assurance, Tax, Consulting and Strategy and Transactions), Assurance Quality and Professional Practice leaders in UK and FSO and operational leaders (including Independence, Risk Management, Talent and Root Cause Analysis).

Operational responsibility for compliance with independence requirements: The Country Independence leader is the individual assigned operational responsibility for compliance with independence requirements.

Operational responsibility for monitoring the System of Quality Management: The Country Professional Practice
Director is the individual assigned operational responsibility
for monitoring the System of Quality Management. This
includes overseeing the monitoring process and concurring
with or proposing changes to the recommended System of
Quality Management annual evaluation conclusion.

A System of Quality Management Oversight Committee chaired by the Country Professional Practice Director was established to oversee the monitoring processes and activities of the System of Quality Management. The System of Quality Management Oversight Committee includes the UK System of Quality Management Leaders, the Strategic Talent Partner, and senior partners representing Ethics and Independence, FSO Risk Management, Reporting Accountant services, US (QC 1000) System of Quality Management requirements, and operational leadership of the audit practice.



Effectiveness: Annual evaluation conclusion as of 30 June 2025

The Country Managing Partner, (representing the Ultimate Responsibility Committee) on behalf of EY UK, is required to evaluate the System of Quality Management on an annual basis, as of 30 June, and conclude on its effectiveness. The evaluation process is executed annually based on the Global System of Quality Management Annual Evaluation policy.

This evaluation is based on whether the EY UK System of Quality Management provides reasonable assurance that:

- EY UK and its people are fulfilling their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and engagements are being conducted in accordance with such standards and requirements.
- Reports being issued by the member firm and Partners in Charge (PICs) are appropriate in the circumstances.

The evaluation of the effectiveness of the System of Quality Management utilises information gathered from monitoring activities performed over a period. The evaluation considered the results of the following:

- Tests of System of Quality Management key controls.
- Internal and external engagement inspections.
- Other monitoring activities (e.g., tests of EY UK and its people's compliance with ethical requirements (including personal and non-personal independence), evaluation of quality observations made by external regulators relevant to the System of Quality Management, issues reported through the EY Ethics Hotline).

Professional judgement is used in evaluating the results of monitoring activities, including in determining whether findings, individually or in combination with other findings, rise to the level of a deficiency. Any deficiencies identified require a root cause analysis to be performed and a remediation plan to be developed. Further, deficiencies are evaluated to determine the severity and pervasiveness of the deficiency. If a severe deficiency was identified, a member firm would need to assess whether the effect of the deficiency was corrected, and the actions taken by 30 June 2025 were effective, in determining its System of Quality Management annual evaluation conclusion.

^{1.} Whilst the EY UK reporting period ended on 27 June 2025, the System of Quality Management is evaluated as at 30 June, to align with the rest of EY.



System of Quality Management annual evaluation conclusion as of 30 June 2025

The annual evaluation conclusion for EY UK as of 30 June 2025 is that the System of Quality Management provides reasonable assurance that the objectives of the System of Quality Management are being achieved, except for the following two matters related to identified deficiencies, not remediated at the time of this report, that had a severe but not pervasive effect on the design, implementation and operation of the System of Quality Management.

The two unremediated deficiencies considered as severe but not pervasive:

Designations for rotation purposes

This deficiency relates to rotation processes, specifically in assessing the appropriate designations to be afforded to a partner across their time serving on an audit engagement. In respect of one engagement, the application of our policies and procedures failed to prevent or detect a breach of permitted audit partner rotation requirements.

Having undertaken an investigation that has identified the root causes of this deficiency, EY UK is implementing various remedial actions that include adopting the best practices we utilise for managing rotation, more generally across our audit practice, as well as refining our processes that evaluate rotation and the second line oversight of them.

Treatment of an issue raised via EY Ethics Hotline

This deficiency relates to our whistle-blowing process. EY UK has a tried, tested and consistent approach to matters raised via the EY Ethics Hotline. However, for one matter identified during the year, the initial assessment undertaken did not recognise the seriousness of the issue and the investigation of the matter failed to reach the correct conclusion.

Having undertaken an investigation that has identified the root causes of this deficiency, EY UK is in the process of implementing a number of remedial actions, including introducing a triage process to assist in the identification of reports potentially impacting on the System of Quality Management. Another action is the development of a heightened approach for reports deemed high priority by that new triage process, to include senior and independent partners, with appropriate subject matter expertise, appointed to lead or support any such investigation and to provide a quality control review. In addition, our protocols will be amended as regards how the teams dealing with such issues will inform and update senior leadership.

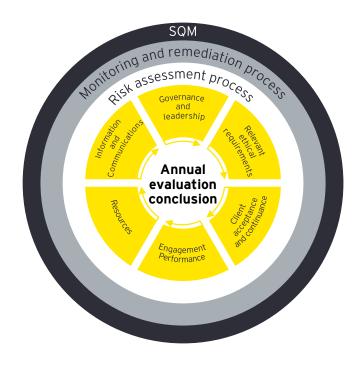
EY UK leadership remains steadfastly committed to the delivery of high-quality audits.



Components of our System of Quality
Management

Components of our System of Quality Management

In the following sections, we describe the components of the System of Quality Management at EY UK:





EY UK has designed and implemented a risk assessment process to establish quality objectives, identify and assess quality risks, and design and implement responses to address the quality risks as required by ISQM 1. The risk assessment process is executed annually based on Global System of Quality Management policies.

To drive consistency whilst providing EY member firms with an approach that is scalable and adaptable based on the facts and circumstances of the member firm, Global System of Quality Management baseline Quality Objectives, Quality Risks and Responses have been developed by representatives of EY Global Leadership (including Global Assurance Leadership) based on input from functional and service line groups at the Global, Area and Region level. Global System of Quality baselines include:

- System of Quality Management baseline Quality Objectives
- System of Quality Management baseline Quality Risks

- System of Quality Management baseline Responses
 - System of Quality Management baseline Resources (e.g., Global policies or technologies that mitigate an EY System of Quality Management baseline Quality Risk)
 - System of Quality Management baseline Key Controls to be designed and implemented to mitigate an EY System of Quality Management baseline Quality Risk

Global System of Quality Management baselines are presumed to be applicable to every member firm performing ISQM 1 engagements. EY member firms have the responsibility to evaluate the Global System of Quality Management baselines and determine if the Global System of Quality Management baselines need to be supplemented or adapted by the EY member firm to be appropriate for use (e.g., additional quality risks, customisation of responses). EY UK reviewed the Global System of Quality Management baselines and performed the following:

- Accepted or rejected the Global baseline Resources and Key Controls after appropriate analysis of the facts and circumstances. In the case of rejection of Global baseline Resources and Key Controls, preliminary discussion and agreement with the Area System of Quality Management Leadership is required
- Together with the Area System of Quality Management Leadership, identified the level of execution of Global baseline Key Controls
- Customised accepted global, area and region baseline key controls

The review of the Global System of Quality Management baselines considered the facts and circumstances of EY UK, including, the nature and operating characteristics of EY UK, the types of engagements performed and systemic trends from monitoring activities within the System of Quality Management.

In addition to reviewing the Global System of Quality Management baselines, EY UK determined if additional quality objectives, quality risks or responses were necessary. Based on the review of these baselines, in EY UK we have added or customised existing quality objectives, risks and responses to cover UK regulatory and operational requirements and to address feedback as a result of the FRC's annual inspection of the System of Quality Management. Global Baseline Risks and Controls were only rejected if mitigated by alternate UK Responses or not applicable to the operations of EY UK.





Tone at the top

EY UK leadership is responsible for setting the right tone at the top and demonstrating the EY commitment to building a better working world through behaviour and actions. Whilst the tone at the top is vital, EY people also understand that quality and professional responsibility start with them, and that, within their teams and communities, they are leaders too. The EY shared values, which inspire EY people and guide them to do the right thing, and the EY commitment to quality are embedded in who we are and in everything we do.

The EY culture strongly supports collaboration and places special emphasis on the importance of consultation in dealing with complex or subjective accounting, auditing, reporting, regulatory and independence matters.

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies, and is embedded in the EY culture of consultation, training and internal communications. Senior leadership reinforces the importance of performing quality work, complying with professional standards, adhering to EY policies and leading by example. In addition, EY member firms assess the quality of professional services provided as a key metric in evaluating and rewarding EY professionals.

To measure the culture of quality across EY member firms and provide EY UK with valuable insights into the perceptions of the culture of quality, including tone at the top, collaboration, workload management and ethical behaviour, a Global Quality Survey is undertaken annually. The results of the 2025 Global Quality Survey were used to identify areas where EY UK was doing well and where more actions may be required. The 2025 Global Quality Survey results indicate that EY people recognise how the tone at the top set by leadership demonstrates a commitment to quality and that EY UK recognises and values contributions to quality. The recognition of our strong culture of consultation, coaching and continuous quality improvement is also reflected in the results of the Global Quality Survey.

Refer to Appendix 3: Audit quality and culture for additional details on the UK Audit Quality Survey that is also run annually.



Global Code of Conduct

We promote a culture of integrity among EY professionals as well as those working with EY. The EY Global Code of Conduct provides a clear set of principles for all EY people to guide our actions and our business conduct. The EY Global Code of Conduct is divided into five categories:

- 1. Working with one another
- 2. Working with clients and others
- 3. Acting with professional integrity
- 4. Maintaining our objectivity and independence
- 5. Protecting data, information and intellectual capital

Through EY policies and procedures designed to support compliance with the EY Global Code of Conduct, and through frequent communications, we strive to create an environment that encourages all EY people to act responsibly, including reporting misconduct without fear of retaliation.

In the 2025 Global Quality Survey, 96% of respondents (97% for EY UK) indicated that if they were asked to do something they believe would compromise professional or ethical standards, they would raise concerns to their team, those in leadership roles, or through the EY Ethics Hotline.



Accountability frameworks

The accountability frameworks of EY are a set of policies and frameworks that put quality into action and outline how EY partners, principals, associate partners, executive directors, managing directors, directors and leaders will be held accountable for their System of Quality Management related responsibilities as well as other quality-focussed activities and how the responsibilities link to their performance ratings.

The global accountability framework is applicable to all EY member firm partners, principals, associate partners, executive directors, managing directors, directors, no matter their role, service line or location. Supplementing this framework are two additional frameworks:

- An Assurance-specific framework
- A framework covering individuals in leadership roles at the member firm and regional level, which is applicable for all service lines and functional leadership roles

Collectively, these three accountability frameworks set clear expectations for quality to maintain the confidence that external stakeholders place in EY. The frameworks outline criteria to validate whether an individual's quality rating is appropriately considered in their performance rating.

In FY25, EY UK adapted the existing EMEIA Framework for Considering Non-Compliance with Personal Independence Requirements and implemented the UK Framework to further strengthen the consequences of not complying with Personal Independence requirements including those in respect of Personal Independence Compliance Testing (PICT). In linking compliance with year-end performance evaluation outcomes, the framework seeks to raise awareness of the importance of Personal Independence requirements.



The EY Global Code of Conduct provides guidance on EY people's actions and business conduct. EY UK is committed to complying with applicable laws and regulations, and EY values underpin the commitment to doing the right thing. This important commitment is supported by several policies and procedures, explained in the paragraphs below.



Independence

Compliance with relevant ethical requirements, including independence, is a key element of the System of Quality Management. It involves determining that we are independent in both fact and appearance. The ethical and independence requirements relevant to EY audits and professional services are included in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code). We also comply with local ethical, including independence, requirements or codes applicable to EY UK audits and professional services. Refer to the Independence Practices section for information on policies, tools and processes relating to maintaining independence.



Non-compliance with laws and regulations (NOCLAR)

In accordance with the International Ethics Standards Board for Accountants (IESBA) Code, EY has adopted a policy designed to meet its obligations with respect to NOCLAR. The policy covers obligations with respect to non-compliant activity by clients or EY people, as relevant to their respective business activities.

In addition to the NOCLAR reporting obligations, EY may be required to make certain reports to relevant authorities regarding possible misconduct by clients – actual or suspected. Where such obligations exist, reports are made in accordance with local laws or regulations.



Global Compliance Office

Whilst specific legal and regulatory compliance requirements are managed by specialists and EY member firms, given the local applicability of laws and regulations, EY has a Global Compliance Office to oversee the design and implementation of compliance programmes, responsive to legal and regulatory requirements.

The topics currently in-scope of the Global Compliance Office are Al compliance, data compliance, conflicts of interest, financial crime, Independence, and Corporate Social Responsibility and Sustainability (CSR) compliance. These topics have been identified based on the common issues they present to the member firms within the EY network.

The Global Compliance Office also has a role in coordinating and monitoring compliance with the laws, regulations and EY policies related to the key global compliance topics. The three objectives of monitoring are to:

- 1. Provide assurance of the operational effectiveness of controls tested.
- 2. Identify opportunities for continuous improvement.
- 3. Identify instances of non-compliance for referral to risk management.

The Global Compliance Office is led by the Global Chief Compliance Officer, a role that reports to the Global Managing Partner – Business Administration and Risk.

EY UK has appointed a Chief Compliance Officer. This person is responsible for understanding the compliance requirements at the member firm level within Risk Management, for working with compliance specialists to design and implement compliance programmes that are

responsive to those requirements and for reporting to the member firm board and other governance bodies on the compliance performance at the local level.



Whistleblowing

The EY Ethics Hotline provides EY people, clients and others outside of the organisation with a means to confidentially report activity that may involve unethical or improper behaviour, and that may be in violation of professional standards or otherwise inconsistent with EY shared values or the Global Code of Conduct. The hotline is hosted by an external organisation that provides confidential and, if desired, anonymous hotline reporting.

When a report is submitted to the EY Ethics Hotline, it receives prompt attention from the relevant EY member firm's ethics team. Depending on the content of the report, appropriate individuals from Risk Management, Talent or other functions may also be involved in addressing concerns raised by the report. For a description of the deficiency in respect of one issue reported to the EY Ethics Hotline, refer to the System of Quality Management Annual Evaluation Conclusion.

Refer to <u>Appendix 3: Managing risks</u> – Risk management overview, for more information on ethics and whistleblowing in EY UK.



Anti-bribery

The EY Global Anti-Bribery Policy and the UK Anti-Bribery Policy Addendum provide EY UK people with direction on certain unethical and illegal activities. It emphasises the obligation to comply with anti-bribery laws and provides a definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered. In recognition of the growing global impact of bribery and corruption, efforts have been sustained to continue to embed anti-bribery measures across EY.



Insider trading

Local laws and regulations prohibit trading securities or other financial instruments when in possession of material non-public information, and EY is committed to acting with professional integrity and to complying with these laws, regulations and standards, including the UK Market Abuse Regulation (UK MAR). EY people are obliged to comply with these requirements and are prohibited from trading whilst in possession of material non-public information, known as "inside information".

The EY Global Insider Trading Policy reaffirms the obligation of EY people not to trade in securities or other financial instruments when in possession of material non-public information, provides detail on what constitutes inside information and identifies with whom EY people should consult if they have questions regarding their responsibilities.

Furthermore, we have UK-specific guidance and tools to support our people in complying with the requirements of UK MAR, specifically around confidentiality arrangements for inside information and compliance with the firm's regulatory obligations.



Economic and Trade Sanctions

It is important that EY member firms and EY people comply with the ever-changing rules on international economic and trade sanctions. EY makes available processes to support the identification of sanctions issued in multiple geographies both prior to business relationships being accepted and as they continue. Guidance is provided to EY people on impacted relationships and activities.



Anti-money laundering (AML)

EY UK is classified as an obliged entity under applicable AML regulations. Consistent with the EY global guidance on AML, EY UK has implemented policies and procedures designed to meet these obligations, including know your client procedures, risk assessments and suspicious activity reporting. EY people are trained on their responsibilities under the regulations and provided with guidance on who to consult when they have questions.



Data protection and confidentiality

The EY Data Protection & Confidentiality Global Policy, EY Binding Corporate Rules Programme and related EY policies set out principles and minimum standards to be applied to the collection, use and protection of all information that EY has responsibility for, including personal data

relating to current, past and prospective EY professionals, clients, suppliers and business associates, as well as other information considered confidential to clients, third parties or the EY organisation. This policy is consistent with the requirements of the European Union's General Data Protection Regulation (GDPR), UK GDPR, and other applicable laws and regulations concerning data protection and privacy in addition to relevant professional standards providing a framework for confidentiality. EY member firms, through local policy, may further strengthen applicable protections due under local law. The EY Binding Corporate Rules are approved by UK and EU regulators and overseen by the EY Global Chief Privacy Officer. They further provide a legal mechanism facilitating the movement of personal data within the EY network. In addition, EY teams are committed to the responsible use of personal and confidential data in Al technologies in accordance with applicable laws, regulations, and professional standards that apply to the use and management of AI systems and associated data.



Data Stewardship Office

EY recognises that data not only requires stringent protection but is also a valuable resource that can help drive innovation and create value. The EY Data Stewardship Office (DSO) is a response to the need for enhanced data governance and alignment across EY member firms, service lines and accounts.

The purpose of the DSO is to coordinate first-line risk and control functions, as well as to serve as a centralised resource to enable business accountability for managing and governing data throughout its lifecycle and consistent implementation of, and adherence to the EY Global Data Protection (DP) and Information Security Policies and Guidance, through integration with EY member firms, service lines and account teams.

To enhance EY data risk governance, the DSO is embarking on an assessment of EY data related policies and standard landscape. The framework leveraged to perform the current-state assessment is focussed on key components that make up a data governance programme, including policies and standards, data stewardship, metadata and linkage, data quality, risks and controls, monitoring and reporting.



Rotation and long association

EY UK has systems in place to facilitate compliance with the audit partner rotation requirements of the IESBA Code, the FRC's Revised Ethical Standard (ES) 2024 as well as the US Securities and Exchange Commission (SEC), where required. EY UK supports audit partner rotation because it provides a fresh perspective and promotes independence from company management. Audit partner rotation, combined with independence requirements and independent audit oversight, helps strengthen independence and objectivity, and is an important safeguard of audit quality.

For UK PIEs, the FRC's ES requires the lead engagement partner, and other audit partners who make key decisions or judgements on matters significant to the audit, (together, the Key Audit Partners (KAPs)), to be rotated after five years. For an existing audited entity which becomes a UK PIE, (including a newly-listed company), KAPs may remain in place for an additional two years before rotating off the team if they have served the entity for four or more years prior to the entity becoming a PIE. The engagement quality reviewer is required to be rotated after seven years.

Upon completing the maximum service period for rotation, a key audit partner may not lead or coordinate professional services to the UK PIE we audit until after completing a cooling-off period. This period is five years for KAPs, five years for an engagement quality reviewer and two years for other partners subject to rotation. Where audited entities are subject to long association and rotation requirements that are more stringent than those promulgated by the FRC, these are adhered to accordingly.

In addition to the KAP rotation requirements applicable to UK PIE companies we audit, EY has established a long association safeguards framework. This is consistent with the requirements of the IESBA Code and includes consideration of the threats to independence created by the involvement of EY professionals over a long period of time and a safeguards framework to address such threats.

EY UK employs processes to monitor compliance with internal rotation, and requirements for audit partners and other EY professionals who have had a long association with the audited entity. For a description of the deficiency in respect of designations for rotation purposes refer to the System of Quality Management Annual Evaluation Conclusion.



External rotation

Where required under Article 17 (1) of the EU Audit Regulation, EY complies with the external audit firm rotation requirements for PIEs.

For UK PIEs, we comply with the external audit firm rotation requirements of Sections 491 and 491A of the Companies Act 2006, and the FRC's Revised ES 2024.

There are supplemental EY UK System of Quality Management responses (notably processes and related controls) in place to trigger the advance identification of mandatory firm rotation dates. Communication relating to these deadlines with relevant engagement teams will trigger appropriate communication with entities.



Client and engagement acceptance and continuance



Global policy on client and engagement acceptance and continuance

The EY global policy on client and engagement acceptance and continuance and the UK addendum set out principles for EY member firms to determine whether to accept a new client, a new engagement with an existing client, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting EY people and meeting regulatory requirements. The EY global policy on client and engagement acceptance and continuance is an example of a policy issued by EYG to help ensure the adherence to EY values and to drive consistency in the System of Quality Management.

The objectives of the policy are to:

- Establish a rigorous process for evaluating risk and making decisions on whether to accept or continue clients or engagements
- Meet applicable independence requirements
- Identify and deal appropriately with any conflicts of interest

- Identify clients or engagements that pose heightened risk
- Highlight clients or engagements that are inconsistent with EY values
- Require consultation in certain situations with designated EY professionals to identify additional risk management procedures for specific high-risk factors
- Comply with legal, regulatory and professional requirements
- Determine that the intended engagement is within the EY Service Framework and does not involve a prohibited service

In addition, the EY global policy on conflicts of interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions aimed at mitigating potential conflicts of interest as quickly and efficiently as possible, using appropriate safeguards. Such safeguards may include obtaining client consent to act for another party where a conflict of interest may exist, establishing separate engagement teams to act for two or more parties, implementing appropriate separations between engagement teams or declining an engagement to avoid an identified conflict.

The EY global policy on conflicts of interest and associated guidance consider the increasing complexity of engagements and client relationships, and the need for speed and accuracy in responding to clients. They also align with the latest IESBA Code.



Putting policy into practice

We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for coordinating client and engagement acceptance and continuance activities in line with global, service line and EY member firm policies. PACE takes users through the acceptance and continuance requirements for both audit and non-audit engagements and identifies the policies and references to professional standards, including independence, needed to assess both business opportunities and associated risks. PACE is an example of technological resources made available to EY member firms across the globe with the aim of driving consistency.

The process for acceptance or continuance of clients and engagements includes consideration of the engagement team's assessment of risk factors across a broad range of categories such as industry, management's attitude, internal controls, audit complexity and related parties.

As part of this process, we consider the risk characteristics of a prospective client or engagement, and the results of due diligence procedures. Before taking on a new client or engagement, we also determine whether we can commit sufficient and appropriate resources to provide quality services, especially in highly technical areas, and if the services the client is requesting are appropriate for us to provide. The approval process provides that new audit engagements may not be accepted without an approval by representatives from Professional Practice Director (PPD) and Assurance Managing Partner (AMP) teams at a Country, Region and Area level, as applicable.

In the EY annual client and engagement continuance process, we evaluate our services and ability to continue providing a quality service. The engagement partner, together with our Assurance leadership, annually evaluates the relationship with the entities to which we provide assurance services, to determine whether continuance is appropriate.

As a result of this evaluation, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit relationships are discontinued, after due consideration of our public interest responsibilities. As with the client and engagement acceptance process, depending on the risk factors, our Regional or local PPD and AMP are involved in the continuance process and should agree for the continuance to occur.



There is EY investment of more than \$1b (USD) in nextgeneration assurance technology as part of the continued EY commitment to drive audit quality and promote confidence in the capital markets; transform the audit experience; and inform stakeholders with technology-centric and dataenabled perspectives.



The Role of Technology

The latest phase of the \$1b (USD) technology investment introduces a series of Al-powered capabilities to accelerate audit transformation and bring Al to scale to support the 160,000+ EY audit engagements around the world. This builds on the strength of the existing leading-edge audit technology suite – integrating advanced technologies under one seamless Al-powered platform whilst also driving transformation by harnessing:

- Next-generation data access capabilities and advanced analytics
- Al at scale
- An elevated user experience

In 2025, the global EY organisation released a further 30 new and enhanced Assurance technology capabilities, bringing the total to more than 100 new capabilities or enhancements since the launch of our four-year technology investment programme.

Spotlight on driving quality through technology

Next-generation data access capabilities and advanced analytics

Advanced data capabilities help to drive quality by supporting the analysis of large data populations – supporting data-driven auditing that is embedded into methodology. The EY global analytics suite (EY Helix) already supports the use of mature analytics throughout the audit – allowing EY teams to drill down on the right data at the right time and better understand the audited company and its risk landscape. By further integrating advanced analytics directly into the workflow of the EY audit platform, EY Canvas, we deliver data to the user at the point of need, significantly elevating their experience. Enhancing data capture and analysis capabilities helps to provide further confidence in a high-quality audit by widening the range of data used to obtain audit evidence.

Al at scale

The new capabilities include EYQ Assurance Knowledge, which uses generative AI (GenAI) to help with detailed searches and summarisation of accounting and auditing content. By integrating EYQ Assurance Knowledge directly into the EY Canvas workflow, 140,000 EY assurance

professionals are equipped with GenAI that also provides responses based on the profile and context of the audit engagements for companies served, including geography, industry and complexity.

Additional capabilities include a new release of the EY Intelligent Checklists with AI, which uses GenAI to recommend responses to questions in disclosure checklists, and EY Financial Statement Tie Out, which supports audit professionals with accuracy and integrity checks of financial statements. These AI-powered capabilities are developed and deployed in alignment with the EY organisation's nine principles of Responsible AI and the EY AI Assurance Framework.

An elevated user experience

A leading-class experience helps to drive quality by facilitating highly integrated and consistently executed audits worldwide. EY Canvas sits at the centre of the audit experience today, supporting effective coordination, consistent documentation and easier collaboration between EY teams and companies around the world. Integrating a guided workflow, data and knowledge under a single platform empowers EY teams to access all the capabilities involved in providing high-quality audits, whilst also empowering company users with features to better understand the status of the audit.

Quality at the core of technology development

The efforts of EY to provide this next-generation Assurance technology platform are consolidated under a global transformation programme. This programme includes standardised protocols that are adhered to with regard to technology concept creation, development and deployment. Multiple stakeholders are involved in this effort, including global and Area representatives from Professional Practice, the Global Assurance Quality Network and EY Technology.

New assurance technology concepts are presented to a global committee of these stakeholders for evaluation based on several benefit criteria, including quality, value for EY professionals and value for EY clients. If the committee believes that a concept lacks sufficient attributes under these and other criteria, it is rejected or adjustments are made, and it is re-presented to the committee. Where technology is developed and released globally, our global approval process is designed to determine if UK-specific legal requirements and quality standards are met before technology is released to the practice.

Stringent testing throughout the development cycle, including with end users, is a prerequisite for the release of any audit technology. The Assurance technology is then presented for release to global Assurance service line leadership once this extensive testing, including piloting, is completed, feedback is evaluated and incorporated, and the necessary certification is complete.

Technology-enabled methodology

Companies are leveraging technology to develop new systems and processes for business management, as well as analysing more data to inform business decisions. This trend is facilitating a more data analysis-driven and risk-based approach to the audit, which means that full populations of data can be analysed, focussing the auditor's attention on the complete transaction flow and process.

The embedded data-driven approach of EY Global Audit Methodology (EY GAM) enhances the auditor's preliminary risk assessment and helps the auditor to challenge those conclusions throughout the various phases of the audit. The auditor can reassess risk based on what is identified in the data, which creates an audit flow that is iterative in nature.

Addressing the risk of technology over-reliance

EY has procedures, policies, and enablement in place to encourage the responsible use of audit tools and technology, including Al-powered technologies, and to mitigate the risk of over-reliance by the audit professional. In addition, EY GAM emphasises applying appropriate professional scepticism, supervision and review in the execution of audit procedures. EY audit tools and technology, including Al-powered technology, are designed to provide support for the audit team's procedures to address risks of material misstatement, but not to replace the important role of the professional in applying their experience and judgement to reach a conclusion.



Addressing fraud risks in the audit

As organisations become increasingly complex and more digital dependent, there is a need to evolve the auditor's efforts to identify and respond to risks of material misstatement due to fraud, as well as the auditor's response to identified or suspected fraud.

EY leverages data to identify and respond to the risk of fraudulent financial reporting. For example, auditors can utilise advanced data analytics capabilities of EY Helix to identify unusual transactions and their patterns that could indicate a heightened risk of fraud. In addition to access to Forensic specialists, EY tools and processes are available to help EY teams to identify and respond to specific risks of fraud, which include:

- The Document Authenticity Tool, which tests for alterations to selected electronic documents using a variety of techniques and helps to identify when a document provided as audit evidence may have been altered, tampered with or modified.
- The Journal Entry Fraud Risk Analyser, which evaluates each journal entry selected for characteristics associated with an elevated risk of management override and identifies entries for incremental consideration.
- The Short Seller Report Alert Process, which monitors and distributes reports globally to EY audit teams and leadership.



Reviews of audit work

EY policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed and the requirements for documenting the work performed and conclusions reached. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for technical accuracy and completeness. Senior audit executives and engagement partners perform a second-level review to determine the adequacy of the audit work as a whole and the related accounting and financial statement presentation. Where appropriate, and based on risk, a tax professional reviews the significant tax and other relevant working papers. For listed entities and UK PIEs and certain other companies, an engagement quality reviewer (described below in the Engagement quality reviews section) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the audited entity and the auditor's report.

The nature, timing and extent of the reviews of audit work depend on many factors, including:

- The risk, materiality, subjectivity and complexity of the subject matter
- The ability and experience of audit engagement team members preparing the audit documentation

- The level of the reviewer's direct participation in the audit work
- The extent of consultation employed

EY policies also describe the critically important role of the PIC in managing and achieving quality on the audit and reinforcing the importance of quality to all members of the audit team, including component auditors.



Consultation requirements

EY consultation policies are built upon a culture whereby EY audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting matters. In the 2025 Global Quality Survey, 87% of respondents (87% for EY UK) said the EY culture of consultation encourages them to seek advice and support.

As the environment in which EY member firms work has become more complex and connected around the globe, the EY culture of consultation has become even more important to help EY member firms reach appropriate conclusions about entities that they audit on a timely basis. Consultation requirements and related policies are designed to involve the right resources, so that EY audit teams reach appropriate conclusions.

The EY culture of consultation supports audit teams in providing seamless, consistent and high-quality services that meet the needs of audited entities, their governance bodies and all stakeholders.

For complex and sensitive matters, there is a formal process requiring consultation outside of the audit team with other EY professionals who have more relevant experience, primarily Professional Practice and Independence professionals. In the interests of objectivity and professional scepticism, EY policies require members of Professional Practice, Independence and certain others to recuse themselves from the consultation if they currently serve, or have recently served, the entity to which the consultation relates. In these circumstances, other appropriately qualified individuals would be assigned.

EY policies also require that all consultations are documented, including written concurrence from the person or persons consulted, to demonstrate their understanding of the matter and its resolution.



Engagement quality reviews

EY engagement quality review policies, which are in accordance with ISQM 2, Engagement Quality Reviews, address the audits that are subject to engagement quality reviews and the qualifications of engagement quality reviewers. Engagement quality reviewers are provided with training and enablement to support the execution of the engagement quality review. Engagement quality reviewers are experienced EY professionals with significant subject-matter knowledge. They are independent of the engagement team and provide an objective evaluation of the significant judgements made by the engagement team, and the conclusions reached thereon. The performance of an engagement quality review, however, does not reduce the responsibilities of the PIC for the engagement and its performance. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy, execution and conclusion. Policies and procedures for the performance and documentation of engagement quality reviews provide specific guidelines on the nature, timing and extent of the procedures to be performed, and the required documentation evidencing their completion. In all circumstances, the engagement quality review is completed before the auditor's report is dated.

Engagement quality reviews are performed in compliance with professional standards for audits of all listed companies, all PIEs and those considered to need close monitoring. The Country AMP (or Country Audit Leader) and Country PPD approve the assignment of the engagement quality reviewer to each applicable engagement.



Engagement team resolution process for differences of professional opinion

EY has a culture that encourages and expects EY people to speak up, without fear of reprisal, if a difference of professional opinion arises or if they are uncomfortable about a matter relating to an engagement. Policies and procedures are designed to empower members of an audit engagement team to raise any disagreements relating to significant accounting, auditing or reporting matters.

The nature of the EY culture is made clear to people as they join an EY member firm, and EY member firms continue to promote a culture that reinforces a person's responsibility and authority to make their own views heard and seek out the views of others.

Differences of professional opinion that arise during an audit are generally resolved at the audit engagement team level. However, if any person involved in the discussion of an issue is not satisfied with the decision, EY policies require that they refer it to the next level of authority until an agreement is reached or a final decision is made, including consultation with Professional Practice if required.

Further, if the engagement quality reviewer makes recommendations that the PIC does not accept or the matter is not resolved to the reviewer's satisfaction, the auditor's report is not issued until the matter is resolved.

Differences of professional opinion that are resolved through consultation with Professional Practice are appropriately documented.



Records retention

The Records and Information Retention and Disposition Global Policy supports and builds upon provisions within the EY Global Code of Conduct regarding acting with professional integrity in terms of documenting work and respecting intellectual capital. This policy, and the Global Retention Schedule (GRS) establish records and information management (RIM) requirements for the management of records and information and documents ("records and information") throughout their lifecycle, including the requirement to securely discard or delete records for which the retention period has expired, unless special and acceptable circumstances apply. This policy, and the GRS and RIM requirements, are in accordance with applicable professional standards and are based on regulatory, legal, and business requirements and obligations. They apply to all engagements and EY people, address EY UK legal requirements, are applicable to the creation and maintenance of working papers, and are relevant to the work performed.



There is continued EY investment in resources. Resources defined by ISQM 1 includes intellectual, technological and human resources.



Audit methodology

EY GAM provides a global framework for providing highquality audit services through the consistent application of thought processes, judgements and procedures in all audit engagements, regardless of the size. EY GAM also requires compliance with relevant ethical requirements, including independence from the audited entity. Making risk assessments; reconsidering and modifying them as appropriate; and using these assessments to determine the nature, timing and extent of audit procedures are fundamental to EY GAM. The methodology also emphasises applying appropriate professional scepticism in the execution of audit procedures. EY GAM is based on International Standards on Auditing (ISAs) and is supplemented in EY UK to comply with the local UK auditing standards and regulatory or statutory requirements. EY GAM is one example of an intellectual resource made available to EY member firms to drive consistency in the execution of audit engagements.

Using EY Atlas, an EY auditor is presented with EY GAM, which is organised by topic and designed to focus the audit strategy on the financial statement risks, and the design and execution of the appropriate audit response to those risks. EY GAM consists of two key components: requirements and guidance; and supporting forms and examples. The requirements and guidance reflect both auditing standards and EY policies. Examples in EY GAM supplement the requirements and guidance with leading practice illustrations.

EY GAM specifically distinguishes the requirements and guidance that apply to audits of listed entities and PIEs.

The results of internal and external inspections, engagement team coaching activities, and other sources, provide insight into the quality of EY audits. This feedback loop is critical to understanding what quality-driven activities are most important to drive our future success, and whether those initiatives are proving effective in remediating prior deficiencies.

Specific consideration is given to whether changes in audit methodology are warranted to address challenges occurring in practice that are observed through these activities.

EY continues to develop the methodology, guidance and associated enablement to address changes and revisions in auditing and other professional standards and changes within entities' financial reporting processes, and to enhance guidance related to matters that are important to entities' stakeholders, such as climate-related risks, cybersecurity risk and the entity's use of emerging technologies within their operations or financial reporting processes (e.g., automation, AI, blockchain).

Recently, EY GAM was updated in the UK to include the supplemental requirements of ISA(UK) 505 (Revised October 2023) *External Confirmations*.



Non-financial reporting

EY member firms provide assurance services on a wide range of non-financial information and reporting-related information. The EY Sustainability Assurance Methodology (EY SAM) provides a global framework for the application of a consistent approach to all assurance engagements on sustainability information. EY SAM provides for the delivery of high-quality assurance services through the consistent application of thought processes, judgements and procedures in all engagements, tailored to the level of assurance required. EY SAM is also adaptable to the nature of both sustainability reporting, and the criteria applied by the reporting entity in producing that report.

The methodology emphasises applying appropriate professional scepticism in the execution of procedures taking into consideration the changing landscape in sustainability reporting and criteria. EY SAM is based on the International Standards on Assurance Engagements (ISAEs).

EY has developed guidance, training and monitoring programmes and processes used by EY member firm professionals to execute such services consistently and effectively. This includes the EY Climate Change and Sustainability Services – a dedicated team of sustainability professionals – who work on an increasingly integrated basis with our audit teams to the benefit of both our financial and non-financial assurance services.

Guidance has also been developed for EY audit teams to assess the impact of climate risk on financial reporting under International Financial Reporting Standards (IFRS) or other financial reporting frameworks. The Global, Area, Regional and Country PPDs, EY quality functions and IFRS desks, together with other finance and sustainability professionals, who work with teams in each member firm, are knowledgeable about the changing regulatory non-financial reporting landscape, EY people, clients and processes. They are readily accessible to support Assurance engagement teams.

There is continued EY investment in resources (human, intellectual and technological) for assurance engagements on sustainability reporting prepared in compliance with IFRS Sustainability Disclosure Standards or the European Sustainability Reporting Standards (ESRS).

Additionally, the EY quality management-related processes aim to address such aspects as the engagement acceptance process, training and accreditation requirements, and resource assignments specifically related to assurance services over non-financial reporting matters.

The EY SAM guidance is being updated to consider requirements in various jurisdictions.

EY provides input to a number of public and private initiatives to improve the quality, comparability and consistency of non-financial reporting, including climate risk. These activities take place at a global, regional and national level.



Certification of technology

EY has a stringent certification process to verify that automated tools and techniques used in audit engagements are fit-for-purpose, and EY people have the appropriate competencies and support to use the solution. Certification addresses a range of aspects, including that the solution has a clear audit evidence objective, was appropriately tested, that methodology, enablement and learning are available to support its application, and that relevant legal and regulatory requirements have been managed (e.g., data privacy).



Employee value proposition (EVP)

The EY EVP is the promise we make to our employees in return for working at EY UK. The composition of EY people is changing continually, and we are in a dynamic and competitive talent market, where EY people now want different things from their workplace. What we promise in our EVP matters more than ever.

As part of the new EY strategy, the EVP has been updated to reflect that every employee can "shape your future with confidence." This signals a step change from enabling an exceptional EY experience to providing the opportunities to develop, empower and fuel extraordinary EY people.

EY UK is committed to investing in our most valuable asset – our people – to help ensure we keep our promise to them. Delivering on the EVP in turn helps us to drive further advances in audit quality, creating real value and insights for entities that are audited by us.

In FY25, EY is focussed on activating the new EVP primarily through two globally consistent signal commitments: **Career Agility** and **Thrive Time.**

Career Agility is about empowering employees to shape their future with confidence, leveraging the full extent of our reach and resources to achieve their career goals. This means supporting EY employees in exploring a personalised, flexible career path encompassing a range of different roles and experiences across geographies, assignments, industries and service lines.

Thrive Time is focussed on personal growth. We are committed to building a culture where employees are enabled and supported to carve out dedicated time for personalised growth activities including learning new skills, focussing on wellbeing, and engaging with the communities in which we live and work.



Attracting and recruiting talent

With the number of young people pursuing careers in accounting and audit declining, competition for talent with the optimal skill set has never been higher. Attracting the next-generation of high-quality auditors remains a top priority for EY. This is also an industry-wide priority.

In response to this challenge, the Global Public Policy Committee (GPPC), which brings together leaders from the six largest international accounting networks (BDO, Deloitte, EY, Grant Thornton, KPMG, and PwC) to focus on public policy issues facing the global multidisciplinary accounting profession, launched the Attractiveness of the Profession (AotP) workstream. One of the AotP initiatives seeks to develop narratives about the positive attributes of the profession – with the goal of driving long-term sector strength by developing an early-stage talent pipeline that benefits the entire profession.

To expand the careers talent pipeline and reach broad and diverse audiences globally, EY launched the audit virtual work experience programme for university and college students who are at early stages of their studies and are looking to explore future career paths. The purpose is to connect with students and showcase the audit work that EY teams carry out across the globe, in a direct and informal way, with the aim of building a network with our future talent from the early stages of their academic journey. Students taking this virtual job simulation are more likely to apply, have an interview and be successful in securing an opportunity in EY audit teams.

EY UK retains a strong network of recruiters and continues to educate and upskill them in the key areas of focus for EY businesses, current trends and hot topics in assurance, so that they are armed with the information to talk to candidates. EY UK also continues to work on talent attraction initiatives with the purpose of networking with new and diverse audiences that we didn't have the opportunity to connect with via the traditional channels, and to innovate in the ways we communicate with and attract our future talent.

EY is using AI to help screen CVs (in line with EY AI principles and always with humans as decision makers), enabling recruiters to accelerate the review and interview process. EY UK now aims to include at least one interview step to be in person, ensuring a better candidate experience, and better-quality candidates to fill the vacancies faster.

To recruit people who fit with the EY culture, it is important to consider not only technical excellence, but also other attributes and skills, such as communication skills, high ethical standards and the ability to collaborate in high-performing teams. All joiners are expected to live up to high standards of integrity, and to have strong business acumen and leadership potential.



Retention and focus on wellbeing

Retaining talent is a key factor in providing high-quality audits. Retention can vary based on external drivers, such as market conditions, but as of the end of FY25, the retention rate for EY was 78% (88% for EY UK).

EY people have always wanted to achieve the right balance between their professional and personal lives, but the younger workforce generations are much quicker to take action if their desired level of flexibility or wellbeing is not met.

An increasingly important talent priority has been a focus on wellbeing and improving the day-to-day experience of EY people. The overarching goal is to embed a wellbeing culture through the commitment of leadership to provide the financial, physical, emotional and social support that enables EY people to be the best they can be. This can manifest itself in the provision of flexible working arrangements, recognition programmes, mental health awareness and wellbeing, learning and development, plus much more.

This year, activation of the **Thrive Time** signal commitment has put additional focus on personalised growth activities, including dedicating time to improve wellbeing and personal growth.

Refer to <u>Appendix 3: People, Values, Behaviours</u> for more information on wellbeing.

In practice, this also includes equitably balancing work allocations and breaking down barriers that have previously prevented EY professionals from setting and adhering to healthy boundaries. There is a stronger focus on experience management, scheduling auditors onto engagements, where they can find opportunities to expand their knowledge as part of longer-term career progression.

The better the organisation can support EY people's wellbeing, the more likely it is to provide them with compelling reasons to continue their career journey within the EY network.



The Audit Academy

Changing environments mean that investments in exceptional talent need to be agile. EY audit teams already bring together an increasingly diverse set of skills and this trend will only accelerate as new technologies are adopted and the role of the audit professional continues to evolve. Skill sets will need to be further enhanced to encompass new competencies, such as appropriate use of AI, and new areas, such as the analysis of non-financial information (e.g., rapidly changing sustainability standards).

EY audit professionals also need to understand and assess the risks and considerations associated with these technologies, particularly as companies implement new systems and generate new data that impact financial and non-financial reporting, such as processes dealing with cryptocurrencies or greenhouse gas emissions.

This is addressed through the Audit Academy, the EY global learning programme for auditors. It builds auditors' core skill sets and evolves over time. Every year, the content and focus of the Audit Academy is adjusted to address new technologies and strategic priorities that promote audit quality. In addition, inspection and quality review findings are reviewed regularly to assess and address root causes, and the conclusions are then fed into the Audit Academy curriculum as part of the annual maintenance. Any recommended changes are agreed with Assurance leadership and then approved by the EY Global Assurance Learning Steering Committee.

Teams can be sure that they are receiving leading-class and globally consistent core learning. The Audit Academy encourages and empowers individuals to apply professional scepticism, think critically and provide exceptional client service. It creates an agile skillset that allows learners to adjust to changes in regulation, or the adoption of emerging technologies such as new data analytics tools and techniques or the appropriate use of AI.

The Audit Academy is designed to provide flexibility in deployment, through a blend of on-demand content and simulation or case study-based learning that can be deployed either physically or virtually.

EY UK requires audit professionals to obtain at least 40 hours of continuing professional education each year. Of these hours, a minimum of one hour of ethics is required to equip our people with the knowledge and confidence to demonstrate high standards of ethical conduct in their professional roles. Furthermore, 40% (16 hours each year)

must cover technical subjects related to accounting and auditing.

Refer to <u>Appendix 3: People, Values, Behaviours</u> for more information on professional development.

In total, during FY25, EY audit professionals globally undertook 8.4 million hours of learning, averaging 84.2 hours each, well in excess of the minimum requirements. Whilst some of these incremental hours relate to technical accounting and auditing subject matter, others support the development of broader skills, such as those described in the next section. In the 2025 Global Quality Survey, 84% of respondents said they received sufficient training and development to enable them to provide quality audits or other assurance engagements, the same as 2024 and up 5% from 2023.

Refer to <u>Appendix 3: Audit quality and culture</u> – Metrics on investment in audit quality (training) for information on the hours of learning undertaken by EY UK audit professionals and EY UK Quality Survey results.



EY Badges and Partner Learning

In addition to audit-specific learning, EY provides a broad curriculum of content. This covers legal, ethical and compliance related topics (such as independence, values and information security) as well as other skills such as wellbeing, coaching, counselling, teaming, and business development. To encourage the building of new skills, the EY Badges programme enables EY professionals to gain future-focussed skills, including robotic process automation, teaming, innovation and cybersecurity, as well as other capabilities that are in high demand, such as AI and sustainability. EY Badges is a self-directed learning initiative that supplements a substantial programme of core structured training for auditors.

Allied to EY Badges is the EY Tech MBA and Masters in both Business Analytics and Sustainability. These are online qualifications awarded by Hult International Business School, a triple-accredited university, that are available free of charge to all EY people.

At the end of FY25, over 107,934 EY Badges had been awarded to current EY audit professionals, including 32,030 in analytics and data strategy alone. In addition, more than 47,785 EY Badges have been awarded to people who have since left EY.

There are also a variety of learning programmes that have been developed specifically for EY member firm partners. These are available to all EY member firm partners worldwide and cover topics including AI, inspirational leadership, disruptive technology, and sustainability. These are supplemented by high-touch, immersive programmes for selected groups of partners on topics such as client leadership and disruptive technology, and there are also regular learning programmes on audit-specific topics such as risk assessment and fraud.



Academic integrity

EY provides EY people with a comprehensive programme of learning to support quality and professional development. Academic integrity is foundational to that programme. EY UK supports our people in engaging meaningfully with the learning programme and makes clear that there will be consequences for any breach of academic integrity.



Personalised careers with diverse experiences

As the workforce becomes more diverse in terms of background, skill sets, experiences and education, EY member firms are implementing more flexible career paths for all EY professionals.

Offering an agile and flexible career path that includes acceleration for the highest performers is vital in attracting new, diverse talent and in helping to develop and retain the existing workforce.

Promotions aim to focus on EY people's skills, not the number of years in a post. For example, promotion decisions are moving away from a traditional annual cycle as EY introduces more "agile promotions," where career progression takes place when an individual is ready, and there is a business need, rather than at set times in the year.

Recognising, however, that individuals often have different career expectations, EY people are provided the necessary tools and processes to manage their own progression their way. As evidence, in the 2025 Global Quality Survey, 89% of participants said that any relevant learning is encouraged as part of their career development to enable them to provide quality audits and other assurance services.

This year's activation of the **Career Agility** signal commitment also represents our ambition to create a dynamic and equitable career environment where EY people can explore more varied roles and opportunities within the organisation, leading to a more engaged and versatile workforce. This will be enabled by greater transparency around EY internal opportunities as well as structured programmes for rotational roles.

Refer to <u>Appendix 3: Audit quality and culture</u> – Metrics on investment in audit quality (training) for information on the hours of learning undertaken by EY UK audit professionals.



Mobility

One of the most powerful experiences EY member firms can offer their people is to work across cultures and borders. Mobility gives EY people the confidence to shape their future – and in turn, help EY clients and communities shape their future. We know that people join EY for exceptional and diverse experiences, with opportunities for international work and travel being among the top five most influential factors for new hires in EY Assurance to accept an EY offer. Through mobility, EY people can take their career anywhere and explore diverse cultures and world-class experiences, enhance their career agility and deepen their relationships with our globally connected teams. Every cross-service line experience fuels professional growth and personal fulfilment.

EY member firms provide a variety of on-demand mobility solutions. The global mobility programme, Mobility4U, makes international mobility accessible to EY professionals across all service lines and ranks up to and including senior managers, with a focus on developmental opportunities for EY people. Mobility can also be prompted by specific needs in a region, service line or sector, and for member firm partners and future leaders to support key business objectives.

A recent mobility return-on-investment analysis conducted by EY Global showed that international experience positively impacted career opportunities. Seventy-six per cent of mobility assignees reported a positive impact on career one year after an assignment, 92% of assignees said their international assignment experience was exceptional and 98% would recommend an EY mobility assignment.



Performance management

The EY performance management framework, Leadership Evaluation and Development (LEAD), supports EY people's careers, inspires their growth and recognises the value they bring to EY UK. Through defined global and local key performance indicators (KPIs), ongoing feedback, counsellor insights and conversations, LEAD helps align individuals with the EY strategy and enables a focus on the future. An individual's dashboard provides a view of their year-to-date feedback and comments about their engagement performance, including feedback related to quality, risk management and technical excellence. At the year end, individuals receive an outcome, called a category, based on aggregated feedback, progress against KPIs and contributions to EY via counsellor and leader insights. The category serves as one input to compensation and reward programmes.

At the centre of the framework are conversations between counselee and counsellor, covering topics such as feedback, career aspirations, creating an inclusive and equitable environment and pursuing learning and new experiences. These conversations help to identify opportunities for further development and to build future-focussed skills.

The performance management framework extends to partners, principals, executive directors and directors (PPEDDs), and applies to all EY member firms around the world. It reinforces the global business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and an annual performance review, all tied to partners' recognition and reward. Documenting PPEDDs' goals and performance are the cornerstone of the evaluation process. An EY member firm partner's goals are required to reflect various global and local priorities across six metrics, with a key focus on quality.



Engagement

Employee engagement is a vital sign of success in building the right culture. Understanding the ambitions, concerns and pressures faced by EY people makes it possible to provide a better environment in which they can flourish.

Listening to the views and concerns of EY people is a key element in increasing engagement. The EY employee listening strategy gives EY people a voice at every step of their EY experience, so that we know what they need and what EY UK can do to help build exceptional experiences. Understanding the evolving perspectives and experiences of EY people is essential to delivering our EVP.

The Employee Listening Survey is run two times per year to gather feedback on key elements that drive engagement and retention. Each survey focuses on different strategic drivers (e.g., careers, learning and skills) and includes other relevant topics.

The EY Team Experience Survey is another critical element of the employee listening strategy, aimed at improving and unifying the day-to-day experience for engagement teams. Eligible team members provide feedback on their experience of an engagement across a variety of questions, rated on a five-point scale. This feedback provides actionable insights and pathways for tangible change at the engagement team level.

EY Assurance runs an initiative known as "Global Voices" which unites up to 200 high-performing junior assurance professionals from across the world and all sub-service lines. Its purpose is to empower and engage the EY member firms' workforces by seeking their feedback on a wide range of topics of strategic importance, to broaden leadership perspectives. Leadership teams are increasingly engaged and motivated to understand the group's perspectives on business-critical challenges such as talent retention, technology, Al and innovation.



Knowledge and internal communications

In addition to professional development and performance management, EY understands the importance of providing EY audit teams with up-to-date information to help them perform their professional responsibilities. There is significant EY investment in knowledge and communication networks to enable the rapid dissemination of information to help EY people collaborate and share best practices. EY resources and tools include:

- EY Atlas, which includes local and international accounting, auditing and sustainability standards, as well as interpretive guidance
- Publications such as International Generally Accepted Accounting Principles (GAAP), IFRS developments and illustrative financial statements
- Global Accounting and Auditing News a weekly update covering assurance and independence policies, developments from standard-setters and regulators, as well as internal commentary thereon

 Practice alerts and webcasts, covering a range of global and country-specific matters, designed for continuous improvement in EY member firms' Assurance practices

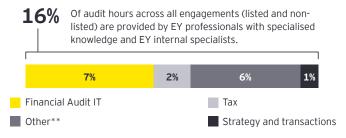


Formation of audit engagement teams

The assignment of EY professionals to an audit engagement is made under the direction of our UK Assurance leadership. The factors considered when assigning EY people to audit engagement teams include: engagement size and complexity; engagement risk; specialised industry knowledge and experience; timing of work; continuity; and opportunities for on-the-job training. For more complex engagements, consideration is given to whether specialised or additional knowledge is needed to supplement or enhance the audit engagement team.

In many situations, EY professionals with experience in a specialised area of accounting or auditing, such as tax or information technology, are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining sufficient appropriate audit evidence. Additionally, EY internal specialists who have knowledge outside of accounting or auditing, such as forensics, asset valuation, actuarial analysis and sustainability, may perform work in their field that is used by the audit engagement team to assist in obtaining sufficient appropriate audit evidence.

Audit hours provided by EY professionals with specialised knowledge and EY internal specialists



^{*}As of 30 June 2025 (EY Global statistic)

EY UK policies require the approval of the assignment of individuals to specific audit roles by our UK Assurance leadership and UK PPD. This is carried out, to make sure that the EY professionals leading audits possess the appropriate competencies (e.g., the knowledge, skills, abilities) and licences to fulfil their engagement responsibilities, and, when applicable, are in compliance with auditor rotation regulations.



Service delivery centers

Global Delivery Services (GDS) is an integrated network of EY service delivery centres that provide services to support EY member firms. GDS continues to support other EY member firms and their evolving needs. GDS teams combine broad technical knowledge with a focus on innovation, automation and process improvement to create customised and scalable services that provide greater value for the EY organisation. As part of its audit transformation journey, EY Assurance services plans to increase its use of specialised teams to drive higher-quality outcomes, including GDS.

There are several onshore Delivery Centres of Excellence (COEs) integrated within EY UK, where it is proved effective to perform certain types of audit work (e.g., our pension testing centre), and to support audit teams in other ways including obtaining company data for audit purposes, and performing certain administrative tasks integral to the audit process.

^{**}Included within other are valuation specialists, actuaries and forensics specialists



The information and communication component focuses on obtaining, generating or using information and communicating relevant and reliable information, to enable the design, implementation and operation of the System of Quality Management. The quality objectives within the component address the effective two-way communication between:

- EY people
- Member firms within the EY network
- External parties
- Service providers

Effective two-way communication is essential to the operation of the System of Quality Management and the performance of audit engagements. The Global System of Quality Management policy provides the requirements for EY member firms to communicate internally and externally about the EY member firm's System of Quality Management. EY has a culture that encourages and expects EY people to communicate relevant and reliable information to the EY member firms to enable the System of Quality Management.



The objectives of EY UK System of Quality Management monitoring and remediation process are to:

- Provide relevant, reliable and timely information about the design, implementation and operation of the EY UK System of Quality Management
- Provide a basis for the identification of deficiencies
- Take appropriate actions to respond to any identified deficiencies

Information obtained from the monitoring and remediation process about the design, implementation and operation of the EY UK System of Quality Management is evaluated to conclude on the effectiveness in achieving the objectives of the EY UK System of Quality Management.

System of Quality Management monitoring activities include evaluating:

- Tests of System of Quality Management key controls
- Internal and external engagement inspections
- Other monitoring activities, for example, and not exhaustive:
 - Tests of EY UK and people's compliance with ethical requirements related to independence
 - Review of quality observations made by external regulators relevant to the System of Quality Management
 - Review of issues referred from the EY Ethics Hotline
 - Review of relevant governance forums for observations relevant to the System of Quality Management

The monitoring and remediation process is executed annually based on the Global System of Quality Management Monitoring and Remediation policy, which is a global intellectual resource provided to drive consistency in the execution of the EY UK System of Quality Management. The monitoring and remediation process is coordinated and monitored by representatives of Region, Area and the Global Professional Practice Director (Global PPD), with oversight by Region, Area, and Global Assurance leadership.



Tests of System of Quality Management key controls

System of Quality Management key controls have been designed and implemented to mitigate quality risks.

The objective of performing tests of System of Quality Management key controls within the EY UK System of Quality Management includes determining whether the System of Quality Management key controls:

- Were designed, implemented and operated in accordance with control owner's understanding and documentation thereof
- Were operated on a timely basis by the control owner and control operator specified in the design of the System of Quality Management key control
- Resulted in the timely resolution of any matters identified
- Were based on reliable information (i.e., information used in the performance of the System of Quality Management key control is complete and accurate, if applicable)

Individuals testing System of Quality Management key controls are competent, objective and independent of the control owners and control operators. EY UK has a dedicated UK testing team for the System of Quality Management to ensure independence. This team is complimented by testing resources from Global Delivery Services. All testing is overseen by senior managers within the UK System of Quality Management. The System of Quality Management testing team operate under the direction of the System of Quality Management Leaders and Country PPD.

In addition to controls that exist at the EY member firm level, there are controls within the EY UK System of Quality Management that are designed, implemented and operated at the, Region, Area and Global level. For example, global functions and service lines provide policies (e.g., EY Global Audit Methodology) and technologies (e.g., EY Canvas, PACE) to EY member firms. Global functions and service lines have controls over the development and maintenance of these resources. These controls form part of an EY member firm's System of Quality Management, and EY UK remains responsible for determining how those controls are used in its System of Quality Management, including any actions necessary to implement or supplement such controls and determining the impact of the results of testing of those controls on its System of Quality Management.

The testing of these controls is performed at the Region, Area or Global level, as relevant.

The approach to testing of controls at the Region, Area and Global level follows the same requirements and guidance set out in the Global System of Quality Management Monitoring and Remediation policy. Prior to testing, information is provided to the EY member firms that includes an overview of the controls to be tested, the approach to testing, the testing attributes (e.g., the nature of the tests to be performed) and information about who will be performing testing, including how to allow an EY member firm to assess their competence and objectivity. For example, testing performed over global controls is performed by individuals independent of the control owners and operators under the supervision of the Global System of Quality Management Monitoring and Analysis Leader.

Information about the results of testing is also shared with the EY member firms through Results of Monitoring Activities memos, which includes any potential deficiencies and an appendix with the final testing attributes, and through other information such as the list of findings. The information provided for potential deficiencies includes the status of root causes and the current state of the remedial actions, including any actions to be considered by the EY member firm. The list of findings includes a description of the finding as well as any action needed to be taken by EY member firms. EY UK obtains and evaluates the results of testing provided by the Region, Area or Global, as relevant, including evaluating whether there are findings relevant to the System of Quality Management for EY UK.



Audit quality reviews (AQR)

EY UK executes inspections following the Global AQR programme. This programme involves inspection of completed audit engagements. It is a monitoring activity complying with the requirements and guidelines in the ISQM 1 and is supplemented, where necessary, to comply with EY UK professional standards and regulatory requirements. It also aids ongoing efforts to identify areas where we can improve our performance or enhance our policies and procedures.

Audit quality reviews include the inspection of at least one completed engagement for each partner in charge on a three-year cyclical basis. The engagements reviewed each year are selected on a risk-based approach covering a cross-section of the EY UK auditing practice including elements of unpredictability. The Global AQR programme includes detailed risk-focussed file reviews covering a sample of listed and non-listed audit engagements, PIEs and non-PIEs, to measure compliance with certain internal policies and procedures, EY GAM requirements, and relevant local professional standards and regulatory requirements. It also includes reviews of a sample of non-audit assurance engagements performed by EY audit teams. These measure compliance with the relevant professional standards, and internal policies and procedures that should be applied in executing non-audit assurance services.

The Global AQR programme also informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, and their industry specialisation. Audit reviewers are supported by other specialists, such as Independence subject matter experts, Tech Risk (IT audit), Tax Accounting and Risk Advisory Services (tax), Forensics or Digital or other technical (e.g., sector or subject matter), for the review team to possess sufficient relevant knowledge and experience to conduct an effective AQR. Team leaders and reviewers

are independent of the engagements and teams they are reviewing and are normally assigned to inspections outside of their home location.

The Global AQR programme is supplemented by a programme that covers inspections of other assurance and related services engagements regardless of the service line performing the work. This is referred to as the Other Assurance Quality Review (OAQR) programme.

The results of the AQR and OAQR processes are summarised globally (including for Areas and Regions), along with any key areas where the results indicate that continued improvements are required. Measures to resolve audit quality matters noted from the Global AQR programme, external quality assurance reviews and peer reviews are addressed by Assurance leadership and our PPD. These programmes provide important practice monitoring feedback for our System of Quality Management.

We provide additional detail of this monitoring in <u>Appendix 3:</u> Audit quality and culture.



External quality assurance reviews

The EY UK audit practice is subject to annual inspection by the FRC Audit Quality Review Team and the ICAEW's Quality Assurance Department. As part of its inspections, the regulators evaluate quality control systems and review selected engagements. The FRC is a member of the International Forum of Independent Audit Regulators (IFIAR) and, accordingly, the inspection results are submitted for inclusion in the annual IFIAR survey. ICAEW is not an IFIAR member.

The EY UK audit practice is also subject to inspection by the US Public Company Accounting Oversight Board (PCAOB). The last quality assurance inspection by the PCAOB took place in 2024. We await the issuance of the PCAOB report. We respect and benefit from the regulators' inspection process. We thoroughly evaluate the points raised during the inspection to identify areas where we can improve audit quality and enhance the System of Quality Management. Engagements with significant findings and certain other engagements are subject to engagement-level root cause analysis (see the next section). Together with the AQR

process, external inspections provide valuable insights into the quality of EY audits.

Refer to <u>Appendix 3: Audit quality and culture</u> for further details of the latest inspections and findings.



Engagement-level root cause analysis and action plans

Engagement-level root cause analysis is a central part of the EY UK System of Quality Management. It focuses on an assessment of the root causes that underlie an engagement's negative outcome, such as that resulting from inspections or restatements, and enables the development of responsive action plans. Positive quality outcomes are also analysed to understand the behaviours demonstrated on those engagements and to determine how those behaviours can be replicated and promoted across EY UK to continuously improve engagement quality. Analysing the results of engagement-level root cause and positive quality outcomes also allows us to focus on key behaviours that drive positive and high-quality results, a process that is fundamental to continuous improvement.

In conjunction with the performance of engagement-level root cause, EY member firms are responsible for assessing whether the matters are indicative of findings in their System of Quality Management.



Identifying and assessing System of Quality Management deficiencies and performing root cause

Findings are information about the design, implementation and operation of the System of Quality Management that indicates that one or more deficiencies may exist. Findings are accumulated from the performance of monitoring activities at the member firm, Region, Area, or Global level. EY UK evaluates each finding or aggregation of findings considering the relative importance of the finding(s) to determine whether a deficiency exists. Findings identified, and their assessment are reviewed by the System of Quality Management oversight committee.

If any deficiencies are identified, a process is executed to determine the root cause, to assess the severity and pervasiveness of the deficiency, and to develop responsive actions.

Representatives from the Area and Global Professional Practice, Global Quality Leaders and Assurance Leadership teams meet periodically to review the results of the monitoring of activities and the assessment of findings and deficiencies, in order to drive consistency in the application of the framework for identifying and assessing findings, evaluating deficiencies and performing root cause analysis as described in the Global System of Quality Management Monitoring and Remediation policy.



System of Quality Management Quality Improvement Plans

For any identified deficiencies, EY UK quality improvement plans are developed, which include:

- Correcting the effect of the identified deficiency
- Remediating identified deficiencies in a timely manner
- Evaluating the effectiveness of the remediation actions

EY UK quality improvement plans are developed by the appropriate areas of the business and are reviewed by the appropriate System of Quality Management governance committees. Once actions are executed, they are reviewed by the System of Quality Management governance committees to evaluate whether the actions are effective.



Infrastructure supporting quality

Infrastructure supporting quality



Strategy

Audit quality is a foundational element of the **All in** global strategy with the ambition to shape the future with confidence and drive purposeful growth to create new value for EY people, clients and stakeholders. Audit quality remains a key priority of the **All in** global strategy as EY recognises its responsibility in serving the public interest and maintaining the confidence placed in EY by the capital markets and companies EY audits.

EY is also on a multi-year transformational journey as part of its ongoing commitment to deliver high-quality audits. This transformation journey includes a series of bold change initiatives to enhance how EY UK teams deliver audits. It is principally grounded in three strategic components, including:

- Leveraging integrated technology, including the expansion of guided workflows, further embedding data and advanced analytics, and incorporating automation and Al into the audit process
- Audit methodology enhancements, supported by enablement to drive consistency in audit execution
- Increasing the use of specialised teams

These activities will enable the EY UK audit practice to further leverage data analytics and greater insights to drive audit quality by applying the technological capabilities possible in today's landscape.

The UK audit quality strategy, which is an extension of the global strategy, is discussed in <u>Appendix 3: Audit quality and culture</u>.



Global Assurance Quality Network

The Global Assurance Quality Network and the Global Professional Practice Group (GPPG) work in tandem to support the delivery of quality audits. Supporting these two functions, additional quality focus is driven by:

- The Global System of Quality Management network
- Quality leaders within the non-Assurance service lines

The EY Global Assurance Quality Network is a group of senior Assurance leaders around the world who support EY member

firm engagement teams and practice leaders in the execution of high-quality audits.

The Global Assurance Quality Network is instrumental in serving as:

- Experienced change agents who effectively communicate changes coming and the rationale behind the changes, and positively influence behaviours
- Dedicated methodology leaders who can guide engagement teams in their execution of audit strategies and answer technical questions
- Risk management leaders who can oversee audit portfolios, remain alert to signs of execution or client risk and positively intervene when necessary
- Operational drivers who can enforce policies and support the System of Quality Management through activities such as monitoring adherences to pacing milestones, monitoring the level of executive involvement and assessing partner workloads, and eliminating optionality to drive global consistency.

The Global Assurance Quality Network drives a focus on audit quality through:



Monitoring Audit Quality Indicators (AQIs)

In addition to understanding the overall System of Quality Management annual results, Assurance leadership monitors the execution of the EY strategy and quality priorities through a combination of metrics or KPIs. Whilst no single reportable metric or set of metrics can be viewed as a sole indicator of audit quality, a set of metrics can be used to give an indication of audit quality.

Supported by strong global integration of tools, practices and policies, country-specific data is accumulated monthly on a variety of topics. The KPIs include both leading and lagging quality-related indicators, as well as metrics related to inspection results, audit pacing and execution, and resource demands and workforce planning. Each KPI is measured against established geographically-specific and global targets, with outliers requiring an evaluation and remediation plan. The KPIs are also aligned to the EY accountability framework to reinforce priorities for the country leadership network, and are subject to an annual review to help ensure they remain relevant and responsive to quality initiatives.

Examples of EY KPIs include:

- Internal and external inspection results
- Adherence to engagement pacing milestones and executive involvement
- Actual vs. planned headcount

The global KPI dashboard helps to inform the leadership at all levels of the EY organisation about whether actions are having the intended effect or whether additional actions are needed.

We provide details of some AQIs in <u>Appendix 3: Audit quality</u> and culture.

Monitoring adherence to pacing milestones

Effective project management helps EY audit teams to stay focussed on the risks that matter most across the audit cycle, better balancing the workload by allocating the right amount of time to complete the right tasks and involving executives in a timely way.

Milestones set completion due dates for important phases of the audit, and when used effectively, help to avoid time compression during the peak busy season.

Additionally, project management encourages auditors to be more thoughtful and intentional at every stage of the audit, accelerating learning and development, as well as creating a more meaningful experience along the way. The focus on project management in the global audit platform, EY Canvas, is powered by the Milestones programme. Facilitated through dashboards in EY Canvas and the EY Canvas Reporting Hub, Milestones break the audit cycle down into specific tasks, with dates and steps designed to help achieve timely completion, and appropriate supervision and review. Adherence to Milestones is monitored via KPIs, and the intervention with EY audit teams when Milestones are not achieved is an element of the System of Quality Management of EY.

Usage of EY Canvas Client Portal requests

EY Canvas allows EY teams to send clients requests for documents used to support the audit or for work to be performed by internal audit, as permitted by local laws and regulations. The entities we audit work on the requests, upload documents and respond by using the EY Canvas Client Portal. Clients can see requests that have been assigned to them or to the group(s) of which they are a member (e.g., accounting, payroll or internal audit). The EY Canvas Client Portal also has several features available to assist clients with project management.

Designing and providing in-flight coaching

Across the EY Network, more than 1,500 engagements of EY member firms a year receive some form of coaching under the globally-provided programme. This coaching is principally directed at areas where there have been more pervasive inspection findings, new enablement has been deployed or new or revised auditing standards need to be applied.

Coaching can also be directed at EY audit teams utilising new technology and automated tools and techniques to evaluate the proficiency with which the engagement teams are utilising the technology.

Observations from these coaching engagements are discussed with the EY audit teams and for items identified of more significance, local representatives from the Global Assurance Quality Network assist engagement teams in addressing the observations prior to the issuance of the auditor's report.

In the 2025 Global Quality Survey, 80% of respondents (72% for EY UK) said they receive timely on-the-job coaching and feedback.

Additional coaching initiatives in EY UK are discussed in Appendix 3: Audit quality and culture.

Designing and deploying enablement for new technology

Working with technology product owners and the GPPG, the Global Assurance Quality Network designs and deploys enablement and local implementation plans to assist EY audit teams in utilising the automated tools and techniques as designed. The enablement and implementation support is activated by local quality networks.

The enablement is designed to be intuitive and easily consumable (e.g., short videos) whilst bridging the technology with methodology, thus explaining the audit rationale behind the technology. Through the Global Assurance Quality Network's working relationship with the technology leadership team and the GPPG, the mandatory usage of certain automated tools and techniques is agreed on prior to release.

Designing and deploying enablement to address new or revised auditing standards and methodology enhancements

Working with the GPPG and other stakeholders, the Global Assurance Quality Network works to develop and deploy enablement to support the adoption of new or revised auditing standards as well as enhancements made to EY GAM.

Implementation plans are co-developed by representatives of the Global Assurance Quality Network and local member firm quality networks and consist of activating champion and coaching networks to support the implementation and lead post-deployment the continuous feedback loop.



Professional Practice

The GPPG is a worldwide network of dedicated technical subject matter professionals who consult with EY audit teams on accounting, auditing and other financial and non-financial reporting matters. They also perform various quality management oversight and monitoring roles, and other risk management activities.

The GPPG develops accounting, auditing and sustainability guidance, learning and quality oversight policies used by the EY network, and the tools and enablement used by EY Audit professionals to execute audits consistently and effectively.

The Global Vice Chair of Professional Practice, referred to as the Global Professional Practice Director (Global PPD), is overseen by the Global Vice Chair of Assurance and works to establish global audit quality control policies and procedures. Each of the Area PPDs as well as the Global Delivery Service PPD is overseen by the Global PPD and the related Area Assurance Leader. This helps provide greater assurance to the objectivity of audit quality and consultation processes.

The Global PPD oversees EY GAM and related audit policies and technologies, and updates them as necessary to make sure they are consistent with relevant professional standards and regulatory requirements. The GPPG also oversees the development of the guidance, training and monitoring programmes, and processes used by audit professionals to execute audits consistently and effectively. Additionally, the GPPG develops accounting and auditing guidance to respond to event-specific issues such as geopolitical conflicts and economic volatility.

The Global, Area, Regional and Country PPDs, together with other professionals who work with them in each member firm are readily accessible for consultation with EY audit teams.

Additional resources within GPPG, include professionals focussed on:

- Internal-control reporting and related aspects of the EY
- Accounting, auditing, sustainability and risk issues for specific topics, industries and sectors
- General engagement matters and how to work effectively with those charged with governance

Further, the Country PPD has operational responsibility for monitoring the System of Quality Management of the member firm. This includes concurring with, or proposing changes to, the recommended System of Quality Management annual evaluation conclusion. The System of Quality Management monitoring process is coordinated and monitored by representatives of the GPPG.

As described above, the Country PPD also has responsibility for reviewing the results of AQR and external inspections, as well as the associated root cause analysis (RCA) and to agree to the actions taken to resolve audit quality matters identified. PPDs also liaise with regulators on firm registration, inspections, and enforcements matters.



Risk Management

Risk Management (RM) coordinates organisation-wide activities designed to help EY people meet global and local compliance responsibilities and support client-facing teams in providing quality and exceptional client service. Responsibility for high-quality service and ownership of the risks associated with quality is placed with the EY member firms and their service lines.

Among other things, the Global RM Leader helps monitor the identification and mitigation of these risks, as well as other risks across the organisation as part of the broader Enterprise Risk Management (ERM) framework. The ERM priorities are communicated to EY member firms.

The Global RM Leader is responsible for establishing a consistent risk management framework around the globe and enabling the EY member firms to manage risk across the EY organisation.

EY member firm professionals are appointed to lead risk management initiatives (supported by other staff and professionals), including coordinating with the service lines on such matters.

When events that present risks occur, Risk Management, in coordination with other global functions, actively seeks input from EY member firms on lessons learned from both crisis management and business continuity standpoints. This afteraction review process allows EY to evolve planning around its crisis response and management of crises at the EY member firm and global levels. Such reviews provide a higher degree of proactiveness especially in identifying emerging risks before they cause significant impact, and the prioritisation of risks by each member firm. For example, this allows the EY Global Security Team and Region Security Manager Network to work directly with their respective member firm crisis management teams in preparing for the most likely threats by incorporating training and advanced stages of readiness to its crisis management networks.

Additionally, Global Risk Management continues to focus on business resiliency in business continuity planning efforts in the EY organisation. A key component of this approach is the recognition that many crises do not just "happen"; there are usually indicators of escalating factors as a crisis unfolds. This approach allows EY member firms to begin addressing mitigation of risks whilst continuing to carry on "business as usual" at the very early stages of a potential business

impact situation. The creation of "escalation matrixes" around several ongoing and high-chance geopolitical events allows EY member firm and Region risk management crisis management teams to respond more rapidly and more effectively as events escalate. Additionally, these escalation matrixes and subsequent action item checklists go beyond traditional workforce life and safety issues by delving into factors that could impact a member firm's ability to conduct business effectively.

These changes are allowing EY member firms to navigate significant crises more effectively via a prepared holistic approach.



Cybersecurity

Managing the risk of major and complex cyber-attacks is a part of conducting business for all organisations. Whilst no systems are immune from the threat of cyber-attacks, EY UK is vigilant in the steps it takes to secure and protect EY and EY client data.

The EY approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimise cybersecurity risks around the globe. EY information security and data protection programmes, consistent with industry practices and applicable legal requirements, are designed to protect and defend against unauthorised access to systems and data. There is a dedicated team of cybersecurity specialists, who constantly monitor EY systems and respond to cyber-attacks globally.

Beyond technical and process controls, all EY people are required to annually affirm in writing their understanding of the principles contained in the EY Global Code of Conduct, which include a commitment to protect data, information and intellectual capital, and their commitment to abide by them. There are also required security awareness learning activities. Various policies outline the due care that must be taken with technology and data, including, but not limited to, the Global Information Security Policy, and the Global Acceptable Use of Technology Policy. EY cybersecurity policies and processes recognise the importance of timely communication.

EY people receive regular and periodic communications, reminding them of their responsibilities outlined in these policies and of general security awareness practices.



Inclusiveness for everyone

Inclusiveness is an EY value, a priority to 400,000 EY people globally, and an expectation of many of EY clients around the world. As a global organisation, spanning 150 countries and territories, diversity of thought, skills, and backgrounds and experiences is an EY reality and strength.

The GE has made a commitment to EY people and the market by signing this <u>statement</u>.

Thirty-three per cent of new audit EY member firm partners around the globe, promoted on 1 July 2025 were women and 53% of all audit hires by EY member firms across the globe in 2025 were women.

Audit professionals by rank that are

31%

Partners, principals, directors and executive

47%

Senior managers and managers

53%

Seniors and staff

*As of 30 June 2025 (EY Global statistic)

Inclusive organisations maximise the power of all differences. Employees need to feel they are working for an organisation that not only values them as individuals and their contributions but also sees differences as strengths. Fostering this sense of belonging is critical to helping EY attract the most talented individuals and help EY professionals stay motivated and engaged. In the April 2025 Employee Listening Survey 82% of EY auditors said the EY organisation provides a work environment where they feel free to be themselves.

EY believes businesses have direct influence to shape the future with confidence, and build a better working world, through teaming, inclusive behaviour, and access to opportunities and experiences for everyone.

EY values are guiding principles that shape our culture, behaviour and decisions. Our values define who we are:

Our values: Who we are

1

People who demonstrate integrity, respect, teaming and inclusiveness

2

People with energy, enthusiasm and the courage to lead

3

People who build relationships based on doing the right thing



Independence practices

Independence practices

The EY Global Independence Policy requires EY UK and our people to comply with the independence standards applicable to specific engagements, (e.g., the IESBA Code. In the UK, the requirements of the FRC's Ethical Standard are incorporated with the EY Global Independence Policy into the EY UK & Ireland Independence Policy.

We consider and evaluate independence regarding various aspects, including our financial relationships and those of EY professionals and other personnel; employment relationships; business relationships; the permissibility of services we provide to entities we audit; applicable firm and partner rotation requirements; fee arrangements; audit committee pre-approval or pre-concurrence, as applicable; and partner remuneration and compensation.

Failure to comply with applicable independence requirements will factor into decisions relating to a person's promotion and compensation, and may lead to disciplinary measures, including separation from EY UK.

EY UK has implemented EY global applications, tools and processes to support us and our people in complying with independence policies.



EY Global Independence Policy

The EY Global Independence Policy contains the independence requirements for EY member firms and EY people. The policy is predicated on the IESBA Code and supplemented by more stringent requirements in jurisdictions where prescribed by the local legislative body, regulator or standard-setting body. The policy also contains guidance designed to facilitate an understanding and the application of the independence rules. The EY Global Independence Policy is readily accessible and easily searchable on the EY intranet.

The EY Global Independence Policy is an intellectual resource provided by a global function to drive consistency in the System of Quality Management.



Global Independence System (GIS)

The Global Independence System (GIS) is an intranet-based tool that helps EY people identify the entities from which independence is required and the independence restrictions that apply. It includes all independence-restricted entities comprised of entities we audit and their affiliates, including listed entities we audit, other PIEs we audit and private entities we audit, and includes other types of attest clients. The tool includes family-tree data relating to entities we audit and their affiliates, other entities for which independence restrictions apply, and other entities for which there are no independence restrictions. Family-tree data is validated by client-serving engagement teams. The entity data includes notations that indicate the independence requirements that apply to each entity, helping EY people determine the type of services that can be provided or other interests or relationships that can be entered into.

GIS is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Global Monitoring System (GMS)

The GMS is another important global tool that assists in identifying proscribed securities and other impermissible financial interests. All EY UK professionals are required to enter details about all securities they hold, and those held by their immediate family, into the GMS. When a proscribed security is entered or if a security held by an EY professional becomes proscribed, the EY professional receives a notice and is required to dispose of the security. Identified exceptions are reported through an independence incident reporting system for regulatory matters.

GMS also facilitates quarterly and annual confirmation of compliance with independence policies, as described below. GMS is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Independence compliance

EY processes and programmes are aimed at enabling and monitoring the compliance with independence requirements of EY member firms and their people. These include the following activities, programmes and processes.

Independence confirmation

All EY client-serving professionals at the ranks of manager through partner, and certain other personnel based on role or function, are required to confirm compliance with independence policies and procedures quarterly, and on an annual basis all ranks confirm compliance. In addition, all EY people are required to confirm compliance with the EY Global Code of Conduct and independence policies and procedures annually.

Personal independence compliance testing (PICT)

Each year, the EY Global Independence team establishes a programme for PICT, which is an audit of an individual's compliance with the requirement to report financial interests in GMS and is conducted under the leadership of the Country Independence Leader of each EY member firm. As part of the PICT, the selected individuals will provide account statements and other documentation of their financial interests, which are then compared with information reported in GMS as of the relevant period being tested to determine if there are unreported interests and relationships. Any unreported interests or relationships are evaluated with consequences assigned as deemed appropriate. For the 2025 testing cycle, EY UK tested more than 680 partners and other professionals.



Non-audit services

EY enables and monitors compliance with professional standards, laws and regulations governing the provision of non-audit services to entities we audit through a variety of mechanisms. The enablement includes the use of tools, such as <u>PACE</u>, <u>GIS</u>, and the Service Offering Reference Tool (SORT) (see below), and training. The monitoring includes required procedures completed during the performance of audits and internal inspection processes.

There is also a process in place for the review and approval by Independence professionals of certain non-audit services in advance of accepting the engagement.

In addition, EY conducts internal procedures to assess member firm compliance with independence matters. These reviews include aspects of compliance related to non-audit services, business relationships with the entities that EY member firms audit and financial relationships of EY member firms.

In FY25 the UK Independence function has started performing additional monitoring in the areas of audit fees and non-audit services, and EY UK Internal Audit has reviewed the Personal Independence Quality Improvement Plan.



Global independence learning

EY develops and deploys independence learning programmes for all EY client-facing professionals, and certain other personnel based on role or function. These professionals and other personnel are required to participate in annual independence learning to help maintain independence from entities that we audit.

The goal is to help EY professionals and others understand their responsibilities and to enable each of them, and their member firms, to recognise and be free from interests that might be regarded as incompatible with objectivity, integrity and impartiality in carrying out an audit.

The annual independence learning programme covers independence requirements, focussing on recent changes to policy, as well as recurring themes and topics of importance. Timely completion of annual independence learning is required and is monitored. EY UK supplements this programme with local content to cover local independence requirements under the FRC's ES that differ from the EY Global Independence Policy.

In addition to the annual learning programme, independence awareness is promoted through events and materials, including new-hire programmes and core service line curricula.

The annual independence learning programme is an intellectual resource provided by a global function to drive consistency in the System of Quality Management.



Service Offering Reference Tool (SORT)

SORT serves as the master list of approved EY services. We review and assess our portfolio of services on an ongoing basis to determine whether they are permitted by professional standards, laws and regulations, and to make sure that we have the right methodologies, procedures and processes in place as new service offerings are developed. We restrict services from being provided that could present undue independence or other risks.

SORT further provides EY people with information about EY service offerings. It includes guidance on which services can be provided to entities we audit and non-audit clients, as well as independence and other risk management matters and considerations.

SORT is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Business Relationships Independence Data Gathering and Evaluation (BRIDGE)

EY people are required to use the BRIDGE tool in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with an entity we audit, thereby supporting compliance of EY with independence requirements.

BRIDGE is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Audit committees and oversight of independence

We recognise the important role audit committees or similar corporate governance bodies undertake in the oversight of auditor independence. Empowered and independent audit committees or similar corporate governance bodies perform a vital role on behalf of shareholders in protecting independence and preventing conflicts of interest. We are committed to clear and regular communication with audit committees or similar corporate governance bodies. Through the EY quality review programmes, we monitor and test compliance with EY standards for communications to audit committees or similar corporate governance bodies, as well as the pre-approval or pre-concurrence of non-audit services, as applicable.



Revenue and remuneration

Revenue and remuneration



Revenue represents combined, not consolidated, revenues, and includes expenses billed to clients and revenues related to billings to other EY member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients.

Revenue is presented in accordance with Article 13, The Transparency Report, Statutory Audit Regulation (Regulation EU) No 537/2014), as amended by the Statutory Auditors and Third Country Auditors (Amendment) (EU Exit).

Regulations 2019 and includes revenues from:

- The statutory audit of accounts of UK PIEs, and separately members of groups of undertakings whose parent undertaking is a UK PIE
- The statutory audit of accounts of other entities
- Permitted non-audit services to entities audited by the statutory auditor
- Non-audit services to other entities

Financial information for the period ended on 27 June 2025 expressed in £million

	FY25		FY24 ^{1,2}	
Service	Revenue	Per cent	Revenue	Per cent
Statutory audits and directly related services for UK PIEs and their subsidiaries	309	8%	324	9%
Other audit services and directly related services for non-UK PIEs	559	15%	513	14%
Total audit revenues	868	23%	837	23%
Non-audit services provided to entities we audit	172	5%	179	5%
Total revenues from entities we audit	1,040	28%	1,016	28%
Non-audit services provided to other entities	2,707	72%	2,651	71%
Total revenue from the Channel Islands excluded from the categories above	34	1%	34	1%
Total revenue	3,781	100%	3,701	100%

The Local Audit Transparency Instrument requires disclosure of the turnover in the financial period of the local auditor in relation to performing local audit work as defined by the instrument. For EY UK, this revenue totals £32 million (FY24: £20 million). A list of major Local Audits is included in Appendix 8.

^{1.} For FY25, the categories "Statutory audits and directly related services for UK PIEs" and "Statutory audits and directly related services for entities whose parent is a UK PIE" have been combined within "Statutory audits and directly related services for UK PIEs and their subsidiaries". As such the FY24 comparative is also shown on this basis.

^{2.} FY25 revenues represent a 52-week accounting period and FY24 revenues represent a 52-week accounting period. The revenue figures stated above have not been prepared on an IFRS basis.

Financial information for the separated audit practice for the period ended on 27 June 2025 expressed in £million

Operationally separated audit practice	FY25	FY24
Gross revenue ¹	971	934
Expenses and disbursements on assignments	(53)	(52)
Net revenue	918	882
Other income	12	14
Revenue	930	896
Staff costs	(364)	(357)
Other operating charges	(431)	(397)
Operating profit attributable to the audit practice	135	142
Finance income (expense)	(5)	(6)
UK audit practice profit	130	136

Basis of preparation

- We have produced a separate profit and loss (P&L) account for the audit practice which is prepared on a consistent basis with the EY UK published statutory financial statements and the prior year. The separate profit and loss account reflects transactions between the audit practice and the rest of EY UK conducted on an 'arms-length' basis (Principle 15) and overhead absorption on an equitable basis (Principle 16).
- Adjustments have been made to allocate overheads, the basis for these allocations reference the most appropriate basis such as FTE, occupancy or revenue.
- The definition of what constitutes the audit practice under operational separation is a decision made by each

- firm. The EY UK audit practice is defined as the Audit sub service line in our management structure. The audit practice routinely procures audit support from experts outside of the audit ringfence in areas such as tax, valuations and technology and also delivers permitted non-audit services.
- The profit and loss account includes the total revenue generated by professionals within the audit practice. It also includes revenues generated by others in EY UK providing services to entities we audit where engagements are led by the audit practice, which are then treated as costs in the other operating charges line.

¹ Unlike revenue disclosures required by Article 13, The Transparency Report, Statutory Audit Regulation (Regulation EU) No 537/2014), as amended by the Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019, which include revenues of the whole of EY UK from entities we audit, the financial information for the separated audit practice excludes revenues from engagements which are not led by the audit practice.



Quality is at the centre of the EY strategy and is a key component of EY performance management systems. EY UK partners¹ are evaluated and compensated based on criteria that include specific quality and risk management indicators. Equally, when EY UK partners do not adhere to quality standards, remedial actions are taken. These may include performance monitoring, compensation adjustment, additional training, additional supervision or reassignment – or, in instances of repeated or particularly serious noncompliance, separation from EY.

Please see the Accountability Frameworks section of this report to better understand how the frameworks outline criteria for measuring alignment between an individual's overall performance rating and their quality rating.

EY policies prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-audit services to companies they audit. This reinforces to EY member firm partners their professional obligation to maintain independence and objectivity.

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

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

The EY partner compensation philosophy calls for meaningfully differentiated rewards based on a partner's level of performance, as measured within the context of the performance management framework. Partners are assessed annually on their performance in providing high-quality, exceptional client service and EY people engagement, alongside financial and market metrics.

We operate under a system that requires quality to be a significant consideration in a partner's overall year-end rating.

To recognise different market values for different skills and roles, and to attract and retain high-performing individuals, the following factors are also considered when we determine our partners' total reward:

- Experience
- Role and responsibility
- Long-term potential

^{1.} When not capitalised, references to the term "partner" in this report for EY UK in FY24 relate only to members of Ernst & Young LLP. A list of members' names is available for inspection at 1 More London Place, London, SE1 2AF, the principal place of business of EY UK and its registered office and at Companies House [https://www.gov.uk/get-information-about-a-company] under the registration number OC300001.



Appendix 1: List of UK PIE companies we audit

Appendix 1: List of UK PIE entities we audit



UK PIE entities audited by EY UK

In FY25, EY UK performed audits of the following PIEs:

4imprint Group plc	BG Energy Capital plc
Al Rayan Bank Plc	BlackRock Frontiers Investment Trust plc
Albion No.6 Plc	BlackRock Income and Growth Investment Trust plc
Allica Bank Limited	BlackRock Latin American Investment Trust Plc
AmTrust Specialty Limited	Brown Shipley & Co. Limited
ARAG LEGAL EXPENSES INSURANCE COMPANY LIMITED	Burberry Group plc
Artemis UK Future Leaders Plc	Bytes Technology Group plc
Artesian Finance II plc	Clydesdale Bank PLC
Artesian Finance III plc	Coats Group plc
ASA International Group plc	Coca-Cola Europacific Partners plc
Ashdowns Limited	Co-operative Group Holdings (2011) Limited
Ashmore Group Plc	Co-operative Group Limited
Ashoka India Equity Investment Trust plc	Coutts & Company
Ashoka WhiteOak Emerging Markets Trust Plc	Credit Suisse (UK) Limited
Aspen Insurance UK Limited	Credit Suisse International
Associated British Foods plc	DARROWBY NO. 6 PLC
Assura plc	DB UK Bank Limited
Aston Martin Lagonda Global Holdings plc	De La Rue plc
Astrenska Insurance Limited	Ecora Resources PLC
Auction Technology Group plc	Edinburgh Worldwide Investment Trust plc
Aviva Insurance Limited	Energean plc
Aviva International Insurance Limited	Equity Release Funding (No.1) Plc
Aviva Life & Pensions UK Limited	Equity Release Funding (No.2) Plc
Aviva Plc	Equity Release Funding (No.3) Plc
Aviva Protection UK Limited	Equity Release Funding (No.4) Plc
AXA XL Insurance Company UK Limited	Equity Release Funding (No.5) Plc
Baillie Gifford China Growth Trust Plc	F&C Investment Trust PLC
BAILLIE GIFFORD JAPAN TRUST PUBLIC LIMITED	Fidelity Asian Values PLC
COMPANY (THE)	Fidelity China Special Situations PLC
Baillie Gifford UK Growth Trust plc	FIDELITY EUROPEAN TRUST PLC
Baillie Gifford US Growth Trust Plc	Fidelity Japan Trust PLC
Bank Mandiri (Europe) Limited	Fidelity Special Values PLC
Beazley plc	Finance for Residential Social Housing Plc
Bellevue Healthcare Trust PLC	Financial Guaranty UK Limited
Bellway p.l.c.	Flood Re Limited

UK PIE entities audited by EY UK (Cont'd)

Forterra plc	London Borough of Redbridge
Franklin Global Trust Plc	Lowland Investment Company plc
Fresnillo plc	LSL Property Services plc
Fuller, Smith & Turner P.L.C.	Manchester Airport Group Funding Plc
General Accident Plc	METHODIST INSURANCE PUBLIC LIMITED COMPANY
Genuit Group plc	Mizuho International plc
Gore Street Energy Storage Fund plc	Mobius Life Limited
Great Lakes Insurance UK Limited	Monks Investment Trust Public Limited Company (The)
Gresham Insurance Company Limited	Monzo Bank Limited
Gulf International Bank (UK) Limited	Morgan Sindall Group plc
Harbour Energy plc	Motors Insurance Company Limited
Harmony Energy Income Trust Plc	National Deposit Friendly Society Limited
Harworth Group plc	National Westminster Bank Public Limited Company
HENDERSON EUROPEAN TRUST PLC	Nationwide Building Society
Henry Boot PLC	NATS (En Route) plc
Hill & Smith PLC	Natwest Group PLC
Hochschild Mining plc	NatWest Markets Plc
HSB Engineering Insurance Limited	Nottingham Building Society
ICG Enterprise Trust plc	On the Beach Group plc
ICG PIc	PA (GI) Limited
Imperial Brands Finance PLC	PageGroup plc
Imperial Brands PLC	Pantheon Infrastructure Plc
Integrafin Holdings plc	Pantheon International Plc
Integralife UK Limited	Pearson Funding plc
International General Insurance Company (UK) Limited	Pearson plc
Investec Investment Trust plc	Persimmon Plc
J Sainsbury plc	Personal Assurance Plc
JPMorgan European Discovery Trust PLC	Pharos Energy plc
JPMorgan Global Growth & Income Plc	Pinnacle Insurance Limited
JPMorgan Japanese Investment Trust PLC	Prudential Funding (Asia) Plc
JPMORGAN UK SMALL CAP GROWTH & INCOME PLC	Prudential Plc
Julian Hodge Bank Limited	QIB (UK) plc
Jupiter Fund Management PLC	RELX PLC
Jupiter Green Investment Trust PLC	Renishaw plc
Keller Group plc	Rightmove plc
Kuwait Finance House Plc	Rights and Issues Investment Trust Plc
Lanark Master Issuer PLC	RIT Capital Partners plc
Land Securities Group PLC	River Re Limited
Leeds Building Society	Riverstone Credit Opportunities Income Plc
LION FINANCE GROUP PLC	RM Infrastructure Income PIc

UK PIE entities audited by EY UK (Cont'd)

Royal & Sun Alliance Insurance Limited
Royal & Sun Alliance Reinsurance Limited
RSA Insurance Group Limited
Sainsbury's Bank plc
Savills plc
Schroder & Co. Limited
Schroder Asian Total Return Investment Company plc
Schroder AsiaPacific Fund plc
Schroder British Opportunities Trust plc
Schroder European Real Estate Investment Trust Plc
Schroder Income Growth Fund plc
Schroder Pension Management Limited
Schroders Capital Global Innovation Trust PLC
Schroders plc
Scotland Gas Networks Plc
Scottish Equitable Plc
Scottish Hydro Electric Power Distribution plc
Scottish Hydro Electric Transmission plc
Shell plc
Shires Income PLC
SIG PLC
Silverstone Master Issuer plc
Skipton Building Society
Softcat plc
Soteria Insurance Limited
South Staffordshire Water PLC
Southern Electric Power Distribution plc
Southern Gas Networks Plc
Spire Healthcare Group plc
SSE plc
Standard Chartered Bank
Standard Chartered PLC
SThree plc
STS GLOBAL INCOME & GROWTH TRUST PLC
Target Healthcare REIT PLC
Tate & Lyle PLC
TD Bank Europe Limited
Templeton Emerging Markets Investment Trust Public Limited Company

The Bank of London Group Limited
The Bankers Investment Trust PLC
The Baptist Insurance Company Plc
The City of London investment Trust Plc
THE EUROPEAN SMALLER COMPANIES TRUST PLC
The Gym Group plc
The Higher Education Securitised Investments Series No.1 plc
The Marine Insurance Company Limited
The Ocean Marine Insurance Company Limited
The Rank Group Plc
The Royal Bank of Scotland Public Limited Company
The Sage Group plc
The Scottish American Investment Company Plc
THG PLC
Tradex Insurance Company PLC
Transport for London
Tullow Oil plc
Union Bancaire Privee (UK) Limited
United Bank for Africa (UK) Limited
University College London
University of Liverpool
Virgin Money UK PLC
Vodafone Group Plc
Wakam UK Limited
Warwick Finance Residential Mortgages Number Three Plc
Watches of Switzerland Group PLC
Wesleyan Assurance Society

Wessex Water Services Finance Plc

William Hill Limited
Zurich Assurance Ltd

^{1.} Continuing engagement not signed in period.



Appendix 2: Approved EYG member firms

Appendix 2: Approved EY member firms



List of approved EY member firms in an EU or EEA member state or in Gibraltar

As of 30 June 2025, the following EY member firms are approved to carry out statutory audits in a European Union (EU) or European Economic Area (EEA) member state or in Gibraltar:

Member state	Statutory auditor or audit firm			
Austria	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.			
Belgium	EY Assurance Services SRL			
	EY Bedrijfsrevisoren SRL			
	EY Europe SRL			
Bulgaria	Ernst & Young Audit OOD			
Croatia	Ernst & Young d.o.o.			
Cyprus	Ernst & Young Cyprus Limited			
	Ernst & Young CEA (South) Services Ltd			
	Ernst & Young CEA (South) Holdings Plc			
Czech Republic	Ernst & Young Audit, s.r.o.			
Denmark	EY Godkendt Revisionspartnerselskab			
Estonia	Ernst & Young Baltic AS			
	Baltic Network OU			
Finland	Ernst & Young Oy			
France	Auditex			
	Ernst & Young Audit			
	Ernst & Young et Autres			
	EY & Associés			
	EY France			
Germany	EY GmbH & Co.KG Wirtschaftsprüfungsgesellschaft			
	Ernst & Young Heilbronner Treuhand-GmbH Wirtschaftsprüfungsgesellschaft			
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft			
	TS GmbH Wirtschaftsprüfungsgesellschaft			
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft			
	EY Deutschland GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft			
	EY Verwaltungs-GmbH Wirtschaftsprüfungsgesellschaft			
	EY-Parthenon GmbH Wirtschaftsprüfungsgesellschaft			
Gibraltar	EY Limited			
Greece	Ernst & Young (Hellas) Certified Auditors Accountants S.A.			
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségû Társaság			
Ireland	Ernst & Young Chartered Accountants			
Italy	EY S.p.A.			
Latvia	Ernst & Young Baltic SIA			
Liechtenstein	Ernst & Young AG, Basel			
	EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany			
	Ernst & Young AG, Vaduz			

Approved EYG member firms (Cont'd)

Member state	Statutory auditor or audit firm
Lithuania	Ernst & Young Baltic UAB
Luxembourg	Ernst & Young Luxembourg
	EYL Luxembourg
	Ernst & Young
Malta	Ernst & Young Malta Limited
Netherlands	EY Accountants B.V
Norway	Ernst & Young AS
Poland	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością
	Ernst & Young Usługi Finansowe Audyt spółka z ograniczoną odpowiedzialnością
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Finance spółka komandytowa
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa
Portugal	Ernst & Young Audit & Associados-SROC, S.A.
Romania	Ernst & Young Assurance Services SRL
	Ernst & Young Support Services SRL
Slovakia	Ernst & Young Slovakia, spol. s r.o.
Slovenia	Ernst & Young d.o.o.
Spain	ATD Auditores Sector Público, S.L.U
	Ernst & Young S.L.
Sweden	Ernst & Young AB

Total turnover for FY25 for these EY member firms, resulting from statutory audits of annual and consolidated financial statements was approximately EUR 2.8 billion.



Appendix 3: EY UK-specific content

Appendix 3: EY UK-specific content



Governance and leadership	66
EY UK Key Performance Indicators on governance	66
Legal structure	68
Governance structure and management	69
Committees supporting the EY UK governance structure	81
Revised governance and management structure	87
People, values and behaviours	89
EY UK talent team	89
Embedding culture	89
Reporting concerns	89
Promoting inclusion and equity	90
Open dialogue and connecting with our people	91
Monitoring engagement	91
Professional development	91
Counsellor support	92
Celebrating successes	93
Pathways to partners	93
Managing performance and career growth	93
Talent attraction and retention	94
Responsive strategies for a changing environment	95
Audit quality and culture	96
The EY UK audit quality strategy ("AQS", "the strategy")	96
Monitoring and maintaining audit quality	98
Oversight and Governance of Audit Quality	
Managing risk	107
Risk management overview	107
Proactively strengthening risk management	
Regulatory compliance	108
Internal Audit (IA)	
Ethics and speaking up	
Principal risks	
Compliance statements	
Stakeholder dialogue	121
Engagement overview	121
FRC	121
Non-Executive Directors and board-level executives	121
Audit committees and chief financial officers of the FTSE 350	122
Institutional investors	123
Stakeholder engagement event	123



Governance and leadership



The AFGC provides that firms should introduce KPIs on the performance of their governance system and report on performance against these KPIs in their transparency reports. We explain below how we performed against our governance KPIs in FY25.

Status legend: 🗹 met 🗷 not met

KPI	Status	Progress in FY25
Leadership		
The EY UK Board should meet at least four times per annum.	V	 The EY UK Board met 18 times during the year, compared to 11 times in FY24. This comprised the main quarterly meetings and ad hoc meetings. Various decisions were also made via electronic fora.
		Various decisions were also made via electronic rora.
The gender and ethnic minority diversity of the EY UK Board	×	• As at 27 June 2025, of the eight EY UK Board members, three were male and five were female (including one of ethnic minority).
should reflect that of the partnership.		• Female representation on the EY UK Board (62.5%) exceeded the gender diversity of the partnership (27.4%).
		• Ethnic minority representation on the EY UK Board (12.5%) was below that of the partnership (18.2%).
There should be a minimum attendance target of 80%, over a rolling 12-month period, for EY UK Board meetings.	V	The EY UK Board, at its main quarterly meetings, had an attendance rate of 86.53%.

KPI	Status	Progress in FY25
Values		
As part of the culture assessment of EY UK, we run Employee Listening Surveys two times throughout the year, with the EY UK Board acting upon the cultural aspects of the findings. The surveys assess people's views on EY UK and their engagement.	V	 The Engagement Index score is derived by aggregating responses across different survey areas relating to advocacy, satisfaction, commitment and pride. We disclose the results of the latest survey covering engagement that was run during the year and the most recent post-year-end survey, if the results are available sufficiently in advance of the publication of this report. Overall, the EY UK engagement score from November 2024 recorded engagement of 70%. On a like-for-like basis, the equivalent score for March 2024 was 69%.
		The EY UK Board takes actions, as and when appropriate, in response to the findings of the survey (discussed throughout this report).
On at least a bi-annual basis, the EY UK Board should receive reports on compliance with the Global Code of Conduct.	V	The EY UK Board received a report on Global Code of Conduct matters (including ethical behaviour and the status of affirmation of people's compliance and familiarisation with the content of the Global Code of Conduct) in July 2024 and December 2024.

KPI	Status	Progress in FY25
INEs		
There should be at least three INEs, and the PIB should meet at least four times per annum.	V	 During the year EY UK had a minimum of three INEs. The PIB held four quarterly meetings during FY25, as reflected in the attendance table in Appendix 6. In addition, two ad hoc meetings were held in July 2024 and March 2025.
On an annual basis, the EY UK Board must satisfy itself that the INEs remain independent from EY UK.	V	The EY UK Board is satisfied that the INEs remained independent from EY UK throughout the year, as explained later in this section.
The UKAB should be chaired by and have a majority of ANEs.	√	During the year the UKAB was chaired by an ANE and had a majority of ANEs
At least one of the ANEs should not be a firm INE (doubly independent).	V	Philip Tew is not an INE and is therefore doubly independent.
The UKAB should meet at least four times per annum.	V	The UKAB met seven times during FY25 holding five scheduled meetings, as reflected in the attendance table in Appendix 6 , and two further ad hoc meetings.
KPI	Status	Progress in FY25
Operations	Status	Progress in F125
The Risk Oversight Committee (ROC) should meet at least four times per annum, with the goal of helping to ensure that there are no material failings or weaknesses in the internal controls of EY UK.		 The ROC met six times during the year. The activities undertaken by the ROC, along with commentary on the interna controls of EY UK, are set out in <u>Appendix 3: Managing risk</u>.
KPI	Status	Progress in FY25
Reporting The EY UK Board should review	✓	The EY UK Board approved the EY UK 2025 Transparency Report on
the annual Transparency Report to satisfy itself that it is fair, balanced and understandable, and complies with the AFGC, or explains otherwise.		23 October 2025, after satisfying itself that it was fair, balanced and understandable, and in compliance with the AFGC, Article 13 of the EU Audit Regulation (537/2014) (as incorporated into UK domestic law by Section 3 of the European Union (Withdrawal) Act 2018), and the Local Auditors (Transparency) Regulations 2020). • EY UK has complied with the provisions of the AFGC or has otherwise
		provided a considered explanation.
KPI	Status	Progress in FY25
Dialogue		
The EY UK Board should satisfy itself, on at least an annual	V	The EY UK Board is satisfied that, as set out in <u>Appendix 3: Stakeholder dialogue</u> , a programme of investor dialogue took place.

EY UK 2025 Transparency Report 67

basis, that a formal programme

of investor dialogue is

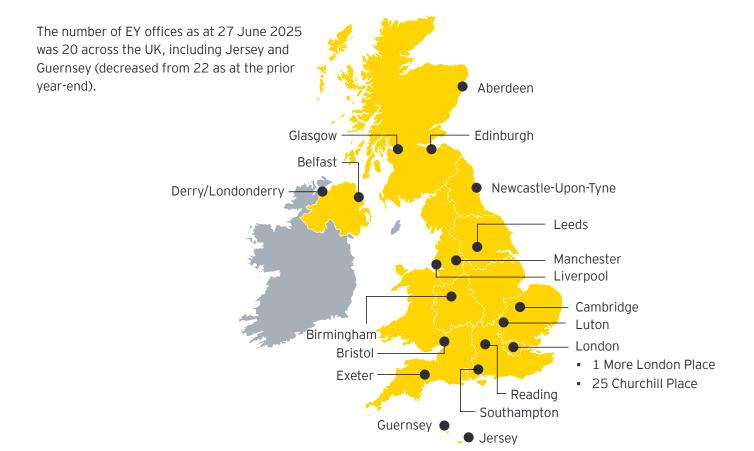
occurring.

Legal structure

EY UK is covered by the governance arrangements established by EMEIA Limited and EYG (for further details refer to Section 1: About us). The EY UK leadership is subject to regular review of its actions and its performance across all areas of business activity; senior individuals also participate in a number of international EY fora, which enables the sharing of best practice with peers. Although decision-making is local, the regular review process provides another level of informed challenge to proposed decisions and plans. Details of entities related to EY UK can be found in its statutory financial statements.

As at 27 June 2025, EY UK had 1,477 Partners¹ in total, of which 796 were members² (1,581 and 864 as at the end of the previous financial year, respectively). Of the total number of Partners, 28.2% were female and 18.7% of minority ethnicity; of the members, 27.4% were female and 18.2% were of minority ethnicity.

Effective from the first day of FY26 compared to the yearend position, EY UK had 94 new Partners and the number of members increased by 34.



^{1.} The term 'Partner' includes some of our most senior people who are employees and not members of Ernst & Young LLP. When not capitalised, references to the term "partner" in this report relate only to members of Ernst & Young LLP.

^{2.} A list of members' names is available for inspection at 1 More London Place, London, SE1 2AF, the principal place of business and registered office of EY UK and at Companies House [https://www.gov.uk/get-information-about-a-company] under the registration number OC300001.

Governance structure and management

Section 1: About us sets out details of EY's network and regional structure; EY UK is part of the EMEIA Area. During FY25, there were eight Regions within the EMEIA Area and, as of 1 July 2025, that number was reduced to five. During FY25, EY UK was part of the UK&I Region, with the exception of UK FSO, which was part of EMEIA FSO which was treated as a separate Region within the EMEIA Area. Since 1 July 2025, EY FSO is part of the UK&I Region.

The governance arrangements of EY UK are discussed in this section. From the beginning of FY26 there were significant changes to the governance arrangements. These changes have not been reflected in the sub-sections below, but a high-level overview has been provided at the end of this section, with full details to be provided in the FY26 Transparency Report.

During FY25, the EY UK Board had ultimate responsibility for matters which impact EY UK (including legal, regulatory and reputational matters, and financial resilience) and these matters were also managed, from an operational perspective, at the UK Country Committee (UKCC) in FY25. The UKCC included representation of both the UK&I Region and UK FSO.

The overall responsibility and oversight of matters relevant to the AFGC purpose resided with the EY UK governance structure (EY UK Board, PIB and UKAB) which are indicated in yellow below and discussed in further detail in this section. The management of EY UK is accountable to its owners, and no individual has unfettered powers of decision. As partners, members of management of EY UK have an obligation to act in the best interests of EY UK in carrying out their duties.

Members of governance structures, including INEs and ANEs, are supplied with information in a timely manner and in an appropriate form and quality to enable them to discharge their duties. The governance bodies' Terms of Reference typically require that papers are circulated a minimum of five calendar days before meetings, or such other period as may be deemed necessary by the meeting chair. Members are encouraged to provide feedback on papers when they are presented, and feedback on the quality of papers and board

administration is requested and collated as part of each body's periodic effectiveness review.

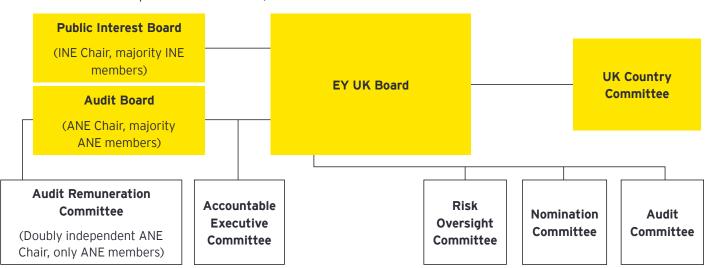
During the year, appointments to the governance structure and country management were a combination of the following:

- Roles-based appointments:
 - These were considered to ensure that the right skillset and representation was maintained.
 - They were not time-limited; the relevant individuals served for so long as they held the relevant role and that role was appointed to the governance structure or country management. Individuals appointed based on their roles were subject to annual evaluation that took their performance in role into consideration.
- Non-executive appointments:
 - The AFGC requires a firm to appoint INEs to its governance structure who, through their involvement, collectively enhance the firm's performance in meeting the purpose of the AFGC. All EY UK INEs are members of the PIB.
 - Operational separation principles also require the appointment of ANEs to a firm's governance structure who focus on the audit practice only. All EY UK ANEs are members of the UKAB.

Through membership of the PIB and UKAB, and attendance by the Chairs of the PIB and UKAB at quarterly meetings of the EY UK Board, the INEs and ANEs are able to observe, challenge and influence decision-making in EY UK. The individual performance of the non-executive members of the PIB and UKAB is reviewed by the Nomination Committee (NomCo) on a periodic basis.

The appointment and termination of INEs and ANEs is discussed in detail later in this section, and their involvement in the governance structure of EY UK has been set out on the following page.

- Elected representatives:
 - During FY25, the EY UK Board included three representatives of the UK&I Partner Forum and FSO Partner Forum, who
 were comprised of individuals elected by EY UK partners. Further details of the appointment process is set out on the
 following page.
 - Members of the UK&I Partner Forum and FSO Partner Forum serve as members of the EY UK Board for an initial period of up to three years, which could be extended by a further term of up to three years (subject to their remaining as members of the respective Partner Forum).



The Terms of Reference for the EY UK Board require that it carries out periodic reviews of its own performance and the performance of its committees, and that it agrees and implements a plan to take forward any actions resulting from these evaluations. A review of the EY UK Board's performance, which is facilitated by an external adviser, is also required at least once every three years.

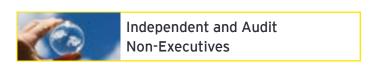
The Terms of Reference of the UKCC, PIB and UKAB also require that they carry out a periodic review of their own performance.

During FY24 and into FY25, an external adviser, Independent Board Evaluation, facilitated an effectiveness review of the EY UK Board, the PIB, the UKAB and the UKCC. The scope and methodology of the reviews by Independent Board Evaluation included:

- Preparation and briefing meetings with key personnel to establish the scope and key areas of focus.
- Observation at meetings of the EY UK Board, UKAB, PIB and UKCC.
- Review of relevant materials, including meeting packs.
- Interviews with members of the relevant boards and committees.
- Presentation of final reports to the relevant bodies.

The external review found that the EY UK Board is functioning effectively. Certain process enhancements were suggested, and these were considered as an input into the design of the refreshed governance structure.

In parallel with the external review and in accordance with the AFGC, the other committees of the EY UK Board undertook a formal process of annual evaluation for FY24, reported in FY25, which was facilitated by an internal team of qualified governance professionals.



As required by the AFGC and Operational Separation Principles, the NEs of EY UK are INEs who have an EY UK-wide remit and are members of the PIB; and/or ANEs, who are focussed on the EY UK audit practice and are members of the UKAB. The Terms of References of the PIB and UKAB reflect the fact that, under the EY UK governance structure, the PIB and UKAB operate independently of one another, but their remits are complementary.

In accordance with the AFGC, the NEs of EY UK maintain open dialogue and share information to the extent that this is relevant to the UKAB's oversight of the audit practice and the

PIB's firm-wide and public interest remit. The Chair of the UKAB provides regular updates on the UKAB's activities to the PIB to provide it with visibility of the EY UK audit business.

NEs provide constructive challenge and specialist advice to EY UK leadership on matters within their remit; this includes public interest matters.

NEs are required to act objectively and with an independent mindset in overseeing policies and procedures across the entirety of EY UK. They are involved, in a monitoring capacity, in such matters as the review of (i) the whistleblowing policy of EY UK; (ii) risk management and internal control systems; and (iii) compliance with the Global Code of Conduct.

Alongside their membership of the PIB and UKAB, NEs also discharge their duties through individual actions. These include attending meetings with the FRC and other stakeholders, employee engagement activities and attendance at audit quality initiatives such as the annual Culture of Audit Quality roadshows. Further commentary on the activities undertaken by the NEs is given in the <u>Leadership messages</u>.

The NEs are also embedded in other governance structures. For example, the Chairs of the UKAB and PIB are invited to EY UK Board meetings as attendees with participation rights (rather than as members, which ensures they maintain their independence but are nonetheless able to provide constructive challenge). This is one of the ways in which the NEs have visibility of the entirety of the business of EY UK and are able to monitor the impact of the network on the operations and resilience of EY UK, and the public interest in the UK. It is also one of the ways in which the NEs can monitor the impact of strategy on EY UK and the audit practice in particular.

As part of attending EY UK Board meetings, the Chairs of the UKAB and PIB provide updates on the activities of the boards they chair.

As at 27 June 2025, the non-executives were as follows:

Name	Role	First appointed	Term as NE (NEs may serve a maximum of three terms of three years)
Ruth Anderson*	ANE and INE	September 2023	First term
	Chair of the UK Audit Board		
Carl Hughes*	ANE and INE	September 2023	First term
Tonia Lovell	ANE and INE	June 2019	Third term
	 Chair of the Public Interest Board** 		
Suzanne Raine	• INE	September 2024	First term
Sir Philip Rutnam	ANE and INE	October 2024	First term
Philip Tew*	 ANE 	July 2021	Second term
	Chair of the Audit Board Remuneration Committee		

^{*}NE has competence in accountancy and/or audit as required by provision 29 of the AFGC.

^{**} Following financial year-end, Tonia Lovell stepped down as Chair of the Public Interest Board and was replaced by Carl Hughes, with Tonia Lovell remaining a member of the Public Interest Board.

Tonia Lovell was also a member of the Nomination Committee until 27June 2025, the remit of which is discussed below. From 28 June 2025, Carl Hughes became a member of the Nomination Committee.

NEs have full access to EY UK management and there is ongoing, regular dialogue. On a monthly basis, the NEs meet formally with the Head of Regulatory and Public Policy, and on a quarterly basis with the UK Managing Partner ("the UK MP") and UK Chair. In addition, the UK MP and the Managing Partner, Risk Management, UK were members of the PIB during FY25 and provided updates on any emerging issues.

The UKAB Chair also meets with the PIB Chair on a regular basis and the INEs and ANEs have access to the Ethics Partner, Nigel Meredith, as required. The Ethics Partner presents to the PIB on a regular basis.

Furthermore, the INEs meet with each other on a quarterly basis as a private group to discuss matters within their remit, typically ahead of any PIB meetings; the ANEs meet ahead of UKAB meetings. This enables them to share information and maintain dialogue to the extent relevant to their boards' remit.

On 1 September 2024 Suzanne Raine was appointed as an INE and member of the PIB. On 1 October 2024 Sir Philip Rutnam was appointed as an INE and ANE and member of the PIB and UKAB.

Biographical details of the INEs and ANEs are included in Appendix 5, including details of skills and experience relevant to their positioning. For information on the work of the INEs and ANEs, see the report from the Chairs of the PIB and the UKAB in the Leadership message.

Provision 29 of the AFGC requires that INEs should number at least three and be in the majority on a body chaired by an INE that oversees public interest matters (such as the PIB). A majority of ANEs is also expected on the UKAB by the FRC's Operational Separation Principles (Principle 3).

Under the Terms of Reference of the PIB and UKAB the voting rights of members are such that NEs will always hold the majority of voting rights, even if they are not in a majority by number. Both the PIB and UKAB are also chaired by NEs who hold a casting vote.

Fundamental disagreements

In the event that there is a fundamental disagreement between an INE and/or ANE and members of the EY UK Board and/or its governance structures, the INE and/or ANE shall set out the nature and status of the disagreement, in writing, to the Chair of the EY UK Board (copied to the other members of that board, and the other party in disagreement), together with any other details such as a need for further information, the respective positions of the parties and any preferred criteria for resolving the disagreement.

The Chair shall respond to the INE and/or ANE in writing by setting out any proposed timescale and method for resolving the disagreement. At the conclusion of the proposed time, the INE/ANE and the other party in disagreement shall indicate to the Chair whether or not the disagreement has been resolved. In the event that the disagreement has not been resolved, both the INE and/or ANE and the other party in disagreement must indicate whether a further intercession by the Chair is desired. In the event that no such indication is made and the disagreement persists or, if the nature of the disagreement relates directly to the Chair, the INE, ANE or EY UK may terminate the appointment.

Appointment and termination of Independent and Audit Non- Executives

INEs and ANEs are appointed by the EY UK Board, on the recommendation of the Nomination Committee, for an initial term of three years. With the approval of the EY UK Board, an INE or ANE may be invited to serve for a maximum of two additional terms of three years.

Rights and responsibilities of the INEs and ANEs are set out in a Letter of Appointment and Service. This letter provides that INEs and ANEs have the same obligations regarding independence and objectivity under the governance structure of EY UK. The NEs' individual letters of appointment set out the expectations for time commitment in each case, with a greater time commitment required for certain roles such as the Chairs of the PIB and UKAB and a lesser commitment for those who only hold a single INE or ANE role.

An appointment may be terminated by either the INE/ANE or EY UK giving six months' written notice. In the event of a fundamental disagreement that cannot be resolved, the appointment may be terminated immediately under the dispute resolution provisions (see further detail above).

Independence of Independent and Audit Non-Executives

Prior to being appointed, EY UK INEs and ANEs are interviewed and briefed on the ongoing independence requirements. The INEs and ANEs are required to confirm their independence from EY UK and its partners, and the entities EY UK audits, in accordance with the AFGC and the FRC's Ethical Standard. This process involves ongoing annual self-declarations of independence, and the finite tenures of INEs and ANEs help to ensure their independence is not compromised.

Independence from EY UK requires, among other things, that:

- The appointment of the INEs and/or ANEs by the EY UK Board is limited to an initial term of three years that may only be extended by a maximum of two additional threeyear terms. Details on the current NEs and their length of service are set out below.
- Members of the INE's and/or ANE's immediate family are not partners or employees of EY.
- The INEs and/or ANEs may not have a joint investment with EY.

As regards independence from the entities EY UK audits:

- Generally, there are no restrictions on the types of relationships INEs and/or ANEs may have with entities audited by EY, as they are not considered in the EY UK chain of command and the FRC's Ethical Standard specifically excludes them from these requirements.
- However, we prohibit the INEs and/or ANEs from holding an officer, director or employee role at an entity audited by EY.
- The INEs and/or ANEs confirm their independence in accordance with EY UK requirements both on appointment and annually thereafter.

There were no independence issues or concerns involving the NEs noted for FY25; none of the NEs were in post for more than nine years.

Support provided to the NEs by EY UK

To support them in performing their duties, INEs and ANEs receive a detailed induction programme and ongoing training and development. Following their appointment, Suzanne Raine and Sir Philip Rutnam were provided with an induction programme designed to provide them with insight into EY UK governance structures, management and activities, along with a briefing on current issues and focus areas.

EY UK provides INEs and ANEs with full administrative support in performing their duties, including assistance from the Company Secretary, Director of Governance & Public Policy (stakeholder engagement) and an EY Executive Assistant (administration and expenses). INEs and ANEs are entitled to request all relevant information about the affairs of EY UK, including access to relevant partners, as is reasonably necessary to discharge their duties. All such information is provided in a timely manner and in an appropriate form and quality.

EY UK also provides access to independent professional advisers at the expense of EY UK (subject to consultation with the UK Chair to establish and approve the appropriate means of obtaining this professional advice).

The INEs and ANEs have the benefit of a policy of directors' and officers' indemnity insurance in respect of their roles.

Oversight of people management and engagement

Provisions 15 and 16 of the AFGC require that firms regularly review the effectiveness of their systems for promoting and embedding an appropriate culture, underpinned by sound values and behaviour, across the firm and in audit in particular. INEs and ANEs should be involved in this review, and should be satisfied that there is an effective whistleblowing policy and procedure in place.

The NEs are involved in an oversight capacity and provide an independent perspective and the necessary challenge in the review process. They do this by receiving regular updates at the PIB on the processes EY UK utilises to assess culture, including the results of the Employee Listening Survey conducted three times a year, an update on the UK People Strategy, and other relevant management information produced by the EY UK Talent function which gives an insight into the culture of EY UK.

Through the UKAB, the ANEs receive regular reports on culture concerning the audit practice from executive management, including updates on audit culture initiatives and the results of the annual Audit Culture Survey.

The PIB also receives updates from the Conduct & Ethical Oversight Committee whose remit is to raise the profile of, and embed, the core conduct and ethical values of EY UK (including those set out in the EY Global Code of Conduct) and to ensure that EY UK has appropriate processes for addressing conduct and ethical matters. The INEs also receive an annual update on whistleblowing processes, which includes data on trends in reporting.

The INEs and ANEs also provide oversight of people management policies and procedures through their participation in the PIB and UKAB. This role includes receiving updates on recruitment and promotion processes, remuneration and incentive structures, training and development activities, and diversity, equity and inclusiveness (DE&I) initiatives. They also receive updates on talent acquisition and retention through updates to the PIB from the ROC and, in the case of the ANEs, resourcing updates as part of the Audit Quality Report to the UKAB.

Finally, the INEs and ANEs use a range of data and engagement mechanisms to understand the views of EY UK people and to communicate their own roles and the AFGC's purpose (for details of the AFGC purpose, see the PIB section

below). This is achieved both through presentations and discussion at the PIB and UKAB, and through activities the NEs undertake individually – such as attendance at Culture of Audit Quality roadshows and related focus groups, attendance at the Audit Quality Summit, and meetings with the Partner Fora. The NEs also engage regularly with EY Voice, being the official representative forum for EY UK people, and that forum also provides reports to the PIB.

Although the NEs are responsible collectively for engaging with EY UK people, Tonia Lovell, as Chair of the PIB, was responsible for collating and coordinating feedback during FY25.

Independent non-executives' remuneration

EY UK INEs and ANEs are paid a fixed annual income, based on an agreed number of days' service per annum, which has been benchmarked with FTSE 100 Non-Executive Directors (NED) roles.

The salaries of the INEs and ANEs in respect of their UK roles in FY25 were:

	NE role	Chair role	Total
Ruth Anderson	£100,000	£40,000	£140,000
Carl Hughes	£100,000	n/a	£100,00
Tonia Lovell	£100,000	£40,000	£140,000
Suzanne Raine*	£43,750	n/a	£43,750
Sir Philip	£50,000	n/a	£50,000
Rutnam*			
Philip Tew	£100,000	n/a	£100,000

^{*}Fees have been prorated to reflect the time spent in role during FY25.

Tonia Lovell also received an additional £140,000 for her INE role on the GGC in FY25. See Section 1: About us for further details regarding the GGC.



The EY UK Board

During FY25, the EY UK Board was the ultimate governance body of EY UK and was responsible for managing the commercial, financial and reputational interests of EY UK, together with the general and operational management of EY UK as a whole. In accordance with its published Terms of Reference, certain matters were reserved to the EY UK Board, including oversight of the strategic direction of EY UK and ensuring an adequate and effective internal control framework is in place. Standing agenda items of EY UK Board included risk management reporting, oversight of the audit business and the commercial performance and outlook of EY UK.

Management decisions at EY UK are taken in a variety of different fora, including within individual service lines and at an industry grouping level. In its oversight role, the EY UK Board invited the representation of different facets of management, considered the performance of the service lines and exercised oversight more generally through the matters laid down in its agenda. As discussed in more detail below, the EY UK Board was supported by, and received recommendations from, various board committees and it delegated its authority for certain matters to these committees. In particular, it was required under its Terms of Reference to take account of recommendations of the UKAB in relation to audit matters.

The agenda of the EY UK Board includes consideration of matters across EY UK, on which the EY UK Board takes decisions to ensure that the purpose of the AFGC is achieved, including:

- Commercial, financial and reputational interests
- Values and Culture
- Risks (with a specific focus on reputational matters and financial resilience) and regulatory matters
- Governance matters
- The audit business (with a specific focus on audit quality matters and the status of Operational Separation)

In accordance with the EY UK public interest framework, the EY UK Board was required to take account of public interest considerations in its discussions and decision-making.

UK Managing Partner and UK Chair

During FY25 until 1 January 2025, the UK MP chaired the EY UK Board. On 1 January 2025, the roles of the UK MP and UK Chair were separated with Anna Anthony being appointed as the UK MP and Hywel Ball continuing as the UK Chair (on an

interim basis) until 31 March 2025. As at 1 April 2025, Alison Duncan was appointed as UK Chair.

During FY25, the UK MP was appointed by the Europe Managing Partner of EY Europe, who had the right to remove the UK MP, having consulted with the EY UK Board and appropriate partners and with the consent of the EOE. From 28 June 2025, future appointments to the role of UK MP will be made by the EY UK Board, having consulted with the EOE.

The role of the UK MP includes:

- Representing and promoting the interests of EY UK.
- Providing leadership for the partners and employees of EY UK and its subsidiary undertakings.
- Acting as the interface with regulators and governmental authorities.
- Being responsible for managing risk, public policy, purposeful growth and geostrategic service offerings.
- Being responsible for reporting to the global EY organisation.
- The ultimate responsibility and accountability for the systems of quality management of the country.

The role of the UK Chair includes, but is not limited to, providing leadership of the EY UK Board, promoting high standards of corporate governance within EY UK and providing support and advice to the UK MP.

During FY25, the UK MP chaired the UKCC. Although both the EY UK Board and UKCC were formerly chaired by the UK MP in the period before the roles were separated, the UK MP did not have unfettered powers of decision, for example:

- Neither the UK Chair nor the UK MP had the power to appoint or remove members of the EY UK Board which was done by the EOE of EY Europe.
- Decisions at the EY UK Board were taken by simple majority, and members of the EY UK Board could out-vote the UK Chair and UK MP, including having weighted voting rights in favour of audit qualified individuals.
- If an individual had a conflict of interest, they were not permitted to take part in the discussion or decisionmaking. If the conflict related to the UK Chair or UK MP, the other EY UK Board members decided the question of conflict acting by simple majority.

Additionally, the Chairs of the PIB and UKAB (who are NEs) attended meetings of the EY UK Board with participation rights. This provided independent challenge and ensured that an external perspective was brought to board discussions.

EY UK Board membership

During FY25 the EY UK Board was appointed by the EOE of EY Europe. The membership of the EY UK Board as at 27 June 2025 was as follows:

EY UK Board Members	Title	Time served on the EY UK Board to the nearest year
Roles-based appointments		
Alison Duncan (Chair)	UK Chair	4 years (Chair for 3 months)
Anna Anthony	UK Managing Partner	5 years
Christabel Cowling	Managing Partner, Core Business Services & UK Chief Financial Officer	7 years
Annie Graham	UK Head of Audit	1 year
Maryam Hussain	Managing Partner, Risk Management, UK	1 year
Other Board members*		
Adrian Browne	UK&I Partner Forum representative	First term, 2 years
Adam Munton	FSO Partner Forum representative	Second term, 4 years
Mike Rudberg	UK&I Partner Forum representative	First term, 1 year

^{*} Appointed for a three-year term, subject to individuals remaining as Partner Forum members. These members may remain on the EY UK Board for a maximum of six years (two terms of three years).

Anna Anthony held the role of Managing Partner, UK FSO until 1 January 2025 when she was appointed to the role of UK MP. As at 27 June 2025, the Managing Partner, UK FSO was not a member of the EY UK Board.

Gavin Jordan stood down as UK Chief Financial Officer and as a member of the EY UK Board on 31 March 2025. Christabel Cowling was appointed to the role of UK Chief Financial Officer on 1 April 2025 and held the position concurrently with her role as Managing Partner, Core Business Services. Christabel therefore held two roles on the EY UK Board. As noted above, as a result of the separation of the roles of UK MP and UK Chair, both roles were included separately in the Terms of Reference.

Whilst the new UK Chair transitioned into role, she retained her position as UK Head of Regulatory & Public Policy pending the appointment of a successor.

Biographical details of each EY UK Board member and the attendance records for each of the governance bodies (as outlined in the governance structure above) are included in <u>Appendix 4</u> and <u>6</u> respectively. There were no nominated (i.e., co-opted) EY UK Board members in FY25.

Provision 2 of the AFGC provides that at least half of a firm's Board should be selected from among partners who do not have significant management responsibilities within the firm. Provision 6 provides that the individual members of a firm's governance structures and Management should be subject to formal, rigorous and ongoing performance evaluation and, at regular intervals, should be subject to re-election or re-selection.

As is reflected in the table above, during FY25 three members of the EY UK Board were representatives of the UK&I and FSO Partner Fora. These members were deemed not to have significant management responsibilities in EY UK and were appointed to bring a broader perspective on behalf of the partnership to the EY UK Board, offering a diverse view. The Partner Fora members were appointed to the EY UK Board by the EOE on the recommendation of the Nomination Committee (having been put forward to the Nomination Committee by the relevant Partner Forum). They were eligible to serve as members of the EY UK Board for a maximum of six years (comprising two terms of three years) subject to remaining as members of the UK&I or FSO Partner Forum.

The other members of the EY UK Board were appointed by virtue of the roles they held in EY UK for as long as they occupied that role. Each role was purposely selected to ensure appropriate experience, knowledge, influence, authority and skills within

the composition of the EY UK Board. Of the five roles-based members of the EY UK Board, two were not members of the UKCC. Although these members were not subject to re-selection or re-election at regular intervals, account was taken of their performance as EY UK Board members during the course of their annual performance evaluations.

In respect to the roles-based appointed members in FY25, EY UK did not have in place arrangements for determining remuneration and progression matters, which support and promote effective challenge to management (as specified in provision 5 of the AFGC). This was on the basis of the members' seniority. Several changes were made to EY UK governance arrangements post-year end which are summarised in the "Revised governance and management" structure below and which will be discussed fully in the FY26 report. As partners, EY UK Board members have a duty to act in the best interests of the LLP and effective challenge to Management is considered a core aspect of members' duties in performing their role as EY UK Board members.

Meetings of the EY UK Board

The EY UK Board held four quarterly meetings during FY25, as reflected in the attendance table in <u>Appendix 6</u>. In addition, the EY UK Board held other ad hoc meetings, as required, and conducted business through electronic fora.



The Public Interest Board

The PIB is not a decision-making body. Rather, its role is to enhance the performance of EY UK in meeting the purpose of the AFGC, namely to:

- Promote audit quality.
- Safeguard the sustainability and resilience of the audit practice and EY UK as a whole.
- Ensure that EY UK takes account of the public interest in its decision-making, particularly in audit.

In connection with the AFGC's purpose, the PIB is responsible for the independent oversight of:

- EY UK policies and procedures for ensuring sustainability and resilience.
- The effectiveness of the EY UK approach to any risks that its governance and leadership arrangements may pose to achievement of the AFGC purpose.
- EY UK policies and procedures in promoting and embedding an appropriate culture (including policies and processes concerning conduct and people management matters and compliance with laws and regulations).
- EY UK risk management and internal controls systems (including reviews of effectiveness).

To help ensure the public interest is protected, regular items on the PIB's agendas include:

- Updates on key matters facing the business of EY UK, including market and financial performance and emerging regulatory and reputational issues.
- Audit Quality updates from the UKAB.
- Updates from the ROC to enable oversight of risks and the effectiveness of EY UK internal controls.
- Reports from the Conduct & Ethical Oversight Committee.
- Independence updates from the Ethics Partner.
- Consideration of global reputational risk matters emanating from the EY network, including those which have the potential to affect audit quality and the resilience of the audit practice.
- Updates on changes to the governance structure and country management since the last meeting.
- Summaries of INE internal and external engagement activities.
- Annual report on whistleblowing and speak up.
- Updates on the public interest framework.

The membership of the PIB as at 27 June 2025 was as follows:

PIB Members	Title	Time served on the PIB to the nearest year4
Non-Executive members		
Tonia Lovell (Chair)	Independent Non-Executive	6 years
Ruth Anderson	Independent Non-Executive	2 years
Carl Hughes	Independent Non-Executive	2 years
Suzanne Raine	Independent Non-Executive	1 year
Sir Philip Rutnam	Independent Non-Executive	1 year
Roles-based appointments		
Anna Anthony	UK Managing Partner	4 years
Alison Duncan	UK Chair	1 year
Maryam Hussain	Managing Partner, Risk Management, UK	1 year
Martina Keane	Managing Partner, UK FSO	1 year

Following financial year-end, Tonia Lovell stepped down as Chair of the PIB and was succeeded by Carl Hughes. Tonia Lovell remains a member of the PIB until her extended term of appointment expires on 31 December 2025. Alison Duncan was appointed as a member of the PIB following her appointment as UK Chair on 1 April 2025. Following the separation of the roles of the UK MP and UK Chair, the PIB terms of reference were updated to include both the UK Chair and UK MP roles.

The PIB held four quarterly meetings during FY25, as reflected in the attendance table in <u>Appendix 6</u>. In addition, two ad hoc meetings were held in July 2024 and March 2025 respectively. The INE members of the PIB met regularly as a separate group.

Meetings of the PIB were conducted both in person and through electronic fora. The voting rights of members of the PIB are such that INEs will always hold the majority of voting rights, even if they are not in a majority by number.



UK Audit Board (UKAB)

The UKAB was established in response to the Operational Separation Principles.

The UKAB is not a decision-making body. Rather, its role is to provide independent oversight of the pursuit of improved audit quality by ensuring that people in the audit practice are focussed above all on the delivery of high-quality audits in the public interest.

The UKAB operates independently of the PIB in providing oversight of the EY UK audit practice. Its activities are complementary to those of the PIB which has visibility of EY UK more broadly, including the non-audit business. Further details in respect of the complementary remits of the PIB and UKAB can be found in the <u>Independent and Audit Non-Executives</u> section.

The duties of the UKAB include, among other matters:

- Providing independent oversight of audit quality initiatives.
- Considering matters of public interest relevant to the audit practice and referring to the EY UK Board any material strategic and regulatory matters impacting the audit practice.
- Reviewing the EY UK audit strategy, having regard to the resilience of the audit practice.
- Providing oversight of the UKAB Remuneration Committee.
- On the recommendation of the UKAB Remuneration Committee, reviewing and making recommendations to the EY UK Board regarding policies for audit partner remuneration and promotion with respect to audit quality.

^{4.} The PIB was previously known as the Independent Oversight Committee and was redesignated during FY21. The time served reported in the table for Tonia Lovell includes her time served as a member of the Independent Oversight Committee.

In accordance with its role in providing oversight of the pursuit by EY UK of improvements in audit quality, standing items on the UKAB agenda include:

- Receiving updates in relation to audit quality indicators used to measure audit quality performance.
- Receiving updates on audit quality matters, including ambitions for audit quality and monitoring of key audit metrics and related actions.
- Reviewing and making recommendations to the EY UK Board with respect to resourcing within the audit practice.
- Reviewing outcomes from the EY UK root cause analysis (RCA) process.
- Receiving updates in relation to promoting a culture supportive of the public interest.
- Considering matters of reputational concern to the audit practice, and monitoring and referring to the EY UK Board any material strategic and regulatory matters impacting the audit practice.
- Reviewing the audit strategy having regard for the resilience of the audit practice.

Further details on the role of the UKAB and ANEs in the oversight of audit quality can be found in <u>Appendix 3: Audit quality</u> and <u>culture</u>.

To support its oversight role, the UKAB may commission reviews from EY UK's internal audit function in discharging its duties. The membership of the UKAB as at 27 June 2025 was as follows:

UKAB Members	Title	Time served on the UKAB to the nearest year
Non-Executive members		
Ruth Anderson (Chair)*	Audit Non-Executive	2 years
Carl Hughes*	Audit Non-Executive	2 years
Tonia Lovell	Audit Non-Executive	4 years
Philip Tew*	Doubly Independent Audit Non -Executive	4 years
Sir Philip Rutnam	Audit Non-Executive	1 year
Roles-based appointments		
Andrew Bates	UK FSO Head of Audit	2 years
Annie Graham**	UK Head of Audit	1 year
Peter Wallace	UK Country Professional Practice Director and UK Audit Compliance Principal	1 year

^{*}ANE has experience of audit at an appropriate level of seniority.

In accordance with the Operational Separation Principles, the UKAB is chaired by an ANE and has a majority of ANE members.

The UKAB met seven times during FY25. It held five scheduled meetings being the four quarterly meetings and the meeting to review the FY26 Audit Quality Strategy Refresh, as reflected in the attendance table in <u>Appendix 6</u>. It also held two ad hoc meetings, one being a session to receive the findings of the 2024 Board Evaluation Report and the other being a meeting to approve the FY24 Transparency Report and FY24 Audit Quality Report. As noted above, the voting rights of members of the UKAB are such that ANEs will always hold the majority of voting rights, even if they are not in a majority by number.

^{**}Annie Graham was appointed the Head of Audit with effect from 1 July 2024.



UK Country Committee (UKCC)

During FY25, the purpose of the UKCC was to manage the operations of EY UK with respect to matters that have, or may have, a UK country-specific impact, including legal, regulatory, and reputational matters and financial resilience.

Its published Terms of Reference provided that, to the extent relevant to its purpose, the UKCC was responsible for the general operational management of EY UK, its financial resilience and acquisitions, risk management and people, values and culture matters.

During FY25, the UKCC met to consider and take decisions on various issues within its areas of responsibility, including but not limited to:

- Reviewing and monitoring the commercial performance and financial resilience of EY UK.
- Reviewing and commenting on the external and internal communications strategy of EY UK.
- Reviewing and approving changes to the people strategy and policies of EY UK.
- Reviewing and commenting on social impact matters including corporate responsibility projects and DE&I strategy.
- Identifying and monitoring highly significant emerging issues relevant to EY UK.
- Overseeing risk management performance of EY UK.
- Reviewing and commenting on engagement by EY UK with its regulators and external stakeholders.
- Overseeing and monitoring contentious matters.

During FY25, the composition of the UKCC was determined by the EY UK Board and, up to 13 March 2025, was roles-based to ensure it had the appropriate skillset and representation to consider and decide matters within scope of the UKCC's purpose.

The membership of the UKCC as at 27 June 2025 was as follows:

UKCC Members	Title	Time served on the UKCC to the nearest year
Roles-based appointments		
Anna Anthony (Chair)	UK Managing Partner	5 years
Anne-Marie Balfe	Strategic Talent Partner	1 year
Lisa Cameron	UK General Counsel	5 years
Christabel Cowling	Managing Partner, Core Business Services and UK Chief Financial Officer	2 years
Maryam Hussain	Managing Partner, Risk Management, UK	1 year
Martina Keane	Managing Partner, UK FSO	1 year
Sharon McMullen	Managing Partner, UK FSO Talent	1 year
Ally Scott	Managing Partner, Scotland	5 years

Hywell Ball stepped down as the UK MP and Chair of the UKCC with effect from 1 January 2025 and was succeeded by Anna Anthony, who was appointed as UK MP. Anne-Marie Balfe was appointed to the role of Strategic Talent Partner, and as a member of the UKCC, with effect from 1 April 2025.

The UKCC was supported by various sub-committees and delegated its authority for certain matters to those sub-committees.

The UKCC met ten times during the year, and it reported to the EY UK Board with a regular summary of significant matters considered and decisions it has made.

On 28 June 2025, the UKCC was dissolved by the EY UK Board. As explained later on, the UK Executive Management Committee was established to replace it.

Committees supporting the EY UK governance structure

The governance structure of EY UK is supported by the following sub-committees of the EY UK Board and of the UKAB:



Accountable Executive Committee (AEC)

The AEC is a committee of the EY UK Board and is responsible for ensuring the desired outcomes and principles for Operational Separation are delivered, embedded and monitored.

Membership of the AEC is roles-based and comprises those who are nominally responsible and accountable for ensuring compliance with the Operational Separation Principles.

The membership of the AEC as at 27 June 2025 was as follows:

AEC Members	Title	Time served on the AEC to the nearest year
Anna Anthony	UK Managing Partner	4 years
Christabel Cowling	UK Chief Financial Officer	1 year
Alison Duncan	UK Chair	1 year
Martina Keane	Managing Partner, UK FSO	1 year

As a result of the separation of the roles of UK MP and UK Chair, the number of individual members of the AEC increased from three to four during FY25. The responsibilities and accountabilities of the four AEC roles remained unchanged, despite changes to the individuals holding the roles. Anna Anthony succeeded Hywel Ball as UK MP and Chair of the AEC on 1 January 2025. On the same date, Martina Keane succeeded Anna Anthony as Managing Partner, UK FSO and became a member of the AEC. Christabel Cowling succeeded Gavin Jordan as the UK Chief Financial Officer, and member of the AEC, with effect from 31 March 2025. Alison Duncan succeeded Hywel Ball as UK Chair and became a member of the AEC with effect from 1 April 2025.



Nomination Committee (NomCo)

The NomCo is a permanent committee of the EY UK Board and acts on its behalf in respect of the consideration for appointment and extensions to the terms of appointment of:

- INEs and ANEs.
- EY UK Board representatives of the UK&I and FSO Regional Partner Fora.
- Additional nominated (i.e, co-opted) members of the EY UK Board pursuant to the EY UK Board Terms of Reference (up until 27 June 2025).
- Members of the Audit Committee and ROC.

The NomCo acts on behalf of the EY UK Board in respect to the review and evaluation of performance of the INEs and ANEs. With effect from 13 March 2025, the Terms of Reference were updated to include both the UK MP and the UK Chair as members following the separation of the two roles and to appoint the UK Chair as the Chair of the NomCo in place of the Managing Partner, UK FSO.

In FY25, the NomCo was convened on one occasion to consider proposed appointments to the governance structure of EY UK. It also passed resolutions by electronic means.

With respect to INE and ANE appointments, during FY25 the NomCo considered and recommended to the EY UK Board:

- The appointment of Suzanne Raine and Sir Philip Rutnam as NEs;
- The extension of Tonia Lovell's tenure as an INE and ANE to 31 December 2025; and
- The appointment of Carl Hughes as Chair of the PIB with effect from 28 June 2025.

For succession planning purposes, NEs' terms of appointment are published each year in the Transparency Report. On a periodic basis, the NomCo will review the individual performance of the non-executive members of the PIB and UKAB.

The membership of the NomCo as at 27 June 2025 was as follows:

NomCo members	Title	Time served on the NomCo to the nearest year
Alison Duncan (Chair)	UK Chair	2 years
Anna Anthony	UK Managing Partner	4 years
Maryam Hussain	Managing Partner, Risk Management, UK	1 year
Mike Rudberg	UK&I Partner Forum representative	1 year
Non-Executive members		
Tonia Lovell	Independent and Audit Non-Executive	4 years

As a result of the separation of the roles of the UK MP and UK Chair, Alison Duncan was appointed Chair of the NomCo upon her appointment as UK Chair on 1 April 2025, in addition to the UK MP remaining a member. As described under the Revised governance and management structure, a special nomination committee was convened to operate and complete a selection process for the EY UK Board and UK Chair during FY25, which was dissolved with effect from 27 June 2025. Maryam Hussain was appointed as an additional member of the NomCo with effect from 30 April 2025 in order to meet the requirement in the NomCo Terms of Reference for the membership of the NomCo to include a member of the EY UK Board who is not the UK MP, UK Chair or a Partner Forum representative, and in light of Alison Duncan being appointed as UK Chair.



Risk Oversight Committee (ROC)

The ROC is a committee of the EY UK Board. Its role is to support the EY UK Board with respect to risk monitoring and management and to support the profitable growth of EY UK through the effective management of risk. Its role is discussed in detail in <u>Appendix 3: Managing risk</u>. Its duties include, among other matters:

- Overseeing the framework for identifying, assessing, monitoring and reporting risk.
- Supporting the EY UK Board in carrying out its risk management responsibilities.
- Overseeing internal audit activities.

Members of the ROC, including the Chair, are appointed by the EY UK Board having been recommended for appointment by the NomCo. The membership of the ROC as at 27 June 2025 was as follows:

ROC Members	Title	Time served on the ROC to the nearest year
Chris Bowles	Independent Chair	8 years
Michael-John Albert	Partner, FSO	3 years
Maryam Hussain	Managing Partner, Risk Management, UK	1 year
Jon Hughes	Partner, Transformation Strategy Leader	3 years
Gareth Lambert	UK FSO Chief Operating Officer	1 year
James Tufts	Partner, Regulatory & Risk Management, UK FSO	2 years

During the year, Gareth Lambert was appointed as an additional member of the ROC with effect from 14 November 2024 at the recommendation of the NomCo. Alison Duncan ceased to be a member of the ROC with effect from 6 May 2025 following her appointment to the role of UK Chair.



UK Audit Committee (UKAC)

The UKAC reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements. It is also responsible for making recommendations in relation to the appointment of the external auditor and for approving the remuneration and terms of engagement of the external auditor. The UKAC monitors the integrity of the financial statements of EY UK, reviews significant financial reporting judgements and recommends the approval of the financial statements to the EY UK Board.

The EY UK Board selects UKAC members based on their roles and expertise, with their period of appointment reflecting this.

Representatives from management teams attend certain UKAC meetings, including the UK Chief Financial Officer, Finance Director, and General Counsel. In addition, the Head of Internal Audit and the external auditors regularly attend the meetings of the UKAC and the Chair has regular informal meetings with the external audit partner.

The membership of the UKAC as at 27 June 2025 was as follows:

UKAC Members	Title	Time served on the UKAC to the nearest year
Mike Rudberg (Chair)	Audit Partner	2 years
Alison Duncan	UK Board Chair	4 years
Maryam Hussain	Managing Partner, Risk Management, UK	1 year
Chris Voogd	Audit Partner	7 years
Sarah Williams	Audit Partner	6 years
Stuart Wilson	Audit Partner	6 years

Mike Rudberg was appointed as the UKAC Chair with effect from 6 May 2025, succeeding Alison Duncan following her appointment to the role of UK Chair. The UK Chair was added as an additional member.

The topics covered throughout the annual cycle of meetings were considered necessary for the UKAC to be able to fulfil its responsibilities on behalf of the EY UK Board in relation to the external audit process and the EY UK financial statements. The UKAC meets at least twice annually; in relation to the FY25 EY UK financial statements, the UKAC conducted a total of five meetings and undertook the activities set out below.

With respect to the external auditor, BDO LLP, the UKAC:

- Approved the appointment and fees of the external auditor.
- Challenged and approved the audit plan, considering the risks identified by the external auditor.
- Read and discussed the audit results and observations as reported by the external auditor.
- Monitored the effectiveness and independence of the external auditor, including receiving a report from the external auditor on their planned response to firmwide findings highlighted by the Financial Reporting Council through their annual Audit Quality Review.

With respect to other matters, the UKAC:

- Reviewed the FY25 Internal Audit Plan, received reports and discussed with the Head of Internal Audit the findings arising
 from its work, the status of agreed action plans and considered the impact, if any, on the financial reporting processes and
 controls of EY UK.
- Received reports and briefings on several finance related matters, including impairment and provisions for professional liability claims and regulatory matters, and considered the implications for the FY25 year-end financial close process and reporting.
- Reviewed the application of the Operational Separation policies in preparing the financial information of the operationally separated audit practice as set out in <u>Section 6</u>: Revenue and remuneration.

Specifically, as it pertained to the integrity of the EY UK FY25 financial statements, the UKAC reviewed analyses and/or reports provided by management and the external auditors, specifically focussing on areas of significant estimation and judgement, including:

- Revenue recognition and valuation of unbilled receivables.
- Completeness and valuation of provisions for professional liability claims and regulatory matters.
- Assessment of any impairment of goodwill and customer relationships.
- Determination of lease term where there are options to extend or terminate.
- Measurement of the defined benefit pension scheme liabilities and assessment of the unconditional right to a refund of any surplus in its defined benefit pension scheme.
- Appropriateness of the going concern basis of preparation of the financial statements.

The UKAC reported to the EY UK Board at its meeting on 24 September 2025 and recommended the approval of the FY25 financial statements.



Audit Board Remuneration Committee (ABRemCo)

The ABRemCo is a sub-committee of the UKAB, whose membership is comprised solely of ANEs. The ABRemCo was formed in response to the Operational Separation Principles which includes a requirement for the UKAB to have a remuneration sub-committee. The role of the ABRemCo is to oversee the remuneration and promotion of audit Partners.

The membership of the ABRemCo as at 27June 2025 was as follows:

ABRemCo Members	Title	Time served on the ABRemCo to the nearest year
Non-Executive members		
Philip Tew (Chair)	Doubly independent Audit Non-Executive	4 years
Ruth Anderson	Audit Non-Executive	2 years
Carl Hughes	Audit Non-Executive	2 years
Tonia Lovell	Audit Non-Executive	4 years
Sir Philip Rutnam	Audit Non-Executive	1 year

With respect to remuneration responsibilities, in particular the ABRemCo scrutinises policies to make sure that audit Partners are not incentivised for non-audit sales, but its main focus is monitoring whether policies related to audit Partner pay give primary weight to a Partner's contribution to audit quality.

Partner pay takes account of experience, roles and responsibilities, long-term potential, as well as being directly linked to a Partner's overall in-year performance. Performance is measured within the context of the EY performance management framework which includes consideration of the audit quality grading, various financial metrics, and people and teaming factors.

The annual quality rating is determined by a panel of partners independent of those being rated and reflects a comprehensive and structured assessment of an individual Partner's performance in regards to audit quality. The ratings are derived from various considerations including external and internal inspection results, complexity of the Partner's audit portfolio, broader contributions made to delivering high audit quality and compliance with mandatory training and internal policies.

The quality grading provides both a cap (when a low-quality rating exists) and a floor (when a high-quality rating exists) to the overall performance rating. Any deviations from the cap and floor being applied to individual Partners require independent approval. There may also be financial sanctions for poor audit quality outcomes or additional rewards given to Partners for exceptional audit quality outcomes.

The outcomes of this process are presented to the ABRemCo, which considers whether policies and processes in relation to audit Partner remuneration have been appropriately applied. The ABRemCo advises the UKAB with respect to the results of the annual audit Partner performance assessment process with reference to the policies, process and outcomes related to audit quality.



Ultimate Responsibility Committee (URC)

With effect from 13 April 2025, the URC ceased to be a committee of the EY UK Board following the separation of the roles of the UK Chair and UK MP and the committee supports the UK MP directly.

The URC is responsible and accountable for the System of Quality Management within EY UK. Specifically, the URC is responsible for:

- Evaluating the effectiveness of the System of Quality Management each year.
- Concluding, in relation to EY UK quality objectives being achieved, that the System of Quality Management has provided EY UK with:
 - Reasonable assurance
 - Reasonable assurance, except for, or
 - No reasonable assurance
- Fulfilling the System of Quality Management-related responsibilities which includes the promotion of a culture of quality, overseeing the establishment of Quality-related organisational structures, and approving Quality-related investments and resource allocations.

The membership of the URC as at 27 June 2025 was as follows:

URC Members	Title	Time served on the URC to the nearest year
Anna Anthony	UK Managing Partner	3 years
Christabel Cowling	UK Chief Financial Officer	2 years
Annie Graham	UK Head of Audit	1 year
Martina Keane	Managing Partner, UK FSO	1 year

Revised governance and management structure

EY UK undertook a comprehensive governance review in FY25, which considered the recommendations of the FY24 effectiveness review facilitated by Independent Board Evaluation and expectations set out in the Audit Firm Governance Code. Below is a high-level overview of the resulting changes and revised governance structure being implemented, with further details to be provided in the FY26 Transparency Report.

Separation of the UK Managing Partner and Chair role

To enhance both our governance arrangements and compliance with the Audit Firm Governance Code (provision 3), the roles of the UK MP and Chair, previously held jointly by Hywel Ball, were separated with effect from 1 January 2025.

At that time, Anna Anthony was appointed the UK MP and Hywel Ball continued as the UK Chair on an interim basis until 31 March 2025. On 1 April 2025, Alison Duncan was appointed as the UK Chair. Her appointment was reconfirmed as part of the EY UK Board election process that followed in May, whereby she became an elected member of the Board from 28 June 2025 (being the first day of FY26). On the same date, amendments to the UK Partners' Agreement in relation to the respective responsibilities of the UK MP and UK Chair became effective.

Membership and responsibilities of the EY UK Board

In parallel with separating the roles of the UK MP and UK Chair, the governance review revisited the composition of the EY UK Board proposing that it move from a majority roles-based board to one where the majority of members do not hold executive leadership or management roles. This is in line with provision 2 of the AFGC, which requires that at least half of a firm's most senior governance body should be selected from among partners who do not have significant management responsibilities.

A special nomination committee comprised of EY UK partners not concurrently holding executive management or EY UK Board roles and attended by a NE, was established to operate and complete a selection process for new EY UK Board members, and the UK Chair. Following conclusion of this process, the special nomination committee presented a slate of candidates to eligible EY UK partners for a vote during May 2025. As referenced above, the slate included the UK Chair who was appointed from 1 April 2025 following

a recommendation from the special nomination committee, the appointment being re-confirmed by a vote of eligible EY UK partners.

With effect from 28 June 2025, following the updates to the UK Partners' Agreement and the approval of eligible EY UK partners, the EY UK Board comprises 11 members:

- Eight members, including the UK Chair, who do not hold leadership or management roles and who were appointed following a vote of UK partners
- Two ex-officio members, being the UK MP and the UK Chief Financial Officer
- One Partner Forum representative who also serves on the Global Governance Council. (See <u>Section 1: About us</u> for further details regarding the Global Governance Council.)

The members appointed pursuant to a vote of UK partners may serve for a maximum of two terms of up to three years per term. Ex-officio members are not subject to terms and serve for so long as they hold the relevant role and that role is appointed to the EY UK Board.

The Partner Forum representative serves until their term within the Partner Forum and/or the Global Governance Council ends. Partner Forum membership is limited to two elected three-year terms.

Executive Management

The UKCC was dissolved as a committee of the EY UK Board and subsequently the UK Executive Management Committee (UKMC) was established under the authority of the UK MP as the management body under the Audit Firm Governance Code comprising the most senior EY UK executives in management roles.

The UK MC comprises 10 roles-based members, including the UK MP who is its chair. It is responsible for supporting the UK MP in discharging certain executive management duties.

Committees of the EY UK Board

In line with changes to the broader governance framework, a number of enhancements were made to the remit and responsibilities of committees of the EY UK Board to further clarify the supervisory and oversight role of the EY UK Board, and to take into account the expanded responsibilities of the EY UK Board and the separation of the UK MP and UK Chair roles. In parallel to the review of the membership of the EY UK Board and the appointment of new board members, membership of the committees of the EY UK Board was revised to remove executive members and to include elected members of the EY UK Board and appropriate subject matter experts, as required, to reflect the supervisory and oversight role of the EY UK Board.

The remit within the Nomination Committee's Terms of Reference was expanded to include:

- Considerations relating to the appointment of EY UK Board members and the UK MP
- Performance evaluation of the EY UK Board members, UK Chair and UK MP

In parallel, the membership of the Nomination Committee was amended to include one INE, the UK Chair who chairs the Nomination Committee, the UK MP, the Partner Forum Representative (who also sits on the EY UK Board) and two EY UK Board members.

The ROC was renamed the Board Risk Committee (BRC) with effect from 1 September 2025. The BRC has oversight responsibilities of the EY UK risk management and internal controls framework. The membership of the BRC includes three EY UK Board members, one of whom chairs the BRC and two senior Partners experienced in risk management.

The membership of the UK Audit Committee (UKAC) was amended to include three elected EY UK Board members in addition to three senior Partners from the audit business. Following the signing of the FY25 EY UK financial statements, an elected EY UK Board member was appointed UKAC Chair.

No changes have been made to the remit and responsibilities or composition of the Accountable Executive Committee. The Ultimate Responsibility Committee ceased to be a committee of the EY UK Board following the separation of the roles of the UK Chair and UK MP on 1 January 2025, as described above.



People, values and behaviours



The EY UK talent team facilitates the career lifecycle of our diverse, multi-generational workforce of approximately 20,000 colleagues. EY UK talent has several centres of excellence delivering talent services across EY UK, including business partnering, employee relations, health and well-being, talent development, talent attraction, diversity, and inclusiveness, enablement, reporting & analytics and reward and pensions. All talent functions work closely with the service lines to enable transformation, provide data and insights, and improve the employee experience of UK EY people.

The talent team is supported by experienced individuals from within service lines, referred to as 'counsellors'. These people play a vital role in nurturing, engaging, and overseeing the performance and development of a small number of junior colleagues each (their counsellees). Counsellors have a positive impact on the careers of employees by motivating and challenging their counsellees, as well as providing coaching.

Talent leaders deliver presentations to the Public Interest Board (PIB) on a variety of talent-related topics, helping the Independent Non-Executives (INEs) to discharge their duties under the AFGC.



Our common culture is a critical component of our success, as it influences how our teams interact with one another, with their clients and with the entities they audit. It is also fundamental to how employees approach their work and decision-making, whilst taking public interest into account. Our culture enhances our work environment and helps us to attract and retain the best employees and clients. EY UK culture is based on a set of clear, long-established values, as set out in Section 4: Infrastructure supporting audit quality, Inclusiveness for everyone.

We expect our people to adhere to our values across all areas of activity. One of the ways to reinforce them is via our internal 'applause' recognition platform, where employees can 'tag' their counsellor to positively recognise them in a fun, and public way. Nominations can also be made for colleagues via financial or non-financial awards or an online 'wall' to recognise someone who has made a difference and demonstrated our values.

Underpinning our values is a comprehensive set of policies, outlining the standards and behaviours we require of our employees. Our Global Code of Conduct sets out our globally consistent expectations, and all employees must sign their agreement to meet these each year. The signatures are monitored via year-end quality and risk metrics. Section 3 Components of our System of Quality Management: Global Code of Conduct sets out its five key areas, which include expectations on working with one another, expectations when working with clients and others, acting with professional integrity, maintaining objectivity and independence, and protecting data, information, and intellectual capital. Employees can access advice and assistance related to the Global Code of Conduct through a variety of channels including service-line support, risk management and independence, talent, legal counsel, and an Ethics Hotline.



The EY UK Dignity at Work Policy outlines the behaviour expected when interacting with colleagues or other individuals connected to EY UK, including clients, suppliers, contractors, and job candidates. It also sets out examples of behaviour that will not be tolerated, such as bullying, harassment and victimisation. Multiple avenues of support and opportunities are provided for employees to speak up, using various tools including Culture Shift™ Report & Support, EY Ethics Hotline, our counsellor advice team, and an employee assistance programme that includes access to professional counselling.

An important aspect of our 'speak up' culture is encouraging anyone who has experienced or witnessed behaviours they believe to be unacceptable to report them. Our Culture Shift™ Report & Support tool is, designed to provide another safe route to report cultural concerns and behaviours that are not in line with EY values.

Operated by an independent external organisation, our EY Ethics Hotline provides employees and external stakeholders with a means of reporting either anonymously or on a disclosed basis any activity that they suspect may involve unethical or illegal behaviour. Examples of incidents that can be reported include those that may be in violation of professional standards or otherwise inconsistent with the EY Global Code of Conduct. Reports can be submitted online or via a telephone hotline. A commitment has been made to protect our people from retaliation when they raise a concern. We also report all conduct matters to the FRC on a quarterly basis, as required.

Issues reported through this tool might relate – for example, to a group dynamic or everyday behaviour that cannot be resolved through routine conversations with managers and counsellors, but which may not meet the bar for a formal grievance. An employee does not have to identify themselves when using the reporting tool, although we encourage them to do this in case we need to investigate an incident more thoroughly. We support anyone who raises genuine concerns, even if they turn out to be mistaken. We regularly analyse the types of issues being reported to enable us to better understand common themes. The resulting insights influence the steps we may take to address people's concerns.

We are also developing an ethical strategy to bring together the approach and activity related to ethical behaviour matters in one place. One element has been the implementation of learning and development programmes that aim to inform and empower our people about ethical principles, practices and EY UK policies. We have also introduced an ethical communication campaign to promote awareness and engagement in our ethics strategy.



EY UK is committed to promoting diversity, equity, and inclusiveness (DE&I): our goals include creating a culture where everyone feels they belong, closing the 'say-do' gaps, and significantly increasing the proportion of female and ethnic minority partners within our partnership by 2025.

As an equal-pay employer, we undertake comprehensive pay audits. Understanding our pay gaps shows us where we need to act to achieve better representation for some of our communities. We publish our gender pay gap and, beyond this regulatory obligation, we provide reporting on additional characteristics including ethnicity, disability, sexual orientation, and social mobility.

EY UK has seven employee networks, that consist of 33 communities. The DE&I employee networks play a crucial role in fostering a diverse and inclusive workplace. These networks provide a platform for employees to connect, share experiences, support each other, and ally with others. Our networks and communities support our DE&I strategy by creating a sense of community, promoting inclusion, education, collaboration, advocacy, and allyship.

Our networks cover diverse abilities, faith and belief, life stages (menopause, carers, family), social mobility, race and ethnicity, LGBT+ and women. Events may include inspirational speakers, career development, celebrating achievements, religious events, cultural awareness and workshops to network and enhance self-development. Each network has a partner sponsor and co-chairs, as well as an annual budget.



The EY UK employee forum, EY Voice, provides an ongoing and open dialogue between leadership and employees. The forum includes 15 representatives elected from across the business for a two-year term. They meet with senior leaders on a regular basis, as well as presenting to the PIB and meeting with the NEs to share their thoughts and ideas.

The forum enables leadership to understand how people are feeling, what they want, and where and how we can improve their experience of working for EY UK. For example, in 2025, we decided to align our holiday period with the fiscal year instead of the calendar year. EY Voice played a crucial role in identifying and mitigating any potential adverse impacts on employees, ensuring that firmwide communications were clear and inclusive.

EY Connect sessions represent a further channel for twoway communication with our people. These meetings are facilitated locally within teams to foster social interaction, deepen the connection to EY UK and reinforce our shared purpose. The content is a mixture of centrally curated material and team-specific information. The teams discuss topics that matter to our employees. For example, during FY25 the session covered high-quality feedback, generative AI, sharing volunteering opportunities and reflecting on the volunteering efforts and impact of our UK-based people.

Other channels for employee engagement include 'town hall' meetings within the regions and London, as well as quarterly 'all people' calls and separate partner calls. Topics in FY25 have centred around the delivery of our new global 'All in' strategy, wellbeing, our DE&I strategy, and business performance updates.



We monitor culture in a number of ways. Specifically in respect of our audit practice, we deploy an annual Audit Culture Survey, as discussed in more detail in Appendix 3: Audit quality and culture.

EY measures culture and engagement more broadly via the EY Employee Listening Survey, which was deployed three times during FY25, across all service lines. It consists of a series of questions designed to indicate employee sentiment.

The survey focuses on different aspects of everyone's experience, including wellbeing, inclusivity, sustainability, and how employees feel about their role at EY UK. Consistent questions are asked for trending purposes, relating to exceptional experience and engagement. One-off, topical questions are also included, with recent examples including connected working, ethics and trust.

Each survey includes a range of core questions, for example, asking if the EY experience has been exceptional, if our people feel appreciated and if they feel free to be themselves at EY. Additional topics are covered on a rotating or one-off basis. The most recent survey, in April 2025, included additional items on leadership, learning, career, sustainability and social impact.

Our survey reporting enables us to select and analyse all scores by business area, rank, gender, ethnicity and more. This allows us to build action plans within teams and focus on specific issues to make improvements.



The recently launched 'All in' global strategy has refreshed our employee value proposition, which includes developing and enabling our people to balance work commitments with their personal growth. This is executed through enabling our people to take time for learning, corporate responsibility and their personal passions.

EY UK provides technical and enterprise-wide learning, offering a range of learning opportunities including inperson sessions, targeted talent development programmes, coaching, on-the-job learning, and developmental roles and assignments. In FY25, we held an in-person 3-day student induction and increased face to face learning across ranks. The learning consisted of developing management skills, executive presence, and transitioning to partner programmes.

To ensure that our employees are able to dedicate sufficient time for learning, we organise regular learning days or 'unplugged hours' intended to enable uninterrupted learning during the working day. Employees are invited to attend sessions on priority topics and are encouraged to complete learning in areas of their own professional interest and passion. We encourage employees to take charge of and plan their own learning and professional growth, with the support of their counsellors. EY Badges remain a popular way to enable this, and the favourite topics are in AI, Data Technology and People Leadership skills. In FY25, we continued to build our employees' knowledge of using AI ethically and responsibly, as well as their understanding of how it is likely to impact their roles.

We regularly review our Continuing Professional Development (CPD) process to maintain alignment with regulatory changes. In FY25, we implemented changes to align with the new ICAEW regulations. All EY UK client facing professionals are required to complete 40 hours of CPD learning annually.

EY UK also designs and delivers bespoke apprenticeship learning in accounting and taxation and is ranked 21st in the government's Top 100 Apprenticeship Employers for 2025. In 2024, EY UK achieved an 'Outstanding' grade in our first full Ofsted inspection for delivery of the Level 7 Accountancy and Taxation Professional apprenticeship across all five categories of assessment. We were the first employer in our sector to achieve this grade and the only firm in the Big 6.

Following the government's announcement that from 1 January 2026 Level 7 apprenticeships will only be funded for apprentices under 22 years of age, EY UK has committed to continue delivering high-quality apprenticeship programmes as an Employer Provider in 2026.

More detailed requirements related to our audit professionals are set out in <u>Appendix 3: Audit quality and culture</u>.



Throughout FY25, we have continued to invest in upskilling our counsellors, via a refreshed and expanded learning programme aimed at enabling our counsellors to build their leadership skills and engage in better conversations with their counsellees. These sessions are complemented by quarterly counsellor excellence briefings that provide practical upskilling on topics such as managing performance, spotting and nurturing talent. In FY25, we increased training to help our leaders recognise and manage workplace stress as well as monitor cases of distress within their teams.

Our Counsellor Workspace provides a broad range of practical guides, resources and learning to support counselling conversations. These include the expectations of the role, performance management requirements, assistance with how to have challenging conversation, FAQs, and a live news feed for the latest updates. In FY25, we enhanced counsellor support by promoting a secure AI Talent Assistant to provide instant responses to counsellor queries. Counsellors are kept up to date via monthly communications which focus on helpful topics and plasma screen updates across our offices, highlighting deadlines, performance dates and other LEAD cycle activities.

EY UK Talent has a team of experts, the Counsellor Advice team, who provide coaching and guidance to counsellors around policies and more complex people matters such as performance, conduct, family leave, grievances, and absence management. The Counsellor Advice team are the first point of contact for disclosures regarding safeguarding or mental health matters.



For colleagues progressing to senior, manager, or senior manager roles, we celebrate promotions twice a year with an invitation to our 'milestone programme', which this year was held in-person in Dublin and London. These events included keynote presentations from EY leadership and clients, sharing their own experiences to help prepare the newly promoted people to excel in their role.

Alongside the presentations, the above programmes include a range of interactive challenges, with a focus on client centricity, leadership, business acumen and driving purposeful growth. There is also an emphasis on building long-term, trusted relationships and expanding networks across EY. Overall, the programme aims to enable promoted colleagues to achieve growth and effective performance in their new role, through encouraging self-reflection, exploration and planning for action.

Our newly promoted partners attend the Global New Partner Program (GNNP) which enables them to transition effectively into their roles, being immersed in our global priorities, client strategy and the expectations on them as new partners. It gives them the opportunity to network and collaborate with colleagues and leadership, establishing relationships they can rely on in the future and celebrates their dedication, passion and success in reaching this significant milestone. World-class thought leaders deliver sessions on effective leadership, wellness insights, and market and industry initiatives, innovations and trends.



We conduct regular reviews of our talent pipeline to cultivate talent and ensure an effective succession plan. As part of this, we invite a selected group of employees to participate in a development programme called 'Pathways to Partner'. This two-year journey supports participants in building the personal and business skills they will need to become a partner. The programme commences with a development centre, designed to test candidates' current skills, and provide rich, honest feedback from which a clear development plan can be created. It also enables personalisation of experiences through a menu of learning

that supports people's individual development goals. Prospective partners receive transparent feedback on their progress, giving them the best opportunity to realise their full potential.

Professional coaching and peer coaching are available to help our people develop transformative leadership skills and a clearer understanding of 'self' in readiness for establishing a personal case for career advancement.

In FY25, we introduced a one-year programme for first-year equity partners, which was designed to support the transition into partnership, enable effective decision-making which prioritises their well-being, whilst contributing to the performance and growth of EY UK. Attendees have reported a positive impact to their collaboration, commercial and leadership perspectives and a better understanding of cross-selling, where appropriate.



LEAD is our employee review process designed to help drive career growth and personal development. We have LEAD categories, with the aim of clarifying performance expectations for each rank and providing a clearer link to reward. The categories consist of four consistent definitions: Needs to Progress, Progressing, Differentiating, and Strategic Impact. The majority of our employees will be assessed as 'Progressing' – a category that is defined as someone who is 'continuing to grow and excel' and 'exhibiting high standards of performance'.

Individual work performance is assessed against expectations within a colleague's specific rank as well as any local KPIs agreed by service lines, and an initial category is determined by the counsellor. Counsellors are supported in their role by a counsellor connect leader (CCL), who provides them with a sounding board when required. The CCL is responsible for overseeing performance for a group of employees and holds a meeting twice a year, during which the performance of employees is discussed and collectively evaluated. Performance is outlined within our rank expectations guidance, and everyone is held to the same standard, according to their rank.

A final assessment is made by our business leaders during a Leadership Review panel. This ensures transparency across our business and enables thoughtful application of the LEAD categories.



During FY25, we welcomed 1,124 university and secondary school graduates, of whom 764 joined the audit practice. There were also over 450 interns arriving on short-term placements.



Graduate and school leaver recruitment

To recruit students, EY UK works with universities and schools across the UK and utilises direct sourcing tools to promote opportunities to a broad and diverse audience of students.

In FY25, EY UK ran 147 recruitment events across 30 universities, and 157 events for schools and colleges. These included careers fairs, skills sessions, on-campus brand campaigns, and EY office open evenings.

We also host gatherings as part of our strategy to attract a wider range of demographics. Examples include an African Caribbean society evening, an International Women's Day event, and a social mobility event with the 93% Club, a charity and social enterprise that provides opportunities for people who went to state schools in the UK.

We supplement this on-campus activity with virtual webinars on application tips to help students navigate the selection process successfully. In addition, we work with key strategic partners who engage with their student networks to assist in attracting students to EY UK. Each of these partners are given targets to help fill our positions and meet our diversity objectives.

As part of a multi-year plan, EY UK runs a series of key programmes to engage talent at an early stage and convert this interest into permanent graduate and apprenticeship hires. We host a two-day programme for underrepresented groups of university students, focussing on women, black heritage, and social mobility backgrounds. The first day includes an online introduction to EY, covering our people, work and culture.

The second day involves an in-person event at our EY offices, including an interview and assessment centre workshop and an opportunity to network with EY UK people and their peers. After students have attended this programme, we encourage them to apply and be fast-tracked to the next EY programme in their journey, whether that be an internship or a graduate role.

The four-week summer internship is for penultimate year university students, with the successful interns being offered a graduate position. The career-starters programme is a two-day work experience programme for year 11 and 12 students, after which candidates can apply to be fast-tracked to convert to an apprentice role.

The EY UK student selection process is designed to assess whether a candidate has the strengths and capabilities needed for success in their chosen programme. This involves the digital EY ONE assessment covering behaviours, motivations and cognitive abilities. EY ONE also includes content that brings the programme to life. For example, the EY ONE apprentice assessment includes videos of recent apprentices sharing their experiences and tips for success.



Addressing the use of AI in the selection process

Usage of generative AI has become far more prevalent across recruitment processes. This prompted us to undertake a full review of opportunities to cheat, followed by the implementation of new processes and controls to mitigate this risk. We have moved all our assurance and tax graduate assessment centres back to in-person assessments to further enhance candidate quality and reduce opportunities for cheating.

Today, the ways in which individuals could cheat are both novel and evolving: they include responses written by AI, AI plugins trained to take assessments, assessments copied and shared online, and enabling an unfair advantage in preparation. Candidates demonstrating suspicious behaviour are either removed from the assessment process or retested. If the re-test demonstrates non-suspicious outcomes, they can continue in the process and could proceed to an offer of employment. If their re-test results are suspicious, they are removed from the assessment process.



Experienced hire recruitment

Our recruitment function uses robust data analytics and candidate insights to inform strategic decisions and attract top-tier talent. We provide our recruiters with training on LinkedIn talent insights and create online communities of potential future talent, helping us to address future hiring plans and build talent pipelines for EY UK.

We utilise a number of tools to assist us in the hiring process, both from within the UK and globally. For example, we capture detailed data on candidates' salaries, bonuses, benefits, and reasons for seeking new roles. This data provides us with insights into how to best position ourselves with candidates and understand how we compare to other organisations within the market. We also have a candidate relationship management system which creates unique experiences for candidates, encouraging them to regard EY UK as their employer of choice. We have launched an in-person interview training programme alongside a Global e-learning module to improve interview quality and experience and ensure the selection of the best quality candidates.

We have also enhanced our assessment and selection methods to streamline and improve our hiring processes into the audit sub-service line. For example, we have implemented a new training programme for interviewers, and launched targets across recruitment and audit leadership. Additionally, we are partnering with membership bodies and local senior talent, as well as implementing measures to detect and prevent duplicate profiles.

In order to improve internal recruitment EY UK has created a career portal to help our employees navigate the wide range of opportunities across our service lines, geographies, and industries. Alongside this initiative a virtual careers network delivers personalised career opportunities via email, based on employees' skills and interests.



Reward proposition

A further important enabler for attracting and retaining highcalibre employees is our total reward proposition. Previously, our benefits were differentiated for employees with longer service or higher ranks, but we now offer private healthcare insurance and 27 days holiday (pro rata) for all employees. We have also introduced a wellbeing fund of £500, which gives employees flexibility to choose a benefit which is most important to them. It could – for example – relate to their social wellbeing, with money being reimbursed on theatre tickets or home EV charging stations. Alternatively, they could spend the funds on a gym membership or sportswear to support their physical wellbeing. This well-being fund has now become the benefit that is valued most highly by our employees.

More recently, in response to feedback from our annual benefits survey, we introduced Gym flex as an additional gym offering and launched a digital menopause support app that provides employees with access to expert personal 1:1 guidance, tools, and information. We also recognise that financial health is a key component of our employee's well-being, and our Total Reward proposition includes a financial well-being programme, focussed on key life events. This programme offers support, tools, and education to help employees and their families make important financial decisions.





Changes to skilled worker visas

We have a diverse and international workforce in the UK and therefore need to monitor our legal and statutory obligations closely. We continue to closely monitor the impact of the government's Immigration White Paper, focussing on proactively communicating with our sponsored worker population on how these changes may affect them.

Following an increase to the International Health Surcharge (IHS) in February 2024, we reviewed the financial support available to our sponsored workers. A loan to cover the cost of an employee's IHS (including their dependents) was previously available upon joining and is now offered to employees at visa renewal stage when the IHS is payable again.



Audit quality and culture

Audit quality purpose

strategy")

At EY UK we are committed and proud to deliver high-quality audits that serve the public interest.



The EY UK audit quality strategy is refreshed each year to support the consistent attainment of our purpose. The strategy is designed to be adaptable, so as circumstances change, areas that have the greatest impact on audit quality can be prioritised. It is designed through collaboration with the Audit Quality Executive (AQE), senior Audit Leadership and other members of the audit business and the Audit Board, using inspection findings and RCA, surveys and feedback from focus groups, regulatory feedback, and peer analysis. The development and implementation are monitored through the Single Quality Plan (SQP) and subject to ongoing review and challenge by the ANEs and internal audit.

Throughout FY25 the strategy evolved to concentrate on a culture of pride in the impact the work an audit delivers, curiosity, connectivity and continuous improvement, all underpinned by our purpose led culture. Priority areas were:

Curiosity: To focus on the mindset of curiosity – curiosity in the business models of the companies EY audit, curiosity to think through where risks could present themselves, and curiosity regarding how best to design and deliver an audit response accordingly. EY professionals have been upskilled to have a better understanding of the businesses of the entities being audited, to ask better questions, to have the

confidence to challenge and apply a sceptical mindset. This has been delivered through key learning events which focus on the development of a questioning mindset, and build the culture of curiosity. Enablers to allow better benchmarking and peer analysis have also been prepared to encourage a questioning mindset and facilitate documentation. The 2026 Audit Quality Summit is framed around curiosity and asking the better question.

Connectivity: To connect and coach effectively across every member of the audit team. To ensure audit teams are collaborating effectively and efficiently, including with GDS and specialist team members, and to encourage early partner involvement to enhance coaching and teaming behaviours. This has been delivered through key training events and driven by the senior members of the business within audit teams.

Continuous Improvement: To drive a more effective process by progressing the standardisation of various areas of the audit which ensures senior auditors are able to continue to prioritise and focus on judgemental areas of the audit. This has included the identification of future areas that would benefit from standardisation.

For FY26, on reflection of the achievements and learnings from the prior year, the strategy remains largely consistent with an increased emphasis on transformation and Al given the fast pace with which this is changing, and with an overall focus on the behaviours that both support a high-quality outcome along with a positive experience for our colleagues. Purpose-led culture and instilling pride in the impact the work auditors do remain central to our strategy.

Our strategy vision for FY26, which focuses on the behaviours that drive high-quality audits

Curiosity behaviours

- Be inquisitive, ask questions
- Expand business acumen
- Develop yourself to thrive
- Always understand the purpose
- Stand back and reflect timely

Transformation behaviours

- Embrace and leverage Al and tech
- Fully adopt enablement
- Keep things simple
- Drive consistency
- Share insights and best practice

Curious Connected teams Courage in transformation Courage in transformation Courage in transformation Courage in transformation

Teaming behaviours

- Cultivate a strong team culture
- Be present, lead by example
- Develop others to thrive
- Coach engagingly, use PLOT
- Have fun and celebrate success

Pride and culture behaviours

- Prioritise the public interest
- Foster a culture of compliance
- Have courage to do the right thing
- Give people confidence to speak up
- Proactively seek and give feedback

The strategy is supplemented, and embodied where appropriate, through a variety of initiatives. These include events to engage people across the business (such as the annual EY Audit Quality Summit), to instil the desired culture and behaviours (such as the annual EY culture of quality roadshows and annual Trust Awards), and to ensure EY people have the opportunity to learn and develop (such as coaching, Audit Quality Support teams (AQST), national academies and robust learning plans for all ranks).

Collaboration and coordination across member firms is also a critical success factor in the timely delivery of quality audits. The globally integrated EY organisation, where all member firms follow one methodology and use one audit delivery tool, allows for the consistent execution of high-quality audits across all member firms.



Purpose-led culture

Culture remains a pivotal part of the audit quality strategy. Having the right culture will lead to the right teaming, the support and confidence to constructively challenge, and being professionally sceptical at all times. The fundamental elements underpinning the culture are:

- The essential attributes of the audit business (right resources, right first time and right reward); and
- EY UK people, focussed on a common audit quality purpose, taking personal and professional pride in the work they do.

We continually assess the culture of the EY UK audit practice through the culture of audit quality roadshow feedback and the annual audit culture survey. The 2025 Audit Quality Culture survey was completed in July and provided us with quantitative data on the values and behaviours that are shaping our employees' day to day decision making. Survey results continue to indicate that EY's audit culture is grounded in high standards, continuous learning, and professional development—and that this, in turn, is having a positive impact on employees' confidence to provide constructive challenge and their focus on the public interest. Our headline survey metric, the 'cultural health' score — reflecting the percentage of positive employee sentiment about our culture — increased by 1% to 91% in 2025, continuing to reflect a high-performing and purpose-driven organisation.

Furthermore, in 2025 a tool was developed that gives a real time view of some KPIs for the audit business including resourcing, compliance, and feedback, for ongoing monitoring. The output of the tool, along with other factors such as feedback and surveys, are considered by the specifically formed Audit Culture Committee, to assess progress to date and consider necessary actions and future ambitions. This committee reports to the AQE and UKAB quarterly. Whilst ongoing assessment is positive and considers the EY UK Culture to be robust and consistent amongst teams, this is always an area of focus and inputs, including KPIs in the tool, will continue to be developed so leadership can learn and continually enhance the culture and ultimately quality.

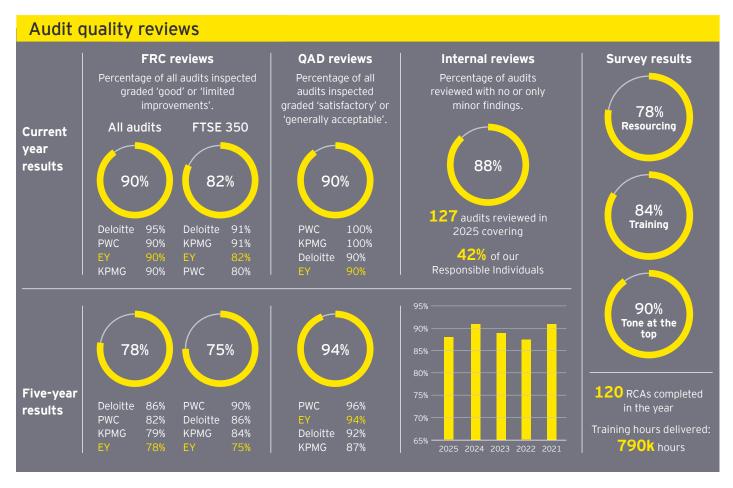
For further details on the achievements throughout FY25 and the planned evolution for the FY26 strategy, refer to the 2025 Audit Quality Report.

Monitoring and maintaining audit quality

Audit quality is subject to rigorous management and oversight. There is a robust governance structure in place, as described below, to ensure the challenge and oversight of all decisions made to drive quality. On a day-to-day basis, other factors are used to monitor audit quality and determine actions where required to maintain or improve quality.



Audit quality indicators



Inspections are an important and welcome challenge to ensure quality has been maintained on a selection of engagements throughout the year. EY is subject to annual inspections from the FRC, ICAEW QAD, triannual inspection from PCAOB, and annual internal AQR inspections. Results from the latest cycle across all parameters showed that a high proportion of the engagements inspected met the expected standard for audit quality. Inspections and resulting RCAs are one of several inputs into the continued maintenance and improvement of audit quality.

Results of FRC reviews

The FRC grades audits in three categories in its public inspection reports as follows: 'good or limited improvements required', 'improvements required' or 'significant improvements required'. The FRC published its report on its latest inspection of EY UK on 15 July 2025, together with The Annual review of Audit Quality 2025.

The FRC inspected 20 EY UK audits, of which 90% were assessed as requiring no more than limited improvements, reflecting an improvement on the prior year both in terms of the overall gradings achieved and the number and nature of findings per engagement. Two audits were identified as requiring improvements (compared to four in 2024). For the fifth consecutive year, none of these audits were assessed as requiring significant improvements.

As described below, RCA is performed on inspection findings through the cycle to drive continuous improvement and responsive actions are taken where required, including communication of findings to the business and enhancing enablement and adoption thereof to help drive consistency.

Good practice examples were identified in several areas including group audit oversight, challenge of management, ethics and independence and risk assessment. The good practice examples identified by the FRC indicate that the steps taken are having a positive impact.

The FRC's report also commented on aspects of the System of Quality Management, identifying both good practice examples and some areas for improvement.

For full details of the FRC's findings and the EY UK response, please refer to the <u>FRC website</u>.

The FRC supplements its routine monitoring programme with a series of thematic reviews of certain aspects of corporate reports and audits where there is shareholder interest and scope for improvement and learning from good practice. Some of these culminate in public feedback and for others the feedback is given privately to the firms. These thematic review reports are helpful in identifying areas of good practice as well as opportunities to improve. The feedback received from the FRC on these topics is welcomed, and ongoing dialogue to agree the best course of action for implementing recommendations, where applicable, is considered.

Results of PCAOB inspections

EY UK is inspected every three years by the PCAOB. The most recent inspection took place in 2024, jointly with the FRC, and was completed as expected. We await the issuance of the PCAOB report.

Results of ICAEW's QAD reviews

The ICAEW's QAD conducts monitoring visits to all firms registered for audit with the ICAEW. Its monitoring visits contribute to the ICAEW's objective of maintaining the highest standards among its members. EY UK is in the population of firms that the ICAEW's QAD visits on an annual basis, but for which the FRC has the lead regulatory responsibility.

The last ICAEW's QAD inspection took place in 2024, when ten files were selected. The resulting private report, issued in the spring of 2025, noted: "Our file reviews show that most of the audit work was of a good or generally acceptable standard. We concluded nine of the ten standard files as good or generally acceptable, with one file requiring improvement."

The ICAEW's QAD inspection identified good practice in most of the files reviewed. Examples included:

- Opening balances work with specific consideration of the impact of a different materiality approach compared to the predecessor auditor.
- Involvement of the component auditors in the primary team's planning procedures.
- Well designed and clearly documented work on going concern.

On the file requiring improvement, there was insufficient evidence to support the conclusion on going concern. Actions have been taken in response including root cause analysis, delivering training, providing additional support to the audit team, and implementing a remedial action plan to avoid recurrence of similar issues on subsequent audits.



Audits of Local Public Bodies (Local Audits)

All engagement leads for Local Audits (as defined by The Local Auditors (Transparency) Regulations 2020) are registered as KAPs with the ICAEW and are supported by dedicated public sector audit staff. In addition to the programme of training for assurance professionals, outlined above, all KAPs and staff working on Local Audit engagements are required to undertake sector-specific mandatory training for Local Audit work.

This training covers health, local government and local government pension schemes together with training for KAPs on their additional powers and duties under the Local Audit and Accountability Act 2014. The results of both internal and external quality reviews of Local Audit engagements are communicated to all Government and Public Sector assurance staff, along with training in relation to findings to avoid re-occurrence. Core skills training on Local Audits has also been delivered during the year. KAPs attend quality panels to assess their competency when they are appointed in the same way as the responsible individuals (RIs). Monitoring of local audit performance takes place in accordance with the applicable regulations. Full details of these reviews and results are included in the section below.

Following the enactment of legislation on 30 September 2024 to address the local audit backlog, EY supported the government's plans to reset and recover the Local Audit market. The detailed project planning on the topic supported delivery of the reset agenda. Audit opinions were issued for all outstanding audit periods up to and including 2022/23 by the 13 December 2024 backstop date. There were a few outstanding audits which were unable to be completed for one of the exemption reasons stated in the legislation; these bodies were reported to the Minister for Housing, Communities and Local Government. The first stage of the recovery phase was executed, with audits for the 2023/24 financial year completed by the 28 February 2025 backstop date. There were a few outstanding audits which were unable to be completed for one of the exemption reasons stated in the legislation. We reported these bodies to the Minister for Housing, Communities and Local Government.

EY UK remains committed to delivering high-quality local audit in the public interest. Leadership continues to play an active role in discussions supporting the recovery of the local audit market. Local Audit Reset and Recovery Implementation Guidance 6 was issued on the 5 June 2025 and EY is refining its approach for implementing this quidance from 2024/25.

EY UK continually reviews the portfolio of appointments to ensure appropriate resourcing necessary to deliver highquality public audit and to maximise the level of assurance provided.

FRC inspections of public sector audits

The FRC has direct responsibility for inspecting all 'major local audits' (defined within the Local Audit (Professional qualifications and Major Local Audit) Regulations 2014 (SI 2014/1627)). Public sector audits that fall outside the remit of 'major local audits' are monitored by the ICAEW's QAD.

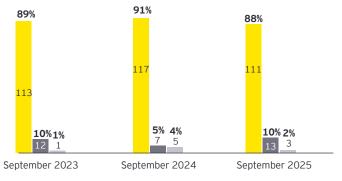
During FY25 the FRC inspected one public sector engagement as part of their 2024/25 cycle, with a March 2024 year end. The FRC has not issued a public report on its Major Local Audit inspection work for the 2024/25 cycle as it determined that it would not be proportionate to its findings or the scope of its monitoring activities. The results and the FRC's Major Local Audit Reports are available here.

ICAEW's QAD inspections of public sector appointments

The ICAEW's QAD inspects public sector engagements that fall outside the remit of 'major local audits'. There was no inspection of these audits by the ICAEW's QAD during FY25.

Results of internal audit quality reviews (AQR)

In the 2025 cycle, a total of 127 internal AQR reviews were performed, covering audits with financial year ends between 30 September 2023 and 31 March 2025 inclusive. The results are set out below:



- 1. No or minor findings
- 2. Findings that were more than minor but less than material
- 3. Material findings

Three of the engagements (2%) subject to internal AQR were rated 3. The material findings driving the 3 ratings related to:

- Materiality measurement basis change in year considered unsuitable
- Insufficient audit procedures performed or documented in relation to revenue
- Insufficient audit procedures performed or documented in relation to controls testing

The internal AQR reviews covered 21% of FTSE 350 audits performed by EY UK. One of these FTSE 350 engagements was given a 2 rating, with the remainder all gaining the highest 1 rating.

RCA is undertaken for each engagement that is rated either 2 or 3 to identify actions we can take across our practice to continue to improve audit quality. This is ongoing for the 2025 AQR inspections.

The AQR process is discussed in <u>Section 3: Components of our System of Quality Management</u>.



Percentage of responsible individuals (RIs) subject to quality reviews

The review process is intended to cover all RIs – Partners authorised to sign audit reports – at least every three years, and every FTSE 350 audit every six years. Other audits are selected for review to cover a cross-section of the audit practice. However, the selection is weighted towards those engagements with higher risk factors. In the current year 127 engagements were reviewed (of which 6 were public sector engagements). This gave coverage of 42% of UK RIs (2024: 44%) and 38% (2024: 29%) of public sector engagement leads in the 2025 AQR cycle.



Metrics on external investigations

EY UK is regulated and subject to professional disciplinary action in cases of misconduct. The FRC discloses on its website a list of investigations that have been publicly announced and summarises its work in an annual report. In its Annual Enforcement Review published on 24 July 2025, the FRC disclosed that as at 31 March 2025 there were 32 open investigations into individuals and firms for audit work. These investigations were across a number of firms. Of the 32 open audit investigations four related to audits which EY UK completed:

- The audit of NMC Health plc for the 2018 year end;
- The audit of Made.com plc for the 2021 year end;
- The audits of Post Office Limited for the year ends between 31 March 2015 and 31 March 2018; and
- The audit of an unnamed entity for the years ending 31 December 2021 and 2022.

Since the last Transparency Report, the FRC also concluded its investigation into four EY UK audits, issuing EY UK with financial and non-financial sanctions. On 23 May 2024, the FRC concluded its investigation into the 2021 audit of Evraz plc; on 12 December 2024 the FRC concluded its investigation into the 2019 audit of Stirling Water Seafield Finance Limited; and on 18 December 2024 the FRC concluded its investigation into the audits of Thomas Cook Group plc for the 2017 and 2018 year ends.

Whenever matters relating to audits are identified, EY UK conducts Root Cause Analysis to identify actions that may be required to enhance processes and controls relating to audit quality. Since the audits subject to FRC sanctions were conducted, EY UK has taken actions to improve audit quality in the areas where breaches were identified. As part of the non-financial sanctions EY UK is working with the FRC to assess the effectiveness of the audit quality improvement measures taken and will respond to any further findings that arise from these and other investigations as they are concluded.

Full details are available in the <u>FRC's 2025 Annual</u> <u>Enforcement Review</u>.



Root cause analysis (RCA)

As explained in Section 3: Components of our System of Quality Management, RCA is an in-depth assessment of the underlying root cause of the positive or negative outcomes on audit inspections. At EY UK, the results of the RCA are used, along with other factors, in developing the audit quality strategy. They are reported along with proposed actions to internal and external stakeholders, including the AQE, ANEs, the FRC and the ICAEW. Focus groups were again held to enable a real time view of audit quality, alongside a consideration of the historical engagement level RCA.

The coverage of audits inspected to identify potential themes in FY25 is consistent with prior year. In total 120 RCA reviews were performed in the current cycle (FY24: 124, FY23: 124). This included analysis on positive quality outcomes for which interviews included more junior members of the teams to help fully identify any potential learnings. Due to the timing of inspections, the RCA on 2025 internal inspections is ongoing.

Consistent with previous years, the key message coming from our RCA has been the importance of senior team members fostering a strong team culture, working together well from the outset of the audit and using the enablement to support the delivery of high-quality audit:

Theme	RCA Insights
Senior Team Member Involvement	A high degree of partner or executive engagement remains the top driver for positive quality outcomes. Conversely, insufficient upfront involvement from senior team members has been seen to have a negative impact on audit quality.
Communication and Collaboration	Effective communication and collaboration result in well- informed team members who are benefiting from live coaching and regular interactions.
Upfront Planning	Setting clear expectations on strategy and timelines, reinforced by management buy-in and proactive communication has a positive impact on audit quality. Convesely, insufficient planning and challenge of the approach adopted has a negative impact on the ability to evidence professional scepticism in the audit.
Standardised Work Programmes	Audit teams using existing guidance and standardised work programmes evidence professional scepticism more clearly and consistently and see fewer findings in regulatory reviews.

These factors are pivotal in the audit quality strategy refresh. All actions planned are captured through the EY Single Quality Plan which allows for robust monitoring and oversight.



Partner and staff audit quality survey

The people that provide the audit services are pivotal in the successful delivery of audit quality, so it is critical that their feedback about how we deliver quality is obtained and considered. An annual UK Audit Quality Survey is conducted (in addition to the Global Quality Survey) to provide insights that are used to assess the effectiveness of the strategy in the previous year, and to contribute to future developments in the quality agenda where views are indicative of a need. The results of the latest survey that ran in September 2025 are shared below.

Question asked	2025	2024	2023
I understand that consistently performing quality audits serves the public interest (comparative	98	100	100
question in 2024 read: I understand my purpose as an auditor in providing independent assurance, supporting strong capital markets and protecting the public interest.)			
The EY leadership team communicates audit quality as priority.	94	95	95
I have sufficient time and resources to deliver quality audits.	78	76	72
I receive sufficient training and development to enable me to deliver quality audits.	84	81	82
I take pride in delivering quality audits (comparative question in 2024 read: Delivering quality audits is a priority for me.)	95	97	97
I believe EY recognises and values contributions to audit quality.	77	78	65
I am able to apply professional scepticism when performing my audits (comparative question in	96	94	94
2024 read: I believe that I am able to apply professional scepticism when performing my audits.)			
I am encouraged and supported by audit engagement partners to deliver quality audits.	90	88	88

Most questions consist of a five-point range – from strongly agree to strongly disagree. The percentages shown in the table above reflect the proportion of respondents answering strongly agree or agree except for the question "I have sufficient time and resources to deliver quality audits". This is stated to include both favourable 56% (2025: 54%) and neutral 22% (2025: 22%) in line with prior years to improve comparability with the publications of other firms.

In line with the Global Quality Survey described in Section 3: Governance and leadership – <u>Tone at the top</u>, EY UK teams continue to show a strong regard for delivering high-quality audits and consider that leadership place sufficient emphasis on this with a strong tone from the top to support the quality ambition of being proud to serve the public interest.

The general direction of feedback and perceptions is positive albeit it remains a steady objective to ensure teams have the appropriate time and resource to deliver quality audits, and to continue to improve the connection between contribution and recognition. There has been a steady improvement in the response to these areas within the survey over recent years driven by the continued efforts made to improve people's working experiences and resources, and to ensure there is genuine and valued recognition for the hard work they put into attaining, and maintaining, high-quality audit delivery.

Actions to implement new tools, resources and training to ensure there is greater standardisation across the portfolio of audits, plus globally driven enhancements in new assurance technology capabilities, including advanced data analytics, have continued through FY25 with many actions now being business as usual. The ultimate goal of these and the ongoing strategic actions is to equip teams with the skills, capabilities and support to improve efficiency and make work more enjoyable and rewarding, thus supporting an environment to maintain and enhance the delivery of high-quality audits.

Significant effort has been applied over the last few years to improve the connection between quality contributions and recognition, and to enable EY UK teams to truly feel valued for the work they deliver. This included the performance management framework, which includes an individual's quality rating as one of the factors in determining compensation and reward packages, as well as identifying future development opportunities. The Audit Trust Awards, which launched in 2022, to recognise individuals who have really made a difference and helped to shape the culture and deliver high-quality audits are now a well-established annual event to celebrate individuals and teams in a number of areas, including quality, thus reinforcing their recognition and value. These awards received over 700 nominations this year across 6 categories and winners included coaching and leadership, demonstrating a sceptical mindset and innovation and adaptability. Looking ahead to FY26, the refreshed strategy continues to support this through the purpose-led culture, and desired teaming behaviours, as well as ensuring success is rightfully celebrated.

Through the Global Quality Survey, another area for additional considerations in the coming year is around coaching and feedback, with EY UK respondents having a lower positive response to this (72%) than other regions (80%). In order to better understand the views on this area, in the UK survey this year the guestion was split to consider coaching and feedback separately. The results indicate that coaching is generally well received, with 78% of respondents considering that they receive appropriate coaching for their role and experience. However, only 62% of EY UK people feel they receive timely feedback. Coaching remains a key feature of the quality strategy as described above through the "connected teams" workstream. In addition, further emphasis is placed on behaviours in the FY26 look forward, including individuals to proactively seek and give feedback. The performance management framework is also being adapted to encourage an increase in ongoing and real-time meaningful feedback through conversations that supplement the structured feedback cycles.

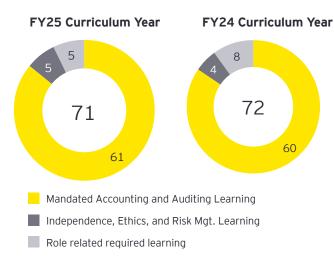


Metrics on investment in audit quality (training)

Training curricula are reviewed each year to reflect the current needs of the business, taking account of inspection findings, new audit and accounting standards and other regulatory changes. This is supported through a robust learning needs analysis, with a focus on delivering curriculums that support consistent delivery of high-quality audits and professional development of EY UK people. Our training programme is continuous to respond to changes in evolving business models and external standards as they happen.

We ensure that all EY UK audit professionals have the opportunity to learn through a blend of different models. Formal training is generally a combination of physical instructor led classroom courses, virtual instructor led courses, webcasts, web-based learning, self-study reading and practice. This is all supported by on-the-job learning and coaching. The learning deployment strategy is continually being improved to ensure the right balance of instructor-led offerings (face-to-face and in the virtual classroom) and ondemand, self-directed content.

Average number of hours of mandatory training completed by audit partners and professionals (excluding professional qualification training).



In total, during the FY25 curriculum year⁶, EY UK audit professionals undertook approximately 790,000 hours of mandated learning to keep their knowledge up to date and build foundational knowledge and skills for those in their qualification contracts and those new to EY UK or new in grade. Removing hours related to professional qualification learning this represents 71 hours on average per audit professionals, including Partners.

- UK audit professionals completing professional qualification contracts completed an additional 201 hours on average per learner (approximately 5.4 weeks) during FY25.
- Mandated accounting and auditing training, including firm-wide mandated training on independence, ethics, and risk management topics made up 42% of the total training hours delivered to UK audit professionals during the most recent curriculum year. Key training themes within the annual update curriculum for FY25 included:
 - Regular updates on accounting and regulatory matters, including upcoming changes to FRS 102
 - Methodology-focussed topics: ISA 600 Group Audits and Risk Assessment
 - Continued focus on sharpening the focus on fraud and risk, including emphasis on curiosity and understanding a business
 - Execution of journal entry testing
 - Impairment testing investments in subsidiaries in parent company financial statements and goodwill
 - Independence matters particularly around personal independence and Ethical Standard updates
 - NOCLARs
 - Auditing Financial Statements

- Versatility, working in teams, and inspirational leadership
- LEAN Six Sigma and zero-based budgeting
- Further implementation of the data-driven audit continues, along with fully embedding this into the practice, facilitated by programme of digital fluency learning.
- Ethics and risk management training

For qualified staff and Partners, approximately 93% of their training programme consists of this mandated accounting and auditing learning, allowing 7% to be more learner-defined on need and interest. This other role-related learning includes:

- US technical learning required for UK audit professionals serving on component teams or as a primary team on US engagements
- Onboarding training for experienced professionals who join EY UK, whether on secondment or on a permanent basis
- Industry-specific learning (primarily related to financial services and government and public sector audits)
- Sustainability assurance, including CSRD reporting requirements

Other training not captured in the hours above which audit professionals consume includes, but is not limited to:

- Counsellor and transformative leadership learning
- EY Badges (curated learning to develop future-focussed technology, leadership and business skills) and other nontechnical training
- Personal development training and learning such as milestone events (e.g., new senior, manager and senior manager and Partner programmes) and pathway to Partner development programme
- Industry- and sector-specific updates including key developments in the industry, economic considerations, market updates, hot topics, specific audit considerations and regulatory focus
- Office and cluster quality enablement local training sessions and Culture of Audit Quality roadshows
- ITEM Club economic briefings
- Reading of Global Accounting and Auditing news, UK
 Assurance Technical Alerts and key communications from
 the Audit Quality team
- Partner-specific quality communications and discussions on audit quality and risk management

Measurement of learning hours is done on a curriculum year basis which is aligned to the compliance date of the respective learning module. Therefore, mandated learning referred to here would have fallen due within FY25.

Oversight and Governance of Audit Quality



Audit Quality Executive

The AQE is responsible for oversight and decision-making in respect of quality of audits undertaken by EY in the UK, with the aim of achieving consistently high audit quality to serve the public interest. The AQE's role includes oversight, implementation and periodic review of the audit quality ambition, including ensuring continued alignment with the FRC Principles for Operational Separation of Audit Practices, recommending amendments where appropriate.

The AQE reports to the UKAB, with the UK Quality Leader (UKQL) presenting at each meeting a report on the audit quality matters within the remit of the AQE for feedback and challenge from the UKAB prior to finalisation. This includes:

- Ambitions for audit quality and the audit quality strategy
- Key audit quality metrics such as AQIs, inspections, surveys, etc.
- Proposed audit quality initiatives to be implemented into the business, as monitored through the single quality plan

Additionally, as EY UK is monitored by EY EMEIA and EY Global and is held accountable on a range of audit quality indicators (e.g., inspection results, resources, training, compliance, milestones, support for audit teams, and other key areas of quality support), monitoring of these metrics and reporting to these stakeholders is undertaken by the AQE. The AQE also ensures that EY Global and EMEIA quality initiatives are implemented appropriately.

The AQE is chaired by the UKQL. The AQE consisted of six management members throughout FY25 including the Heads of the audit practice, the Quality Leaders, the Professional Practice leader and the RCA leader. During the year, the AQE met 13 times, including two sessions to review the FY25 Strategy refresh.

To support the AQE in discharging its duties it has a list of standing agenda topics, annual agenda topics and key additional topics which are brought as required. These include those listed in the table.

Standing agenda topics

- Development, implementation and effectiveness considerations of the AQS and Single Quality Plan, including progress on each strategic workstream
- Oversight and ongoing progress of desired culture, including plans for annual Roadshows
- Resourcing
- Updates from EY UK service line oversight committees (as they affect audit quality)
- Monthly monitoring of AQIs
- RCA findings and actions
- Guidance from regulators
- Audit Quality Support Team (AQST) reviews
- Internal and external inspections
- Update on ISQM1 in relation to the potential impact to audit quality
- Oversight of GDS in support of delivery of high-quality audits**

Annual agenda topics

- Audit Quality Summit
- UK learning plans, including learning events
- Annual RCA plan and report
- Results of the audit quality survey
- Formal approval of the AQS, having considered the input and challenge from the EYAB for each annual refresh

Key additional topics in FY25*

- Public sector audit updates^
- Integration of EY offshore teams into audit teams
- Introduction and embedding of AI and technology for use in the audit
- Overview and status of global transformation programme for delivery of the nextgeneration Assurance technology platform which will enhance audit experience

^{*}Key additional topics are driven by emerging factors in the period and will vary year on year. Where appropriate, the AQE invites individuals from the business to present these topics and other priorities.

[^]The Public Sector Leader has attended to provide updates on the progress made in relation to the backlog of opinions and the proposed government backstop provisions, which is discussed above.

^{**} To reflect the importance of teaming and connectedness, the GDS teams who support the delivery of UK audits are included in various events such as the Audit Quality Summit and Audit Culture Roadshows. UK leadership visited the team earlier in FY25 to ensure a consistent message of ambition and quality across all teams. Details of oversight activities over GDS is provided each quarter to the AQE considering tone at the top, training, and engagement performance.



The UKAB and ANE oversight of audit quality

One of the roles of the UK audit board and ANEs is to engage with a broader set of external stakeholders, including regulators, investors and audit committee chairs. Details on the activities undertaken during the year are provided in the Leadership statements and Appendix 3: Governance and leadership. Specifically with respect to Audit Quality, the role of the UKAB is to provide independent oversight of the AQE (including the approach to the assessment of the quality of audit work delivered by specialists outside the audit practice); monitor and challenge management responses with respect to audit quality review outcomes; monitor and challenge levels of resourcing within the audit practice, particularly skills and capacity, and review outcomes from the Root Cause Analysis process.

The UKAB reports to the LLP Board, with the Chair of the EYAB presenting an overview of the audit practice at each LLP Board meeting, which includes key updates on audit quality matters and, as appropriate, recommendations with respect to these matters.

The UKAB met seven times during the year, being; four quarterly meetings, a meeting to consider the results of the board evaluation, a session to review the FY26 AQS refresh, and a meeting to approve the FY24 Transparency Report and FY24 Audit Quality Report. The agenda for quarterly meetings is set to discharge the duties of the UKAB and to consider ad hoc topics as they arise from horizon scanning and emerging developments.

As outlined above, the UKQL presents key audit quality matters within the remit of the AQE to the UKAB each quarter, which includes; ambitions for audit quality, the audit quality programme, monitoring of key audit quality metrics and related actions and reporting on audit quality, including to the FRC (such as the SQP). The UKAB also receives regular reports on other matters pertinent to audit quality, such as, audit leadership and Partner remuneration (following review by the UKAB Remuneration Committee), culture and the implications of regulatory publications, amongst others. The UKAB, through the UKAB Remuneration Committee, also reviews the design and integrity of the partner promotion process and attend a selection of partner assessment panels to ensure that audit quality is appropriately considered in promotion and remuneration decisions.

The AQS is a key focus of the UKAB and at the annual strategy session the AQS refresh is presented by the UKQL and other members of the AQE as appropriate. This session provides an opportunity for the UKAB to provide guidance and challenge on the detailed plans contained within the AQS refresh proposals. Progress against the goals of the AQS is monitored through the reports received from the AQE each meeting. Some members of the UKAB also attend a selection of the Culture of Quality Roadshows to meet with people within the business to gain a better understanding of how the strategy and other actions are being implemented on the ground and whether they are working.

Further information on the work of the INEs and ANEs, and the oversight and challenge they provided in FY25, can be found in their <u>Leadership message</u>.



Managing risk

The environment in which EY UK operates creates a broad range of risks. Effective management of these is critical to safeguarding the organisation, delivering on its purpose and ambition and ensuring alignment with the AFGC risk

management principles. To address this, EY UK has a strong risk management capability to identify, assess, measure and monitor risks faced.



EY UK operates a 'Three Lines of Defence' model for risk management, illustrated below:

First Line of Defence

- The first line comprises front-line staff supported by service line quality teams.
- Activities include client and engagement acceptance and risk management during project, engagement and audit delivery.

Second Line of Defence

- The second line includes experienced risk management professionals supporting independence, compliance (including financial crime, conflicts and data protection), enterprise risk management and business resilience.
- Policies, frameworks, tools, advice, training and guidance are provided to the first line.
- Oversight, challenge and monitoring are provided to maintain the effectiveness of the first line.

Third Line of Defence

- The third line comprises a core team of internal audit specialists, supplemented by subject matter resources from the business where required.
- The internal audit plan is risk-based and aligned to the 15 principal risks, providing independent assurance over the risk and control framework.

The Board has responsibility for risk management and internal control across the business. To support the Board in discharging this responsibility, the effectiveness of the internal control system is reviewed annually. The primary mandate of the ROC is to support the Board in its oversight of the management of risk. The ROC meets six times per year, with a standing agenda covering risk management, compliance and internal audit activity. The ROC's work in FY25 included:

- Monitoring exposure and risk management activity for the 15 principal risks.
- Reviewing the performance of Key Risk Indicators (KRIs) against tolerances.
- Monitoring the heightening risk impact from geopolitical situations, for example ongoing international conflict and the emerging impact of trade tariffs.
- Assessing horizon risks.

- Monitoring the risk associated with AI as the business develops go to market offerings on AI and streamlines internal operating processes using AI technology.
- Assessing the ongoing risk associated with the economic downturn.
- Overseeing the development of the Three Lines of Defence
- Managing risks associated with third parties and the global EY business as they impact EY UK.
- Approving the Internal Audit Charter and plan, and overseeing the delivery of internal audits and progress against improvement actions raised.
- Monitoring regulatory changes and developments relevant to the management of risk.
- Overseeing the management of the framework for enterprise risk.
- Maintaining risk policies, including new policies and amendments.

The ROC is supported in its oversight of the management of risk across the business by the Risk Executive Committee (REC) which meets monthly and includes first line risk leadership from all service lines. The REC receives a risk update from each of the service lines on a rolling basis and is a useful forum for discussion and identification of cross service line risks and mitigating actions. In FY25, the REC reported to the UKCC and provided an important link from the Board and the ROC to the first line of defence.



The scope, activities and performance of risk management are continually monitored to ensure it remains effective in responding to the business risk profile and to regulatory expectations. This has enabled strengthening of the control environment and management of risk through business-as-usual activities and a series of change initiatives.

In FY25, enhancing the System of Quality Management continued to be an area of focus in collaboration with the business. The risk team continued to strengthen the approach to the management of risk across service lines and to support the business with resources, frameworks and tools. Other areas of focus included enhancing the compliance monitoring programme with the creation of a data-led dashboard to assist with the proactive identification of any new issues, enhancing the anti-money laundering Client Due Diligence cyclical review process, preparing the business for the new corporate offence in the Economic Crime and Transparency Act 2023, and strengthening controls further to reduce data loss. There is continued focus on reputational risk within the client and engagement portfolio, with the Reputation & Conflicts Panel - formed of senior leaders – continuing to complement existing processes for more complex and higher risk activities in addressing potential conflicts of interest and reputational matters in engagement acceptance decisions.

Risk exposure reporting provides insightful information to facilitate effective oversight by the ROC and the Board and providing updates to other committees such as UKCC and the PIB. The reporting includes a forward-looking outlook for each risk, highlighting potential areas of concern and mitigating actions.

Strengthening business resilience continued to be an area of focus covering people, premises and technology. Business Continuity Planning and Disaster Recovery Planning continued to mature in the business with support from EY Global to ensure continuity of the major delivery platforms. Effective and tested crisis management procedures are in place and ready to be deployed as required.

The second line of defence performed the annual assessment of financial viability in FY25 using various factors, including business modelling of internal and external risk events and scenarios to understand their potential impact on working capital, financial performance and the principal risks. The assessment's conclusions support the ongoing viability of the business under these stress scenarios.



EY UK is committed to complying with all laws and regulations, with the compliance framework covering all Risk Management policies. The approach to compliance includes horizon scanning, testing, monitoring, control improvements, reporting, education and communication. The following were areas of focus in FY25:

- As part of the normal review cycle, all compliance policies were assessed to identify inherent risk, controls effectiveness and residual risk;
- Four policies were updated and relaunched in line with risk management policy governance protocols: (i)
 Business Continuity Management; (ii) Crisis Management; (iii) Hospitality, Gifts and Favours; and (iv) Client and Engagement Acceptance Global Policy UK Addendum;
- There was a continued focus on data protection compliance, in line with UK government GDPR, EY Global policy and UK addendum requirements. Controls are mature and remain effective with revised guidance on data incidents and enhanced controls issued to the business. Mandatory annual data protection refresher training is assigned to all UK personnel;

- There are robust controls in place to minimise the risk of money laundering and terrorist financing. All relevant staff receive regular training in financial crime prevention, anti-money laundering and anti-bribery awareness and reporting. The Suspicious Activity Reporting tool is working well and the number of suspicion reports has increased. A transformation of the Client Due Diligence cyclical review process was initiated in FY24 with the expansion of the onshore team and technological innovation. This was successfully completed in FY25;
- Sanctions compliance continued to be an area of focus in FY25. The Sanctions Team continued to monitor the changing geopolitical situation. A cross-disciplinary team across Risk Management, Legal and service lines continued to monitor the rapidly moving geopolitical landscape and to be ready to respond appropriately to new sanctions regulations;
- There was focus on embedding the provisions in the Economic Crime and Corporate Transparency Act 2023 on fraud prevention, with a multi-disciplinary forum enabling a business-wide approach to fraud. The fraud risk assessment was updated, a new response plan created, controls reviewed and strengthened where required and fraud training was prepared for issue to all personnel in early FY26; and
- The systems and processes for identification and management of conflicts of interest were enhanced further. This included new guidance materials and an updated terms of reference for the Reputation and Conflicts Panel.



There is an ongoing commitment to maintaining a strong Internal Audit (IA) capability to provide an effective third line of defence. IA reports five times per year to the ROC and half yearly to the Board. The Charter, the performance of the Head of IA and the effectiveness of the function are reviewed annually and approved by the ROC. Progress updates to the ROC consider:

- The validity of the remaining plan and adequacy of resources;
- Results of recent completed audits; and
- Status of audit actions, including oversight of overdue actions.

Outside the formal governance channels noted above, IA periodically reports audit outcomes and the status of management actions to the UKAC, PIB, UKAB and other senior leadership forums, to promote a strong control culture across the UK business. In addition, the Head of IA has quarterly meetings with the Global Chief Audit Executive to share audit plans and key findings.

The team is led by a qualified and experienced individual, with a core team of auditors that is supplemented with subject matter resources from service lines to support specific reviews. During FY25, over 12,500 hours of IA activity were deployed across 26 audits.

The FY25 plan was approved by the ROC and the Board in June 2024 and was aligned to the principal risks and strategic issues facing the business. The plan took into consideration prior year coverage and results and coverage from other assurance sources such as AQR, AQST and Global Internal Audit. Consistent with previous years, the FY25 plan had a principle that it would be agile to respond to the changing risk profile of the UK business. This would include new regulatory requirements along with internal transformation and strategic change. In addition, other factors were considered, such as the consequences of market conditions and revised business priorities. The ROC reviews the validity of the audit plan quarterly and approves any revisions proposed. Each audit planned for FY25 had been mapped to the relevant principal risks to ensure adequate coverage of the risk profile. In many instances, an audit addresses more than one principal risk. Risk coverage is monitored over a three-year period to ensure sufficient coverage over principal risks.

The coverage from the 26 audits in the FY25 plan is summarised below:

Audit Coverage of Principal Risks delivered in FY25



The IA team is committed to continuous improvement and reports regularly to the ROC, PIB and Board on progress against its Quality Improvement Programme. This is adapted in line with feedback from these committees to ensure that the IA team continues to provide the robust third line of defence required to support the ongoing management of risk.



The EY Global Code of Conduct provides a behavioural and ethical framework on which EY member firms and people are expected to base decisions and actions. It is established at a global level and is consistent with the principles of the AFGC. New joiners are required to complete learning confirming they will act in compliance with the EY Global

Code of Conduct. Further training is provided to all personnel annually along with a confirmation process to confirm adherence. The EY Ethics Hotline is available for any EY person to report concerns about conduct they consider to be unethical, illegal, in violation of professional standards or to be otherwise inconsistent with the EY Global Code of Conduct. The EY Ethics Hotline is also available to external parties who want to report any concerns, including but not limited to clients, suppliers, and the public. Additionally in EY UK, the Culture Shift™ Report & Support reporting tool, is embedded in the existing suite of reporting options for anyone who has experienced or witnessed behaviours that they believe are unacceptable.

As noted in Section 3: 'Components of our System of Quality Management', EY has a Global NOCLAR policy which reinforces the principles of the EY Global Code of Conduct by rejecting unethical or illegal business practices, supporting compliance with laws, regulations and standards, and upholding the commitment to ethical behaviour and quality. NOCLAR also confirms individual responsibility to speak up.

In EY UK there are avenues in place for people to make a report in confidence and anonymously. Guidance has been drafted to be fully accessible and user-friendly for all people. It explains:

- The types of behaviour that should be reported;
- How to make these reports; and
- What is done to protect those who speak up from retaliation or adverse treatment which may result from speaking up.

There are procedures in place for the investigation and handling of reports, to ensure consistency of process and record-keeping. During FY25 face-to-face training has been developed on leading ethically and will be rolled out initially to all client-facing partners in FY26, with cascade to all business areas to follow. The PIB receive reporting on the whistleblowing arrangements bi-annually. A full year report is prepared and provided to the Board enabling them to comply with the 'reasonable procedures' guidance under the Economic Crime and Corporate Transparency Act 2023, that there should be Board level accountability for overseeing whistleblowing.

Principal risks

The risk profile is reviewed annually to ensure the principal risks are assessed and actions are in place to monitor them. The process includes an assessment of the risks that would threaten sustainability of the audit practice, business model, future performance and solvency or liquidity. Controls and mitigants are regularly reassessed throughout the year. As new issues emerge, mitigating actions are introduced or existing ones refined to ensure continued relevance and effectiveness. The EY UK System of Quality Management forms part of the overall approach to risk management. Key mitigating actions relevant to each principal risk are noted in the table below.

Principal risks	Risk drivers	Actions to mitigate risks
1. Strategic investments do not generate an adequate return	There is continual investment in new assets and services aligned to strategic objectives, which may be developed in-house or through acquisition, which is complemented by ongoing recruitment and development of partners and non-equity partners ("partners"). It also invests in a range of technology solutions (e.g., Al) and strategic alliances with other service providers. Investments will not provide the required return if: Strategic investments are made without a clear business case or governance being established; Strategic investments are not delivered in line with expectations.	 Strategic acquisitions of businesses and new investments in client service offerings are controlled effectively through: Assessment and approval of all business cases by investment boards and governance committees; Monitoring of returns on investments with any required actions taken by management; Rigorous assessment of all potential new Partners with procedures in place for subsequent onboarding and support; Use of established processes for development of new assets and services; Close working relationship with Global for investment in Al; Collaboration between service lines, EY member firms and Global to leverage technology investments.

Principal risks Risk drivers Actions to mitigate risks 2. There is commitment to a sustainable, The business model is continually reviewed, managed and evolved The business profitable business model, including global through: model is investment in leading data analytics tools, Membership of the global network providing insights, analysis unsustainable creation of a digital methodology supporting and actions and collaboration with other member firms; audit services and expansion of new Monitoring business performance against business plans with services. Delivery of services may become actions taken to adapt to changing market conditions; unsustainable if: Reviews at an engagement, account and service line level Technology, nearshore and offshore talent considering pricing, scope, margin management and billing and third parties or alliance partners issues; are used ineffectively as part of delivery Methodologies, approvals and tracking for complex or higher models; risk engagements, from initial opportunity through delivery; There is failure to effectively assess Investing in assets, centres of excellence and alliances to grow impacts and adapt to technological delivery capability and expand service offerings in line with advances—such as AI—to optimise strategy; operations, enhance processes, or Leveraging new technology such as AI to transform client maintain competitive advantage; offerings; Services are priced such to not generate a Alignment of resource planning and capability development sustainable margin or the client portfolio with business model and strategic objectives. is mis-aligned to the business model; The business model does not offer an attractive proposition to the right people, at the right time, with the right experience and motivation; Culture becomes either too risk-averse or too risk-taking; Clients no longer perceive the value provided as a significant differentiator; Conflict on the international stage impacts the business model directly or indirectly; Change is managed ineffectively resulting in not achieving business objectives.

Principal risks Risk drivers Actions to mitigate risks Service offerings are reviewed and refreshed in line with market 3. Continual evolution is required to meet changing market conditions. This will not be Services are demand, leveraging the capability and resources of the global achieved if: not adaptable network through: to changing Macroeconomic or geopolitical shifts, for Monitoring of developments in the macroeconomic and market instance worsening economic conditions geopolitical environment; conditions or changes in government policy (e.g., Continual monitoring of trends in client needs to align services US tariffs), are not anticipated or actions and the investment strategy; taken sufficiently quickly; Adapting to market conditions in an agile way, with regular Significant market changes, regulatory monitoring against plan and deep dive reviews on specific change and competition including new market entrants and private equity Ongoing development of service offerings, leveraging interest in professional services are not technology developments, tools, methodologies and other anticipated or acted on; resources from the global EY network; There are not sufficient or appropriate Restructuring and exiting service offerings in an appropriate people for the business to adapt quickly manner to align with changes in market demand; to changes in market demand and Adapting recruitment, training and performance management expectations. strategies and taking a forward view of client needs; Pricing is not sufficiently innovative or Utilising reporting and monitoring processes that highlight competitive and fails to appropriately revenue and missed opportunities. represent the integration of AI; Major accounts, market segments or sectors significantly reduce spend due to recession, or other structural changes; Services and solutions lack alignment with evolving market demands and technological advancements, reducing their relevance and impact. The largest components of the cost base 4. Costs and liquidity are managed effectively to maximise return for The cost base are people, technology, facilities and global the business and to minimise financial risk through: and liquidity network-related costs. Costs may rise faster Financial controls operating at all levels of the organisation; position than revenue due to market forces and/or Management monitoring of the revenue and cost positions are not inadequate management of service delivery including for operational efficiencies; appropriately and overheads. External factors, particularly Scenario analysis to test resilience to financial shocks and responses to regulation and laws or the managed economic climate may also increase cost. Robust management of working capital and liquidity including Specific risks would arise if: regular oversight of billing and maintenance of banking Working capital and cashflow are managed facilities; inadequately; Engagement planning, pricing approvals and monitoring of Direct and indirect costs are managed financials. ineffectively.

Principal risks Risk drivers Actions to mitigate risks Reputational damage may arise because of Adverse impacts caused by other parts of the global EY network are managed by effective communication, monitoring and There is a a failure on the part of another EY member negative organisation. This would arise for example if: mitigating activity including: impact There is inappropriate conduct or a Engagement at a global leadership level as well as between the through compliance breach by another member respective Legal and risk and quality teams; association organisation; Understanding the implications of activities in other countries with the global and their regulatory environments to provide guidance to the A service failure in a member organisation EY network has implications for a global engagement UK; managed in the UK. Consistent adoption of Global policies across all member firms, such as the Code of Conduct; Monitoring of reputation risk; Robust and tested crisis management processes; UK and global risk management teams providing further support and guidance to manage and mitigate risks; ISQM issues arising in other member firms communicated in a timely fashion to the UK and evaluated by engagement teams. 6. There is a robust policy and decision-Acceptances and continuations are controlled through policies, An making process over client and engagement procedures and governance supported by a system of quality inappropriate acceptance. Inappropriate clients or management including: engagements might be accepted if: client or Policies in place for all client and engagement acceptance and engagement is continuations with mandatory use of the global PACE system; Judgements are not made using the right accepted information in determining whether to Mandatory use of the BRIDGE tool for engagement in thirdaccept or continue a client relationship party relationships; or engagement – including in relation to Policies and controls to prevent independence issues and ethical requirements; conflicts of interest; It is not determined the engagement Financial crime controls, senior leadership involvement and can be performed in accordance with compliance with sanctions in response to geopolitical events; professional standards or legal and Training, guidance and regular awareness campaigns in regulatory requirements; respect of areas of compliance on client and engagement The decision to accept or continue a client acceptance; or engagement is unsuitable in the context Reputation and Conflicts Panel (RCP) meeting regularly of financial and operational priorities; to review client or engagement circumstances with high Clients and engagements are not reputational risk; monitored continuously with appropriate Bid forums for high profile opportunities combined with action being taken; country level governance for more complex engagements; There is lack of awareness of changing Senior Partner (Global Client Service Partner – GCSP) stakeholder expectations regarding the responsibility over client and engagement risk management clients and sectors to which professional for complex relationships. services should be provided or changing expectations on the nature of services provided.

Principal risks 7. Audits are not performed or documented in accordance with auditing standards

Risk drivers

Acting in public interest is of paramount importance in provision of audit services, including acting ethically, with integrity and commitment to public trust. This commitment will not be met if:

- A culture is not fostered that is committed to quality and continuous improvement;
- Engagement teams fail to understand and fulfil their responsibilities, including exercising appropriate professional judgment and scepticism;
- Sufficient and appropriate resources are not established and assigned or there is lack of appropriate direction and supervision to engagement teams given the nature and circumstances of the engagements;
- Open communication, challenge and consultation is not promoted;
- Audit documentation that satisfies applicable requirements is not assembled and retained;
- Relevant professional standards and regulatory and ethical requirements including independence are not complied with:
- An effective system of quality management is not designed, implemented and operated.

Actions to mitigate risks

Audit quality continues to be a primary objective with wellestablished internal quality and compliance procedures in place including:

- A system of quality management designed to provide reasonable assurance that all System of Quality Management quality objectives have been met;
- Governance and leadership promoting quality in decision making and maintenance of the system of quality management;
- Tools supporting and promoting quality and consultation,
- An audit quality strategy that can adapt to emerging issues, reinforcing a culture of professional scepticism and challenge;
- Ongoing management and evolution of professional, technological and intellectual resources;
- Effective processes for recruitment, development, and assignment of talent;
- Engagement of specialists in situations requiring specific skills or knowledge;
- Internal and external quality reviews combined with root cause analysis of positive or negative outcomes on audits;
- Learning programmes, including accounting and audit technical learning, independence, ethics and fraud awareness;
- Exchange of information through business-wide or service linespecific communications, meetings, roadshows or publications;
- Exchange of information with external parties through engagement-specific communications and ongoing engagement with regulators.

8.
Clients are
dissatisfied
with the
quality of work
delivered

Delivering high-quality services to clients is central to the strategy. Failure to deliver services that meet client expectations harming reputation as a trusted service provider and impacting the ability to win further business could result if:

- There is a contract to deliver a service that is outside of capabilities;
- Scope, deliverables, timescales, dependencies and assumptions are not managed at inception or during the engagement lifecycle;
- Contractual obligations are not managed and delivered resulting in legal implications and reputational damage.

Client satisfaction on engagements is ensured through an effective framework of supporting processes and management oversight including:

- Client and engagement acceptance and continuance processes to ensure the right service is provided to the right client and with an appropriately skilled team;
- Comprehensive and well-established internal quality and compliance procedures to address the risks of service failure;
- Utilisation of the most appropriate delivery model for each engagement, balancing onshore, nearshore and offshore resources;
- Service line-specific policies designed to assist client teams in managing the risk of poor quality or non-compliant service delivery;
- Effective use of quality review partners to ensure a degree of independent challenge;
- Close monitoring of complex or higher risk engagements;
- Global Client Service Partners, account teams and Service
 Quality Assurance Executives playing a strong role in ensuring adequate focus on quality of client delivery.

Principal risks Risk drivers Actions to mitigate risks A robust global technology infrastructure and effective local People, premises and technology are critical resilience measures protect service delivery and impact of The provision to the successful running of the business. unwanted events. Mitigating responses include: of service Engagements and services will not be delivered is delivered as expected due to the impact of Risk horizon scanning and protective intelligence to determine disrupted certain events if: upcoming threats to people, premises and technology; Technology, system and application Business continuity planning covering service lines, functions performance and recovery, continuity and and locations; replacement procedures are inadequate or Robust and tested approach and plans for crisis management, fail to respond appropriately to changes in including supporting scenario playbooks; the provision of services (e.g., increasing Proven ability to rapidly adapt to support for remote working use of AI); for all staff: IT change is not managed effectively; Access control security across all office locations as part of an Malicious physical acts or cyber-attacks integrated physical security programme; impact the delivery of services; Specialist services and applications and effective Events occur leading to inaccessibility to communication to ensure safety of staff whilst travelling EY or client premises; globally; Unexpected or unplanned unavailability Integrated technology infrastructure and capabilities; of key personnel (e.g., due to a terrorist Management of technology lifecycles and system performance attack, natural disaster, pandemic or supported by disaster recovery procedures and employee warfare); support; Third party relationships are not managed Professional IT change management and programme effectively – including anticipating supply governance involving senior stakeholders; chain issues resulting from geopolitical Use of proven technologies, supported by a mature issues - resulting in service or client information security and cyber defence policy framework and disruption or reputational damage. systems; Continually updated training for staff on internal and external IT and cyber risk, including for new technology; Controls supporting engagement of service providers to ensure their compliance with relevant requirements.

Principal risks Risk drivers Actions to mitigate risks The pool of talent is maintained through effective recruitment, 10. The proposition is to be an employer of learning and providing an attractive proposition for staff Talent is not choice and be attractive to the brightest and attracted, best talent. This will be weakened and the including: integrated, right individuals not retained if: Structured approach to recruitment and onboarding of staff retained and and partners; • The partnership model offered is managed insufficiently attractive which in turn Ongoing planning and monitoring to ensure the right capability impacts the effectiveness of succession and capacity of staff and Partners to respond to market planning; demand; Attractive and flexible working Annual benchmarking of total reward by grade, location and arrangements are not provided to people competency groups. or health and wellbeing is not promoted; Induction and post induction learning at staff and partner level Attractive career paths are not provided including monitoring of professional development needs; for people with professional and personal Multi-year talent programmes, including DE&I initiatives to development along with appropriate ensure all staff are engaged; compensation; Regular leadership communications covering strategy, People are not engaged by effective performance and talent development; leadership, management and support Ongoing employee listening surveys to measure employee or believe the business is not forward experience and engagement; thinking in its adoption of technology; Counsellor coaching and training to drive better career A diverse and inclusive culture is not conversations; created that is open to all members of Regular internal appraisal groups to discuss performance, society without bias; feedback and promotion potential for individuals. Sufficient people with the right skills and experience are not attracted and retained at the right time. 11. It is important to protect EY UK and client There are well-established industry standard procedures to Confidential data or information from loss, misuse, theft address the risks of an information breach, including: information is or failure to comply with policy, contractual Policies and procedures governing effective management misappropriated, obligations or relevant data protection of data along with supporting guidance are monitored and mishandled or regulations. This may be compromised if: adjusted for evolving data risks; corrupted Electronic equipment or hard copy Regular training and communications for staff and partners on documents are lost; data protection including an annual attestation; Information is sent erroneously Contractual terms addressing the handling of confidential electronically or in hard copy to an information and client data; unintended recipient by EY staff or Full migration of laptop data to cloud combined with IT asset partners or by third parties; encryption to mitigate the risk of data loss; Information is not created, stored, transferred or destroyed appropriately Regularly tested cybersecurity controls to mitigate the risk of

service providers and processing activities.

data loss through cyber-attacks;

external emails;

Plus;

Controls against data loss through unauthorised applications,

management systems such as ISO 27001 and Cyber Essentials

Data risk management plans for client engagements ensuring

Privacy Impact Assessments undertaken for new technology,

117

internet usage and messaging service and also misdirected

Industry standard certification on information security

compliance with internal and client data policies;

and in line with policy;

attack or code corruption;

internally or externally;

data.

EY UK 2025 Transparency Report

Data is stolen by malicious actors

Malicious and unauthorised access occurs

to EY offices or systems due to a cyber-

Systems and controls fail to keep pace

with technological advancements (e.g.,

AI), increasing the risk of compromised

confidentiality, integrity, or misuse of

Principal risks Actions to mitigate risks Risk drivers 12. Services are subject to legal and regulatory Compliance with relevant regulations is achieved through a blend There is a requirements. Such requirements may be of policy expertise, controls, guidance and training including: breach of a breached if: The Regulatory & Public Policy team monitoring developments, new or existing There is failure to monitor, understand or with specialist teams supporting the Audit service line; regulation respond to new and changing regulatory Regular updates to policies, procedures and guidance; requirements and expectations or Tailored training courses that are mandated as necessary; changing interpretations thereof; Second-line monitoring activities providing further support A culture of risk awareness and risk and control; management is not embedded in staff and Ongoing monitoring of performance against defined partners; compliance requirements; Behaviours consistent with the Global Reports providing quality assessments for performance Code of Conduct are not promoted and management reviews for partners; enforced; Ongoing investment in tools and technologies to support Compliance with internal policies and staff in meeting compliance obligations, including the procedures, and relevant regulatory GMS recording financial holdings for all staff subject to requirements is not promoted, enabled independence restrictions; and enforced. Ongoing monitoring of compliance with principles of FRC's Operational Separation. 13. Developments in the market, including in EY UK is responsive to changes in regulation through: Externally corporate governance and reporting can have Frequent interaction with government departments and imposed a significant impact on the business. The regulators to help shape audit requirements, including for change to response will be unsuccessful if: PIEs; the existing Change impacting the business is not Monitoring and assessment of market drivers impacting the business anticipated and managed; business: model There is failure to operate a sustainable Monitoring of the business model, such as through scenario threatens audit practice that is financially resilient. planning, to assess whether it remains appropriate and the ability to responsive. continue to deliver highquality audits 14. It is critical to maintain a good reputation An appreciation of reputational risk is at the heart of all business Loss of public decisions with key mitigating strategies in place including: with clients, markets, regulators and the trust in EY UK public. Reputation would be adversely Established ethical standards and a shared set of values as a result of impacted if: encapsulated in the Global Code of Conduct, with training and reputational attestation completed by all staff and partners; Services are provided to clients that are damagee viewed by key stakeholders as contrary to Escalation of significant reputation issues to the Reputation & public standing; Conflicts Panel; Staff or partner conduct does not meet Whistleblowing procedures and mechanisms for staff and the high standards expected of them; Partners including a confidential EY Ethics Hotline and independent investigations; Failure of an EY service gives rise to adverse views in media and the market: Policies and processes supported by governance and leadership facilitating resolution of issues and complaints; Conduct issues and complaints are not recorded, investigated and resolved Established processes and structures in place for satisfactorily; communicating with regulatory bodies and other authorities, clients and media. Communication is ineffective with regulators, clients or media; The conduct of alliance partners does not meet expected standards.

Principal risks Risk drivers Actions to mitigate risks There is a governance framework to manage the ESG agenda and 15. There is commitment to complying with Failure to all aspects of the Environmental, Social promote sustainable business practices with key actions taken and Governance (ESG) agenda. This will be including: comply with public compromised if: Monitoring emissions data in line with ISAE3000 and commitments, maintaining the Environmental Management System to ensure The business does not improve its relevant compliance of UK premises with ISO 14001:2015; environmental impact or fails to guidance and demonstrate this to key stakeholders; Monitoring of progress against published Sustainable regulations Development Goals (SDGs), with social initiatives subject to the There is insufficient progress with the relating to same robust compliance regime applied to client engagements; Corporate Responsibility agenda by failing Environmental, to make an impact on individual lives; Monitoring of key targets around gender, ethnicity partner Social and targets and pay gap; The business is not governed in a Governance transparent way with a diverse range of Promoting a positive impact through the EY Ripples requirements people in key decision-making capacities. programme and other local Corporate Responsibility initiatives; Meeting external disclosure requirements relating to corporate governance.



There are two statements required by the AFGC and the audit legislation respectively.



Confirmation of the review of the effectiveness of the EY UK system of internal control

As part of its annual procedures and in compliance with the AFGC, the Board confirms that a review of the effectiveness of the system of internal control has been performed, including consideration of the process undertaken to update the principal risks, controls and monitoring mechanisms. In summary, this involved:

- Reviewing the risk profile for completeness using the output of discussions across service lines and functions on risks and control activities, with the ROC meeting to challenge and approve the updated risk profile;
- Conducting the annual formal assessment of the design and operation of controls against each principal risk across EY UK;
- Obtaining written confirmation at service line and function lead level that processes and controls are in place to manage principal risks;
- Reviewing the controls assessments conducted as part of the System of Quality Management;
- Assessing internal audit reports taking account of control deficiencies identified and actions in progress; and
- Considering reports and findings from regulatory reviews.

Actions are taken where required to remediate any significant deficiencies. Based on the review carried out, the Board is satisfied that EY UK has met the required AFGC provision.



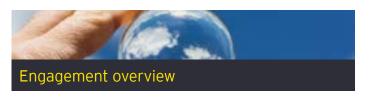
Statement on the effectiveness of the functioning of the internal quality control system

In accordance with Article 13(2) (d) of the EU Audit Regulation and the Local Auditors (Transparency) Regulations 2020, management confirms the effective functioning of the internal quality control system described in sections 2 and 3 in relation to audit work and local audit work subject to the two unremediated deficiencies identified in our System of Quality Management Annual Evaluation Conclusion.

This statement is supported by the conclusions noted earlier and, in particular, the evaluation made under the System of Quality Management. EY UK continually seeks to improve all aspects of the business and to use the findings of internal reviews and external regulatory reviews to enhance processes.



Stakeholder dialogue



In FY25, EY UK and our NEs focussed our engagement efforts on company directors, including audit committee members, institutional investors such as asset owners and managers, UK governmental bodies, policymakers, and our regulatory authority, the FRC. We proactively engage with stakeholders through public and private events and discussions, aiming to foster open dialogue and enhance our understanding of their views, issues, and evolving expectations regarding various aspects of audit quality, corporate governance, regulatory compliance, and overall business performance.

wider regulatory and policy matters, and the Enforcement division where we continue to co-operate and work with the FRC on its open investigations (please refer to our metrics on external investigations in <u>Appendix 3: Audit quality and culture</u>).

Furthermore, the FRC met with EY UK's NEs independently twice as part of their annual engagement framework and met with certain INEs on separate occasions to discuss UK governance changes and the interim evaluation of Operational Separation. EY UK's NEs also participated in wider FRC-convened NE roundtables in the year.

We value this level of engagement with the FRC and fully support its regulatory system of continuous improvement and learning.



Throughout FY25, EY UK shared information openly with and consistently engaged in collaborative interactions with the FRC across its entire scope of firm supervision. Several senior executives from EY UK engaged with supervisory leads in the FRC's Audit Market Supervision (AMS), Audit Firm Supervision (AFS) and AQR teams within the FRC's Supervision division through a framework of regular meetings.

These cover areas such as audit quality and culture, ethics and conduct, risk and financial management, governance and our RCA and internal quality review processes. We also engaged with the FRC across all aspects of its supervisory activities, including on an ad hoc basis on such topics as operational separation, ISQM 1, local audit, the SQP and our actions taken in respect of the FRC's Annual Supervisory Letter; as well as aspects specific to EY UK, such as the FRC's participation in our annual UK Audit Quality Summit.

We also participated in roundtable events specific to current FRC undertakings, such as its FASS and End-to-End Enforcement review projects that commenced in the year, and its work in the small- and medium-sized entity (SME) audit market. EY UK also engages regularly with other FRC divisions, including the Regulatory Standards division on



EY UK Centre for Board Matters (CBM) is a programme for NEDs and board-level executives. It offers insights into the most pressing issues facing UK and global businesses, whilst fostering a dynamic peer community for engagement and knowledge-sharing.

In FY25, CBM engaged more than 1,000 members through a diverse array of channels, including monthly newsletters, in-person events, a webcast and social media. Our members actively participated in numerous events covering topics such as:

1. Geopolitics

At our annual Financial Reporting Outlook conference, CBM convened NEDs for a roundtable to explore the complexities of geopolitical risk – particularly how boards can navigate post-election turbulence and turn uncertainty into strategic advantage. The conversation was especially timely, given the recent introduction of US tariffs and their ripple effects across the UK economy.

The geopolitical theme continued at events throughout the year with participants examining the latest developments and their implications for UK business strategy at a breakfast roundtable. It was also a central focus at our Spring Reception, which featured insights from Lord Kim Darroch, former British Ambassador to both the United States and the EU, alongside contributions from our Geostrategic Business Group and Strategy and Transactions practice.

2. Sustainability

CBM hosted an event aimed at aligning the Board, Chief Financial Officer, and Chief Sustainability Officer – the vital "trifecta" – to shape a more sustainable, value-driven future. Discussions focussed on embedding sustainability into business strategy, particularly in the context of the new economy and polycrisis.

Board members participated in immersive sessions which translated climate data into four, distinct plausible scenarios, illustrating the potential impacts of climate change. They helped participants explore what their organisations will need to adapt to, adopt, and prioritise to remain resilient and relevant in an uncertain future.

3. Failure to Prevent Fraud

In response to the new Failure to Prevent Fraud offence introduced under the Economic Crime and Corporate Transparency Act 2023, which holds large organisations criminally liable if they fail to prevent fraud committed by employees or agents for their benefit, CBM convened a board-level roundtable breakfast to explore the implications for directors and how best to prepare. This was supplemented by a webcast following the release of the UK government's official guidance in November 2024, assisting with the interpretation of the guidance and determining appropriate next steps.

4. Supporting the pipeline of future board leaders

CBM hosted a dedicated session for aspiring NEDs from the Technology, Media and Telecommunications sector, providing practical guidance for those considering a plural career. Additionally, CBM co-hosted a "Chief Marketing Officer to NED" event with 3M Executive Search, focussing on the growing demand for marketing leaders at board level. Participants heard from experienced NEDs who successfully made the transition, and discussed the evolving skill sets Boards are seeking today.

5. Supporting women on boards

CBM actively supports representation of women on boards. In collaboration with 50/50 Women on Boards (a global nonprofit organisation that aims to achieve gender balance and diversity on corporate boards), CBM supported the 'London Conversation on Board Diversity' networking event for women, which creates a platform for personal coaching from experienced corporate directors, peer connections, and increased visibility among industry leaders.



In addition to engaging with executive and NEDs, EY UK audit partners routinely interact with audit committee members and chief financial officers during audit engagements. They provide insights into the finance organisation and the overall internal control environment. These interactions include discussions on management's key judgments and estimates, the application of accounting policies, the quality of disclosures, and other relevant perspectives related to the audit.

EY UK continues to engage actively with the Audit Committee Chairs' Independent Forum (ACCIF) to drive forward audit quality and the actions, outputs and outcomes from Project Spring as discussed in prior Transparency Reports. ACCIF issued an updated report in early 2025 entitled *The Spring Report – A combined perspective on enhancing Audit Quality – One year on*, which EY contributed to alongside other key stakeholders. This report recognises that in a dynamic environment, all stakeholders must continue to focus on a journey of incremental improvements.

Our annual Financial Reporting Outlook conference also creates another opportunity for engagement with these important stakeholders and the sharing of views, financial reporting and regulatory updates. Held in November 2024, this year the agenda explored the themes of regulation, politics, global security, big data and Al and included sessions on changes to the UK Corporate Governance Code and UK Listing Rules.



EY UK engages with investors to improve our understanding of their priorities in respect of corporate reporting and audit and to listen to any specific feedback they have. We engage with the Investor Forum, Investment Association as well as with individual investors.

As part of engaging with the Investment Association, the Financial Conduct Authority and with individual investors, we held roundtables and bilateral conversations regarding the Sustainability Disclosure Requirements and the antigreenwashing rule.



EY UK held its stakeholder engagement event in November 2024, bringing together a representative from the Investor Forum and audit committee chairs of financial services institutions with EY UK partners and NEs. This event was an important opportunity for EY UK NEs to build their understanding of the user experience of audit and discuss issues facing the wider profession. Some of the topics of discussion included:

1. Dialogue between investors and audit committees

The Investor Forum set out the role of the recently launched Investor and Issuer Forum and how its work will complement the work of the Investor Forum. The representative went on to discuss increasing participation of passive investors and reducing capacity of active investors to engage. In the context of audit committee engagement, whilst investors want to have open lines of communication with the audit committee chairs should a particular issue arises, there is no need for 'tick the box' ongoing engagement. Investors want the audit committee's report to highlight how the auditor challenged management on the most salient matters and how the audit committee engaged with the rest of the business.

2. Front half narrative reporting

Audit committees recognise the growing importance of the front half of an annual report in describing a company's performance. In financial services, the importance of the solvency and financial condition report should also not be underestimated. However, increasingly the narrative statements have become excessively long, obscuring materially important information with less relevant detail. Every company needs to have the strength of conviction about what is material in its context, but regulations also need to change to reduce mandatory disclosures.

3. Assurance over non-financial reporting

Audit committees recognise that processes underpinning non-financial data are less mature than financial reporting which increases the cost to assure it. More education is needed to ensure stakeholders understand the difference between limited and reasonable assurance. Governance disclosures should be clear on who at the board level is responsible for sustainability and how sustainability considerations are being embedded in strategy.

4. Value of the audit

Audit committees see significant value in the constructive and suitably robust dialogue they have with audit partners, especially around judgements and benchmarking observations, including views on sector trends. Those aspects of the audit that are more procedural in nature need to be performed in a highly efficient manner to manage the cost of the audit. For some businesses, audit fees in the context of the profit margin are now very substantial.

6. Market choice and fair competition

Independence considerations create very stringent restrictions, often limiting the choice of auditor for financial services organisations to just two firms. Audits are being tendered increasingly more in advance to address this issue.

7. Future of the profession

Instilling pride in auditors by educating then on the purpose of the audit and giving them personal satisfaction over their contributions is key to maintaining highly motivated, curious teams. One way to achieve this, is by ensuring that auditors have more direct, meaningful interactions with the businesses they audit. Site visits and team workshops will improve business acumen and make the work more interesting.



Appendix 4: EY UK Board Members' biographies

Appendix 4: EY UK board members' biographies





Alison Duncan UK Chair

Alison has been with EY for 33 years, 22 of which as partner and in April 2025 she was appointed as the UK Chair. Prior

to this appointment Alison was the Global Client Service and Lead Audit Partner for a number of FTSE 100 companies. In addition, she has been a member of the UK Board since 2021 and chaired the EY UK Audit Committee for the past four years. She has held several different governance roles in EY UK, including Deputy Chair of the EY UK&I Partner Forum and was a member of both the EY EMEIA Advisory Council and the Global Governance Council until November 2023.

She has been the UK Head of Regulatory and Public Policy since January 2024 and stepped down from this role at the end of FY25 following her transition into the role of UK Chair.

For nine years Alison was also a board member of Teach First until September 2025, a charity committed to giving children facing the biggest barriers, the chance to fulfil their potential through making our education system work for every child.



Anna Anthony
UK Managing Partner

Anna has been with EY for over 20 years and leads more than 1,500 partners and 18,000 people across the UK business,

and serves some of our largest clients in the UK. Prior to stepping into her role as UK Managing Partner in January 2025, Anna served as EY UK Financial Services Managing Partner.

As a tax professional, Anna led the EY EMEIA Financial Services Tax & Legal practice for six years. In this role

she helped to shape the innovation of EY tax services by developing technology-led solutions for clients. Anna is passionate about building inclusive, purpose-led cultures that enable all EY people to thrive. In all her roles, she has championed initiatives around sustainability, social mobility and corporate responsibility. Anna read Law at Cambridge and qualified as a Chartered Accountant in 2002.



Christabel Cowling
Managing Partner, Core Business Services and UK LLP Chief Financial Officer

Christabel has been with EY for over 20 years, 19 of those as a partner. She is a highly accomplished audit partner with

extensive experience in auditing multinational listed groups under IFRS and of reporting accountant work for corporate transactions.

Christabel is the Managing Partner for EY UK Core Business Services leading a team of over 2000 people. The team provides support, knowledge, resources and tools that help EY to deliver quality services to clients, win in the marketplace, and optimise growth and profitability.

From 1 April 2025, Christabel took on the role of UK LLP Chief Financial Officer, responsible for the financial aspects of EY UK, including financial resilience.



Maryam Hussain Managing Partner, Risk Management, UK

Maryam came into role on 1 January 2025. She has over 25 years' experience in supporting global organisations in

both investigating and remediating instances of large-scale misconduct. She has a master degree in behavioural sciences

and teaches business ethics in academic and public sector institutions. It is the combination of practical experience and academic education that enables Maryam to lead the design and delivery of human-centred risk management strategies.



Annie Graham UK Head of Audit

Annie was appointed as EY UK Head of Audit and member of the EY UK Board on 1 July 2024. She has been at EY for

27 years, 17 as a partner during which time she has been Lead Audit Engagement Partner on a number of listed and large private multinational audits, working across a range of sectors including energy and consumer products. Prior to her appointment as EY UK Head of Audit she held other leadership positions including EY UK&I Audit Chief Operating Officer and Scotland Audit Leader. Annie is a member of the ICAS and served on the ICAS council for seven years until April 2024, with two years as Chair of the Audit & Risk committee, and prior to that she was a member of the Member Services Board.



UK&I Partner Forum representative

Adrian is a Global Client Service Partner at EY UK and has been with EY for more than 32 years, with over 25 years'

experience in corporate finance. During his time with EY, he has been based in London, Belfast, Edinburgh, San Francisco and Dublin. He brings extensive experience of working on transactions in over 30 countries in a variety of sectors, with a particular focus on health sciences and wellness, and private equity.

During his career at EY, Adrian has held a number of leadership positions including UK Managing Partner for Markets and Accounts, a member of EY UK Executive, and Markets Leader for Strategy and Transactions in the UK. He is currently chair of EY UK&I Regional Partner Forum, a member of both the EY UK LLP Board and the Global Governance Council.



Adam Munton FSO Partner Forum representative²

Adam has over 31 years' experience in professional services spanning wholesale, retail and corporate banking,

asset management and capital markets. He specialised in the management of large-scale delivery programmes, business change and IT transformation. Adam joined EY in 2014 after 24 years with Accenture where he was a managing director.

Adam was the Client Service Partner for some of the largest banking clients of EY, with accountability for all aspects of the services provided across the EMEIA region. He also has responsibility for Quality and Risk Management matters in the FSO Markets Team. He has also been a UK FSO Partner Forum member for over five years and joined the EY UK Board as a Partner Forum representative in October 2021.



Mike Rudberg UK&I Partner Forum representative

Mike has been an Audit Partner with EY in London for 17 years. His clients include large, listed, global companies

across a variety of sectors. Mike also represents his fellow partners as an elected member of the EY UK&I Regional Partner Forum and the Global Governance Council.

Mike has a breadth of experience having worked for EY in Vancouver at the beginning of his career and also having been a Financial Controller within a FTSE 100 organisation. Mike has previously served in EY UK leadership roles including the UK Media & Entertainment sector leader, London audit practice leader and UK&I Head of Assurance Transformation.

Mike is a Chartered Accountant having qualified with the Canadian Institute of Chartered Accountants and the Institute of Chartered Accountants of Scotland.

^{2.} Retired 27 June 2025.



Appendix 5: EY UK Non-Executives' biographies

Appendix 5: EY UK Non-Executives' biographies





Ruth Anderson

Ruth is currently an NED and chair of the audit committee of Shaftesbury Capital Plc, a London real estate investment trust. During the last 16 years, she has been

an NED and audit committee chair at other listed companies including Ocado Group, Travis Perkins, Coats Group and also at The Royal Parks, a charitable public corporation which manages London's eight royal parks.

Ruth is a chartered accountant and worked as an auditor during her early days at KPMG before specialising in corporate tax. There she worked with a wide range of businesses from owner-managed to large global corporations. She was a partner at KPMG for 20 years, a member of the KPMG UK board and audit committee for six years and served as vice chair for five years. She retired from KPMG in 2009 to pursue her non-executive career.

Ruth was selected to chair the UKAB given her experience on listed company boards and as an audit committee chair, as well as for her deep understanding of the culture of a large professional services firm. She is also a member of the PIB and attends EY UK Board meetings.



Carl Hughes

Carl has worked extensively with boards, audit committees and management teams across many large listed and private companies. Since retiring from Deloitte

in 2015 as a vice chairman, senior audit partner and global head of its energy and resources practice, Carl has served on the board of the Audit Committee Chairs Independent Forum and as an NED and audit committee chairman of EnQuest Plc and En+ Group. He has also served as a trustee of numerous charities.

Carl is a member of the General Synod of the Church of England and chairman of The Archbishops' Council Finance Committee and the Church's Strategic Mission & Ministry Investment Board which allocates funding received from the Church Commissioners. Carl was selected to join the PIB and UKAB on the basis of his prior professional services and audit experience and his governance understanding from corporate board and audit committee roles.



Tonia Lovell

Tonia practised law for over 25 years, at Linklaters and then in-house at Unilever plc. During her 20-plus years at Unilever her roles included chief legal officer,

group company secretary and general counsel corporate governance. She was also previously a member of the External Advisory Committee to Royal London Asset Management's sustainability funds, a school governor and a member of the GC100 Executive Committee. Tonia is a qualified and experienced executive coach with a focus on coaching and mentoring members of the legal community.

Tonia was selected to chair the PIB given her legal background and extensive governance experience at a plc level. She is also a member of the UKAB and attends EY UK board meetings.

Tonia was appointed as an INE to EY Global in January 2023 and as such is a member the EY Global Governance Council and chairs the EY Global Public Interest Committee.



Suzanne Raine

Suzanne Raine is Master of Selwyn College, University of Cambridge. She served in the British Foreign and Commonwealth Office on foreign policy

and national security issues from 1995-2019, including postings in Poland, Iraq and Pakistan. She specialised in counter-terrorism, holding a number of senior domestic appointments including head of the Joint Terrorism Analysis Centre from 2015-2017 and Director of Counter Terrorism

from 2017-2019. She is a Visiting Professor at the Department of War Studies at Kings College London, Deputy Chair of the Board of Trustees of the Imperial War Museum and also a member of the Board of Trustees of the Royal United Services Institute (RUSI) and at the International Bomber Command Centre in Lincoln.

Suzanne was selected to join the PIB to bring her deep understanding of risk to EY UK.



Sir Philip Rutnam

Sir Philip was one of the country's most senior civil servants as Permanent Secretary at the Department for Transport and the Home Office and

Acting Permanent Secretary at the Department for Business. He now chairs the National Institute of Economic and Social Research, the UK's oldest independent economic research body, and the National Churches Trust, the national charity for historic churches, and sits on the Council of the University of Surrey. He was previously a board member at Ofcom and

also represented the UK at the European Investment Bank. He began his career at the Treasury and has worked widely across issues that affect government, business and the economy.

Sir Philip was selected to join the PIB and UKAB in recognition of the fact that his background as one of the country's most senior civil servants and experience from working with many of EY UK's stakeholders or in similar environments is relevant to both the audit practice and EY UK.



Philip Tew

Philip Tew is currently an NED and Chair of the Governance, Audit and Risk Committee for Quilter Cheviot, a leading discretionary investment management

firm. He was previously a senior audit partner at PwC and worked there for 40 years, before leaving in 2018. Philip has a wealth of experience in the financial services sector and brings strong technical knowledge of financial reporting, accounting and auditing. He has worked extensively with boards, audit committees and management teams across large and listed companies.

Philip was selected to:

- Take the role of the doubly independent ANE, focussed exclusively on the audit practice, given his extensive experience as an audit partner.
- Chair the ABRemCo given both this audit experience and his experience as Chair of Governance, Audit and Risk Committee for Quilter Cheviot.



Appendix 6: Meetings attendance

Appendix 6: Meetings attendance



Table of attendance

The following table shows the level of attendance at scheduled EY UK board and committee meetings in FY25.

	Board	PIB	UKAB	UKCC	AEC	NomCo	ROC	UKAC	ABRemCo	URC
Number of meetings in FY25	4*	4	5*	8*	5	1	6	5	3	3
Michael-John Albert							6			
Ruth Anderson		4	5						3	
Anna Anthony	4	4		5	4	1				3
Hywel Ball	4	2**		3**	4**					2
Anne-Marie Balfe			1**							
Andy Bates			5							
Justine Belton			3**							
Chris Bowles							6			
Adrian Browne	3									
Lisa Cameron				7						
Justine Campbell				5**						
Christabel Cowling	3			8	1					3
Alison Duncan	4	1			1	1	5	5		
Jane Goldsmith	3**	1**		3				3**		
Annie Graham	4									
Carl Hughes		4	5						3	
Jon Hughes							6			
Maryam Hussain	1**	2**	3**				4**	1**		
Gavin Jordan	4			7**	4					3
Martina Keane		2**		2**	2					
Tonia Lovell		4	5						3	
Gareth Lambert							4**			
Adam Munton	4									
Sharon McMullen			5							
Suzanne Raine		4								
Mike Rudberg	1**					1		2**		
Sir Philip Rutnam		3**	5						2**	
Ally Scott				7						
Rupert Taylor				1**						
Philip Tew			4						3	
James Tufts							6			
Sundar Viswanathan	2**									
Chris Voogd								5		
Peter Wallace			3**							
Sarah Williams								5		
Stuart Wilson								4		

^{*} Main Board meetings are recorded here, but there were additional ad hoc meetings as and when required, and various decisions via electronic fora.

** Given these individuals' respective appointment or stand-down dates, they have attended all possible FY25 meetings they could for this particular body.



Appendix 7:
Descriptions of roles

Appendix 7: Descriptions of roles



Role	Brief description
UK Managing Partner	 Leads the EY business in the UK including, among other responsibilities: Represents and promotes the interests of EY UK Provides leadership for the partners and employees of EY UK and its subsidiary undertakings Acts as the interface with regulators and governmental authorities Responsible for managing risk, public policy, purposeful growth and geostrategic service offerings The roles of the UK Managing Partner and UK Chair were separated with effect from 1 January 2025.
UK Chair	 Leads the EY UK Board including, among other responsibilities: Chairs meetings of the EY UK Board and Nomination Committee Promotes high standards of corporate governance within EY UK Provides support and advice to the UK MP and oversees the strategic direction of EY UK Promotes EY UK Board effectiveness, including periodic review of the EY UK Board and its committees and developing plans to enhance their effectiveness
UK Head of Audit	 Leads the UK audit practice (spanning companies, local authorities, and entities in the financial services sector): Includes all aspects of audit quality, recruitment, resourcing, and performance management Involves overseeing matters of risk management as it relates to the Audit sub-service line Liaison with all audit regulators and professional bodies
Managing Partner, UK FSO	 Leads the UK FSO business and, among other things is: Responsible for a team dedicated to serving the UK financial services industry Tracks engagement quality, recruitment, resourcing, performance management, and purposeful growth as well as overseeing matters of risk management Works closely with the UK Managing Partner to ensure consistency of practice across EY UK Acts as the interface with regulators and governmental authorities in financial services
UK Head of Regulatory and Public Policy	 Responsible for managing regulatory risk of EY UK, including: Engagement with UK-based policymakers and regulators spanning auditing, corporate reporting, and corporate governance matters Works closely with senior EY colleagues across EY UK and wider EY network, on regulatory matters with cross-firm and/or extraterritorial implications Leads a UK team of corporate governance and public policy subject matter experts

Descriptions of roles (Cont'd)

Role	Brief description
UK Managing Partner, Risk Management	 Responsible for managing risk and regulatory compliance for EY UK, including: Partner and staff personal independence Independence aspects of business relationships, acquisitions, conflicts and audit pursuits Enterprise risk management Reputational risk management Business resilience, comprising business continuity crisis management, health and safety, and physical security Compliance, comprising client due diligence, client and engagement acceptance, and compliance policy setting and monitoring Support for client-facing teams in delivering quality and exceptional client service
UK General Counsel	 Responsible for all legal issues affecting EY UK, advising leadership and partners on matters of: Contract Regulation Governance Transaction Litigation Employment Overall practice protection
Managing Partner, Core Business Services	 Responsible for: The day-to-day operations of EY UK enablement functions Management of the activities of people across all functional areas of EY UK enablement functions Oversight of the financial performance of EY UK enablement functions that result from the execution of strategy
UK Country Professional Practice Director (Country PPD)	 Responsible for: The provision of support to audit teams in matters relating to risk management and compliance with EY UK policies and procedures (e.g., audit and accounting, technical and learning support) Performing internal consultations with audit teams The Country PPD consults with the Area PPD, when appropriate
UK Audit Compliance Principal	 Responsible for: Ensuring that EY UK complies with audit regulations and applicable obligations imposed by the Competent Authority That the monitoring of audit compliance, as required by these regulations, is carried out satisfactorily and that any appropriate action is taken

Descriptions of roles (Cont'd)

Role	Brief description
Managing Partner, Scotland	• Responsible for the day-to-day operations of the EY UK business in Scotland, which encompasses:
	 Management of the activities of EY people across all four offices in Scotland, in conjunction with Office Managing Partners and Service Line Leaders
	 Planning, influencing, oversight and monitoring of the 'client coverage plan' and financial performance of the Scotland region of EY UK
	 In partnership with the Head of the EY FSO business in Scotland, management of key external stakeholder relationships across the country
UK Chief Financial Officer	Overall responsibility for the financial resilience of EY UK:
	 Responsible for statutory accounting and external auditor relationship, treasury and banking facilities, pensions and pension trustee relationship, claims and provisions, tax, and partner finance
Managing Partner, Talent	 Leads the UK talent function, responsible for ensuring the effective delivery of talent strategies integral to the EY UK 'employee value proposition'. This includes the task of ensuring EY UK is: Seen as a truly multicultural international business, upholding its values whilst delivering on its purpose, ambition, and employee value proposition
	Includes the leadership of the talent team
	• Involves the responsibility of leading the 'Partner Matters Team', spanning the pastoral care of
	 The UK partner group and annual succession planning, among other things
	On 11 March 2025 the Managing Partner, Talent role was split and the responsibilities were allocated between two distinct roles, Partner Matters and the Strategic Talent Partner. Responsibility for 'partner matters' was allocated to the Partner Matters Partner, whilst all other responsibilities above were allocated to the Strategic Talent Partner.
Managing Partner, UK FSO Talent	 Leads the development, implementation, and monitoring of the UK FSO talent strategy, as part of the EY EMEIA FSO talent strategy:
	Responsible for coordinating partner matters for UK FSO partners
	 Works closely with the EMEIA FSO Talent Lead, to ensure alignment with the EMEIA FSO region, and with EY UK Managing Partner, Talent, to ensure consistency of practice across the EY UK
Markets Leader, UK FSO	Responsible for the 'go-to market' approach for UK FSO, which:
	 Ensures that EY has a strong and appropriate 'client centricity' and 'go-to market strategy' across three EY sectors – banking and capital markets, wealth and asset management, and insurance
	 Reviews and ensures that EY provides the appropriate level of client service quality
	Supports the business with its horizon scanning
	Manages the 'markets function' within UK FSO
UK FSO Head of Audit	Responsible for the FSO audit practice, under the leadership of the UK Head of Audit, including:
	 All aspects of audit quality, recruitment, resourcing, and performance management
	 Involves overseeing matters of risk management
	Works closely with the UK Head of Audit to ensure consistency of practice across EY UK



Appendix 8: List of major Local Audits

Appendix 8: List of major Local Audits



List of major Local Audits

Engagement	Sector	Туре
Bedford Borough Council	Local Government	Unitary Authority
Bedford Pension Fund	Local Government Pension Fund	LG Pension Fund
Bexley London Borough Council	Local Government	London Borough Council
Bexley Pension Fund	Local Government Pension Fund	LG Pension Fund
Bromley Pension Fund	Local Government Pension Fund	LG Pension Fund
Buckinghamshire Healthcare NHS Trust	NHS	Acute NHS Trust
Calderdale Metropolitan Borough Council	Local Government	Metropolitan District
Cambridgeshire County Council	Local Government	County Council
Cambridgeshire County Council Pension Fund	Local Government Pension Fund	LG Pension Fund
Derby City Council	Local Government	Unitary Authority
Essex County Council	Local Government	County Council
Essex Pension Fund	Local Government Pension Fund	LG Pension Fund
Greater London Authority	Local Government	GLA and Functional Bodies
Hampshire County Council	Local Government	County Council
Hampshire Pension Fund	Local Government Pension Fund	LG Pension Fund
Havering Council Pension Fund	Local Government Pension Fund	LG Pension Fund
Hertfordshire County Council	Local Government	County Council
Hertfordshire Pension Fund	Local Government Pension Fund	LG Pension Fund
Hillingdon Pension Fund	Local Government Pension Fund	LG Pension Fund
London Borough of Bromley	Local Government	London Borough Council
London Borough of Havering Council	Local Government	London Borough Council
London Borough of Hillingdon	Local Government	London Borough Council
London Borough of Redbridge	Local Government	London Borough Council
London Borough of Redbridge Pension fund	Local Government Pension Fund	LG Pension Fund
London Borough of Richmond Upon Thames	Local Government	London Borough Council
London Borough of Tower Hamlets	Local Government	London Borough Council
London Borough of Waltham Forest	Local Government	London Borough Council
London Borough of Waltham Forest Pension Fund	Local Government Pension Fund	LG Pension Fund
London Fire Commissioner	Local Government	Fire Authority
London Pensions Fund Authority	Local Government Pension Fund	LG Pension Fund
Luton Borough Council	Local Government	Unitary Authority
Merton Council	Local Government	London Borough Council
Merton Pension Fund	Local Government Pension Fund	LG Pension Fund
Middlesbrough Council	Local Government	Unitary Authority
Middlesbrough Pension Fund (Teesside)	Local Government Pension Fund	LG Pension Fund
Milton Keynes Council	Local Government	Unitary Authority

List of major Local Audits (Cont'd)

Engagement	Sector	Туре
Newcastle City Council	Local Government	Metropolitan District
Newham London Borough Council	Local Government	London Borough Council
Newham Pension Fund	Local Government Pension Fund	LG Pension Fund
NHS Buckinghamshire, Oxfordshire and Berkshire	NHS	Integrated Care Board
West ICB		
NHS Cambridgeshire and Peterborough ICB	NHS	Integrated Care Board
NHS Coventry and Warwickshire ICB	NHS	Integrated Care Board
NHS Lincolnshire ICB	NHS	Integrated Care Board
NHS Norfolk & Waveney ICB	NHS	Integrated Care Board
NHS Suffolk and North East Essex ICB	NHS	Integrated Care Board
Norfolk County Council	Local Government	County Council
Norfolk Pension Fund	Local Government Pension Fund	LG Pension Fund
North Tyneside Council	Local Government	Metropolitan District
Oxfordshire County Council	Local Government	County Council
Oxfordshire Pension Fund	Local Government Pension Fund	LG Pension Fund
Peterborough City Council	Local Government	Unitary Authority
Police and Crime Commissioner for Essex	Local Government Police body	Police and Crime Commissioner
Police and Crime Commissioner for Hampshire and the Isle of Wight	Local Government Police body	Police and Crime Commissioner
Police and Crime Commissioner for Kent	Local Government Police body	Police and Crime Commissioner
Police and Crime Commissioner for Northumbria	Local Government Police body	Police and Crime Commissioner
Police and Crime Commissioner for Sussex	Local Government Police body	Police and Crime Commissioner
Police and Crime Commissioner for Thames Valley	Local Government Police body	Police and Crime Commissioner
Portsmouth City Council	Local Government	Unitary Authority
Portsmouth Hospitals NHS Trust	NHS	Acute NHS Trust
Reading Borough Council	Local Government	Unitary Authority
Sefton Council	Local Government	Metropolitan District
Sheffield City Council	Local Government	Metropolitan District
South Tyneside Council	Local Government	Metropolitan District
South Tyneside Pension Fund (Tyne & Wear)	Local Government Pension Fund	LG Pension Fund
Southampton City Council	Local Government	Unitary Authority
Staffordshire County Council	Local Government	County Council
Staffordshire Pension Fund	Local Government Pension Fund	LG Pension Fund
Stoke-on-Trent City Council	Local Government	Unitary Authority
Suffolk County Council	Local Government	County Council
Suffolk Pension Fund	Local Government Pension Fund	LG Pension Fund
Surrey County Council	Local Government	County Council
Surrey Pension Fund	Local Government Pension Fund	LG Pension Fund
Tower Hamlets Pension Fund	Local Government Pension Fund	LG Pension Fund

List of major Local Audits (Cont'd)

Engagement	Sector	Туре
Transport for London	Local Government	GLA and Functional Bodies
Wandsworth Borough Council	Local Government	London Borough Council
Wandsworth Pension Fund	Local Government Pension Fund	LG Pension Fund
West Sussex County Council	Local Government	County Council
West Sussex Pension Fund	Local Government Pension Fund	LG Pension Fund



Glossary

Glossary



Abbreviation	Definition
ABRemCo	Audit Board Remuneration Committee
ACCIF	Audit Committee Chairs' Independent Forum
AEC	Accountable Executive Committee
AFGC	Audit Firm Governance Code or 'the Code'
AFS	Audit Firm Supervision
Al	Artificial Intelligence
AML	Anti-Money Laundering
AMP	Assurance Managing Partner
AMS	Audit Market Supervision
ANE	Audit Non-Executive
AotP	Attractiveness of the Profession
AQE	Audit Quality Executive
AQIs	Audit Quality Indicators
AQR	Audit Quality Review
AQS	Audit Quality Strategy
AQST	Audit Quality Support Team
BRC	Board Risk Committee
BRIDGE	Business Relationships Independence Data Gathering and Evaluation
CBS	Core Business Services
СВМ	Centre for Board Matters
CCL	Counsellor Connect Leader
COE	Centre of Excellence
CPD	Continuing Professional Development
CSR	Corporate Social responsibility
CSRD	Corporate Sustainability Reporting Directive
DE&I	Diversity, Equity and Inclusiveness
DSO	Data Stewardship Office
DP	Data Protection
EEA	European Economic Area

Glossary (Cont'd)

Abbreviation	Definition
EMEIA	Europe, Middle East, India and Africa
EMEIA Limited	Ernst & Young (EMEIA) Limited
EOE	Europe Operating Executive
ERM	Enterprise Risk Management
ES	Ethical Standard
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EVP	Employee Value Proposition
EU	European Union
EY	Refers collectively to the global organisation of member firms of EYG
EY Europe	Ernst & Young Europe LLP
EY GAM	EY Global Audit Methodology
EYG	Ernst & Young Global Limited
EY Helix	EY global analytics suite
EY SAM	EY Sustainability Assurance Methodology
EY UK	Refers to a limited liability partnership incorporated in England & Wales which is a member firm of Ernst & Young Global Limited (EYG), a UK company limited by guarantee.
FASS	Future of Audit Supervision Strategy
FRC	Financial Reporting Council
FSO	Financial Services Organisation
GAAP	Generally Accepted Accounting Principles
GCSP	Global Client Service Partner
GDPR	General Data Protection Regulation (UK and EU)
GDS	Global Delivery Services
GE	Global Executive
GenAI	Generative AI
GGC	Global Governance Council
GIS	Global Independence System
Global PPD	Global Professional Practice Director
GMS	Global Monitoring System
GNPP	Global New Partner Program
GPPC	Global Public Policy Committee
GPPG	Global Professional Practice Group

Glossary (Cont'd)

Abbreviation	Definition
GRS	Global Retention Schedule
IA	Internal Audit
IAASB	International Auditing and Assurance Standards Board
ICAEW	Institute of Chartered Accountants in England and Wales
ICAS	Institute of Chartered Accountants of Scotland
IESBA	International Ethics Standards Board for Accountants
IFIAR	International Forum of Independent Audit Regulators
IFRS	International Financial Reporting Standards
IHS	International Health Surcharge
INE	Independent Non-Executive
ISAs	International Standards on Auditing
ISAEs	International Standards on Assurance Engagements
ISQM 1	International Standard on Quality Management (UK) 1
KAPs	Key Audit Partners
KPIs	Key Performance Indicators
KRIs	Key Risk Indicators
LEAD	Leadership Evaluation and Development
LLP	Limited Liability Partnership
NEs	Non-Executives
NEDs	Non-Executive Directors
NOCLAR	Non-Compliance with Laws and Regulations
NomCo	Nomination Committee
OAQR	Other Assurance Quality Review
PACE	Process for Acceptance of Clients and Engagements
PBS	Professional Business Services
РСАОВ	US Public Company Accounting Oversight Board
PIB	Public Interest Board
PICs	Partners in Charge
PICT	Personal Independence Compliance Testing
PIE	Public Interest Entities
P&L	Profit and Loss
PPD	Professional Practice Director
PPEDD	Partners Principals Executive Directors and Directors

Glossary (Cont'd)

Abbreviation	Definition
QAD	Quality Assurance Department
QC	Quality Control
RCA	Root Cause Analysis
REC	Risk Executive Committee
RCP	Reputation and Conflicts Panel
RM	Risk Management
RIM	Records and Information Management
ROC	Risk Oversight Committee
RPF	Regional Partner Forum
SDG	Sustainable Development Goal
SEC	US Securities and Exchange Commission
SQP	Single Quality Plan
SORT	Service Offering Reference Tool
SQM	System of Quality Management
UKAB	UK Audit Board
UKAC	UK Audit Committee
UKCC	UK Country Committee
UK&I	UK and Ireland
UK MAR	UK Market Abuse Regulation
UKMC	UK Executive Management Committee
UKMP	UK Managing Partner
UKQL	UK Quality Leader
URC	Ultimate Responsibility Committee

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

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. 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.

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© 2025 Ernst & Young LLP. Published in the UK. All Rights Reserved.

EYSCORE 008347-25-UK

UKC-040875.indd (UK) 11/25. Artwork by Creative UK.

ED None



In line with EY's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

ey.com/uk