Task Force on Climate-related Financial Disclosures Report

Ernst & Young LLP and Ernst & Young U.S. LLP

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Contents

02 About the EY organization and this report

03 Governance

04 Strategy

10 Risk management

11 Metrics and targets

14 TCFD recommendations index

About the EY organization and this report

About the EY organization

In the US, Ernst & Young LLP and its affiliate Ernst & Young U.S. LLP (collectively, "EY US", "we", "our", "us" or "the firm") are limited liability partnerships organized in Delaware and are member firms of Ernst & Young Global Limited, a UK company limited by guarantee ("EYG"). In this report, "EY" refers collectively to the global organization of the member firms of EYG, each of which is a separate legal entity.

About this report

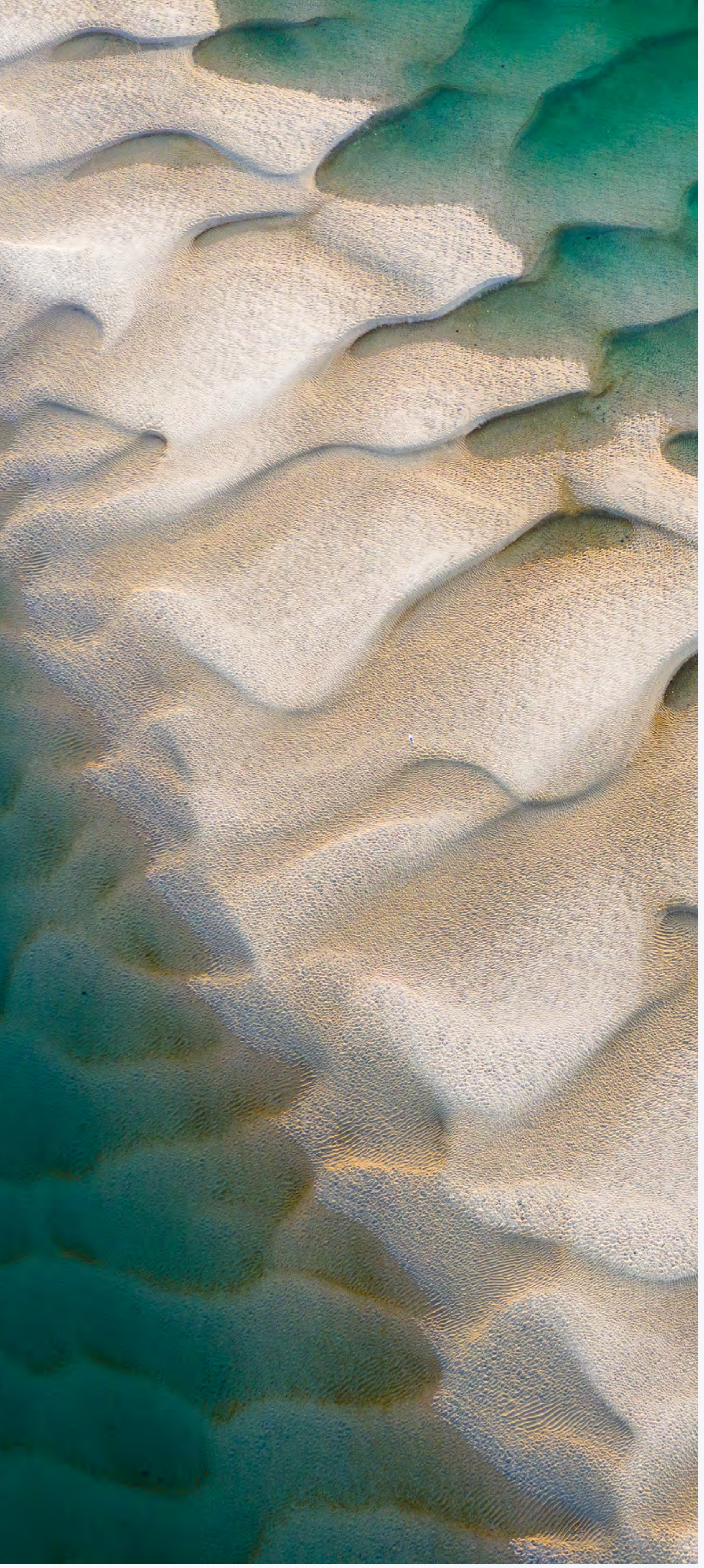
As a global organization, EY shares a strong sense of purpose – to build a better working world for its clients, people, communities, stakeholders and the planet. In the US, EY US believes that how we manage climate-related risk and make progress toward creating sustainable long-term value should be transparent to our stakeholders.

The 2025 EY US Task Force on Climate-related Financial Disclosures ("TCFD") Report provides an in-depth look at how EY US identifies and manages our climate-related financial risks and opportunities in accordance with the TCFD recommendations. Unless otherwise stated, the information and data presented in this report cover EY US' 2025 fiscal year (July 1, 2024 to June 30, 2025). All other year references represent the corresponding fiscal year unless otherwise stated.

Related reports

- EY US Impact Report 2024
- EY Global Value Realized Report 2025
- EY Global Environment Strategy

RETURN TO CONTENTS



RETURN TO CONTENTS

Governance

Board oversight of climate-related risks and opportunities

Governance over our climate-related risks and opportunities begins at the highest level where strategic decision-making occurs. The firm's Governing Board confers with and advises the firm's Management Committee on significant matters of business policy, risk management and regulatory compliance, including with respect to climate-related matters. The members of the Governing Board are elected by our partners and principals (i.e., the owners of the firm). Climate-related matters are raised to the Governing Board by Julie Boland, EY Americas and EY US Managing Partner, following her consultation with other members of the Management Committee.

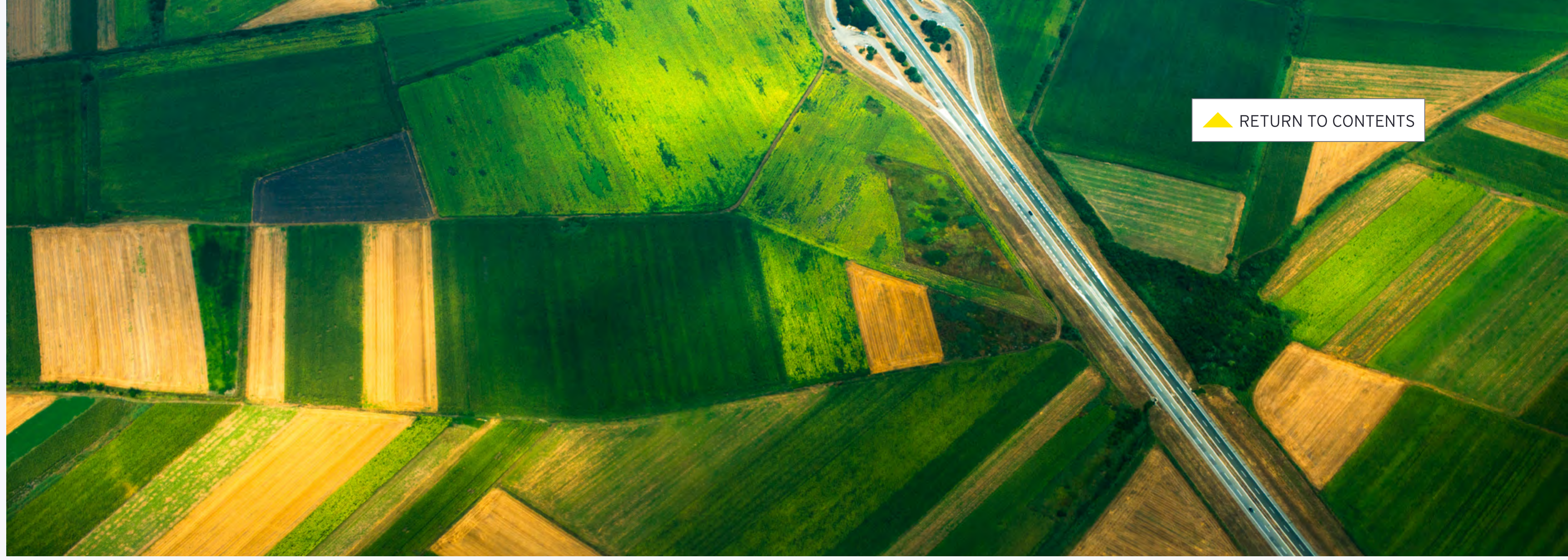
Management's role in assessing and managing climate-related risks and opportunities

The Management Committee is the firm's executive management group, which has responsibility for managing the day-to-day operations of the firm. Management Committee members represent all of the firm's service lines and functional areas.

The Management Committee is supported in making decisions on climate-related topics by the firm's Vice Chair for Finance & Operations and Executive Sustainability Sponsor, Bill Strait. Bill oversees and obtains regular reports from the firm's Chief Sustainability Officer, Velislava Ivanova, and Sustainability Leader, Jennifer Leitsch, both of whom address climate-related issues across the firm's businesses and functional areas, including Client Service, Real Estate, Workplace Services and Risk Management.

In addition, in planning and executing our US sustainability efforts we consider EY global climate-related priorities and guidance, as discussed further in the Global Environment Report.

EY US aims to lower or eliminate climate-related challenges faced throughout our organization as we prepare for and experience the impacts of a changing climate.



Strategy

Climate-related risks and opportunities

At EY US, we recognize that addressing climate-related risks requires a multifaceted approach. First and foremost, we are actively working toward ways to reduce our own environmental operational footprint. We are doing so by engaging our people, partnering with suppliers and understanding and addressing our environmental risks. Sustainability is a key priority for us, and we also support our clients on their own sustainability journeys.

In 2025, we performed a climate risk and opportunity assessment to better understand physical and transition risks and opportunities that could have a significant financial impact on our organization. Our scenario analysis approach considered relevant climate-related risks and opportunities for EY US under two climate scenarios over the short, medium and long term. Our approach drew on the EY global scenario analysis, as described in the EY Global Environment Strategy.

By consulting with professionals in our Finance, Risk Management, Workplace Services, Real Estate, Public Policy and client-serving groups and considering market factors, we identified six climate-related risks and opportunities as part of EY US 2025 climate scenario analysis. These risks and opportunities were selected and refined from the initial list of 10 climate-related risks and opportunities identified in the EY global analysis, as described in the EY Global Environment Report.[1]

Each climate risk and opportunity were evaluated over short-, medium-, and long-term time horizons as defined below:

	Short-term	Medium-term	Long-term
Time horizon	0-5 years	5-15 years	15-25 years

In alignment with the TCFD recommendations, the selected climate risks and opportunities were assessed under two future pathways – a low-carbon pathway and a high-carbon pathway.

The two pathways align with the following assumptions:

Scenario	Temperature alignment
Low-carbon pathway[2]	1.5/<2°C
High-carbon pathway[3]	3/>4°C

1 The risks and opportunities identified by our Firm included additional risks and opportunities not considered by the global organization, which were relevant to EY US, and excluded globally relevant risks and opportunities, which were less relevant to our Firm. EY US did not artificially limit its risk and opportunity identification to the 10 risks and opportunities, which the global organization had identified.

2 Climate reference models used are: physical risks: Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathway 2.6 – Shared Socioeconomic Pathway 1 (RCP2.6-SSP1) pathway, in alignment with <2°C warming by 2100; transition risks: Network for Greening the Financial System's (NGFS) Net Zero 2050 scenario, in alignment with <1.5°C warming by 2100.

3 Climate reference models used are: physical risks: IPCC's RCP8.5-SSP5, in alignment with 4°C+ warming by 2100; transition risks: NGFS' Current Policies scenario, in alignment with 3°C+ warming in 2100 (which considers emerging and existing regulations).

Risk or opportunity	Category	Time horizon[4]	Description and potential impact	EY US measures adopted to mitigate risks and realize opportunities
Physical risk 1: Increase in mean temperatures	Chronic	Long term	Increasing temperatures may lead to additional cooling demand in our offices, thereby increasing energy costs of operating our facilities. Additional impacts include: ▪ Increase in EY US greenhouse gas ("GHG") footprint or renewable energy needs ▪ Potential power disruption due to increased community demand during peak hours in excess of infrastructure capabilities ▪ Increase in leasing costs due to landlords passing down operational cost increases	In new office selection, our Real Estate Services team is actively looking to lease in LEED-certified buildings, which are designed to be more energy- and carbon-efficient. Currently, 28 of our 100 US offices are in LEED Gold- and Platinum-certified buildings, which meet high standards for energy efficiency. Purchased electricity usage makes up the largest component of the energy we use in our offices. All (100%) of our electricity needs are attributable to renewable energy. Specifically, we retire renewable energy credits (RECs) equivalent to our estimated electricity consumption. These RECs are generated by two wind farms in Texas, with which we have multiyear renewable energy virtual power purchase agreements. Our portion of the wind farm projects added 347,910+ MWh of renewable energy to the grid in Texas during 2025, more than double our entire electricity footprint.
Physical risk 2: Increased flooding events	Acute and chronic	Medium to long term	Increased frequency and severity of flooding events could cause damage to infrastructure and decreased productivity. Climate-induced migration from extreme flooding events may also impact our longer-term talent strategy. The potential impacts to EY US revenue and productivity include: ▪ Operational disruptions due to power interruptions ▪ Building closures or property damage ▪ Decreased productivity due to living disruptions for our people caused by flooding, including forced evacuations ▪ Increases in insurance costs	In new office selection, our Real Estate Services team considers climate resilience, such as flood and wind risks. Additionally, most of our existing office space is above ground level, lowering the risk of flood damage. We use a software platform to help us contact all employees assigned to an office located in an area affected by a severe weather event or physical safety hazards, and confirm they are safe. EY US uses a hybrid work approach for its people that allows us to pivot much of our operations amid climate-related disruptions, such as hurricanes, flooding or other weather-related events. EY US also has a business resiliency program and individual office plans to address events that could impact operations. This program requires the development of crisis management and business continuity plans that focus on protecting our people, offices and assets, including information; and on restoring client service capacity as soon as possible after a disruptive event. These plans are characterized by strong communications protocols among all stakeholders, including internally within EY, including our people and partners as well as externally with emergency responders, clients and family members. Furthermore, they include preplanned alternate work strategies and workforce arrangements.

4 Indicates the time horizon over which identified climate risks and opportunities are expected to have the greatest potential impact.

RETURN TO CONTENTS

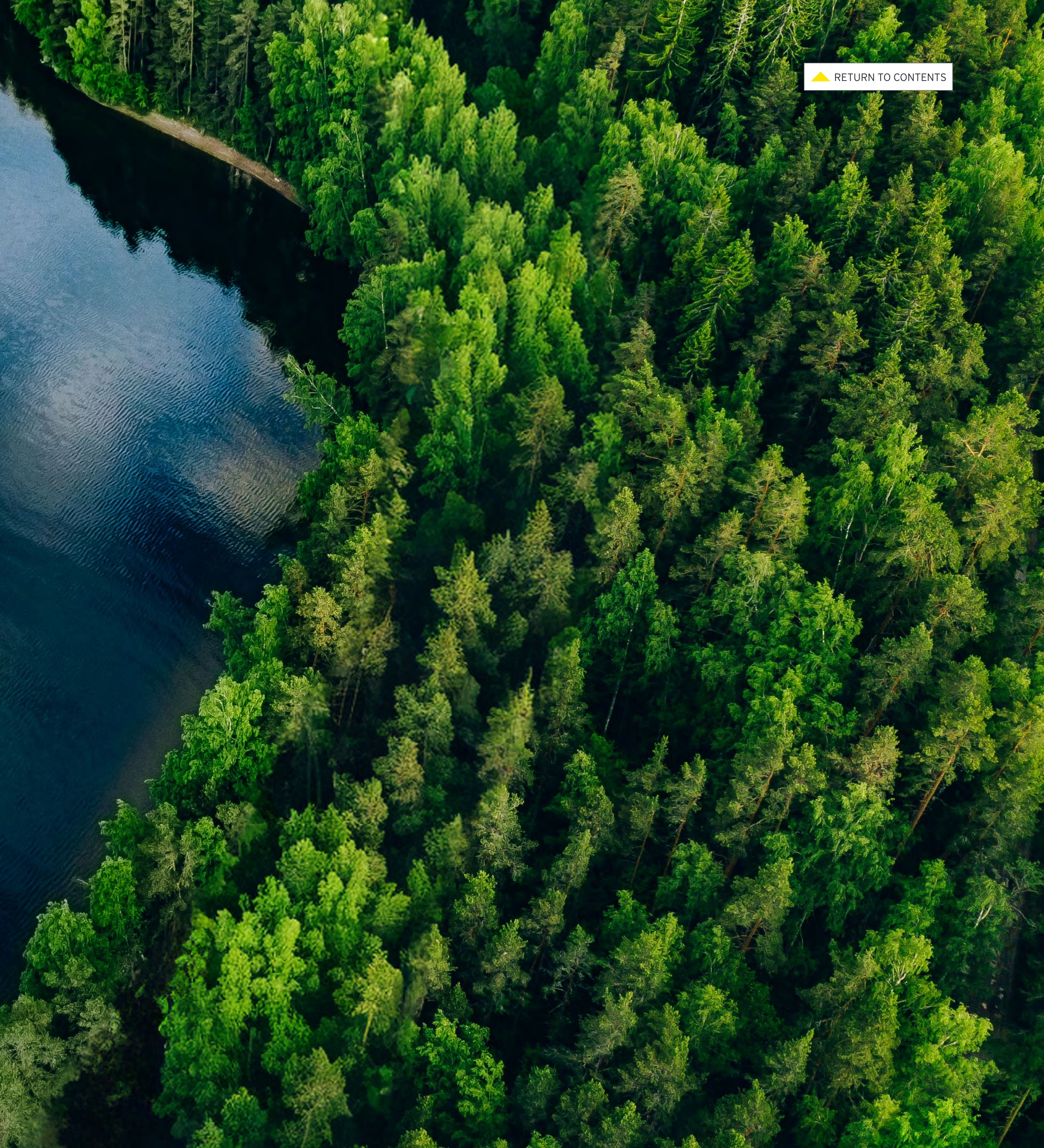
Risk or opportunity	Category	Time horizon[4]	Description and potential impact	EY US measures adopted to mitigate risks and realize opportunities
Physical risk 3: Increased high-speed wind events	Acute	Long term	Increased frequency, intensity and extent of high-speed wind events could cause damage to infrastructure, disrupt business continuity and decrease productivity of our personnel. Climate-induced migration from extreme wind events may also impact our longer-term talent strategy. The potential impacts to EY US revenue and productivity include: ▪ Operational disruptions due to power interruptions ▪ Building closures or property damage ▪ Decreased productivity due to living disruptions for our people caused by high-speed wind, including forced evacuations ▪ Increases in insurance costs	Risk mitigation approach described above in Physical risk 2.

RETURN TO CONTENTS

Risk or opportunity	Category	Time horizon[4]	Description and potential impact	EY US measures adopted to mitigate risks and realize opportunities
Transition risk 1: Failure to meet public commitments may lead to reputational damage	Reputational	Short to medium term	Failure to meet public climate-related commitments without sound explanation may lead to EY US being perceived by some as lagging and cause potential reputational damage and reduced revenue. The potential impacts to EY US revenue and reputation include: ▪ Potential revenue losses from reputational risks of being seen as a climate laggard in emissions reductions targets In contrast, in the high-carbon pathway, if EY US maintains our decarbonization goals and our peers do not, we may see a decrease in reputational risks as EY US' emissions intensity improves relative to our peers, which is reflected in our analysis of Opportunity 1 below.	We strive to meet our obligations and stakeholder expectations regarding our public environmental commitments. As part of this, EY US is exploring ways to reduce our emissions. We track our emissions on a quarterly basis and use this information to regularly reassess our decarbonization strategy. See the Targets section for details on how EY US is working to lower our emissions.
Transition risk 2: Higher operating costs to meet climate-related regulations	Policy and legal	Short to medium term	Increased complexity of the climate-related regulatory environment may subject EY US to additional complex and fragmented regulatory and reporting requirements. The potential impacts to EY US' operational costs (i.e., opex) include higher compliance costs. In the long term, efficiencies may be gained through experience that may help mitigate increases in such operating costs.	EY US is well resourced to respond to a fluid regulatory environment. Our public policy function monitors international, national and state legislative and regulatory developments. This includes climate-related energy, tax, supply chain finance and disclosure legislation and regulations. Our Sustainability team actively monitors, identifies and responds to climate-related regulatory changes. For each applicable regulation, our Sustainability team works with experts throughout our client-facing service lines, General Counsel's Office, Public Policy function, Risk Management group and other internal teams as needed to facilitate our proactive compliance with emerging and existing climate-related regulations.

Risk or opportunity	Category	Time horizon[4]	Description and potential impact	EY US measures adopted to mitigate risks and realize opportunities
Transition risk 3 and Opportunity 1: Revenue impacts from a climate transition and physical climate change	Products and services	Short to long term	EY US has a potential opportunity to support clients seeking to address climate-related sustainability matters, increasing potential revenue for our firm. This may manifest in a number of ways: ▪ Sustainability revenues could increase in the long term due to increased materialization of physical hazards followed by increased demand for adaptation and resilience services. ▪ Sustainability revenues could increase in the short to medium term due to demand for guidance on sustainability compliance and decarbonization strategy. Financial planning areas potentially impacted by this opportunity include products and services and adaptation and mitigation activities. However, EY US also faces potential revenue decreases from clients negatively impacted by physical changes in the climate (e.g., extreme weather events) and from a low-carbon transition (e.g., client- stranded assets). These impacts could vary by sector and client location and may manifest in a number of ways: ▪ In the high-carbon pathway, clients could be disrupted by extreme weather events and chronic climate shifts, which may reduce their ability to spend on professional services or delay EY US revenue. ▪ In the low-carbon pathway, clients disproportionately exposed (e.g., those in more carbon-intensive sectors) may suffer reduced demand and stranded assets, which in turn could reduce their ability to spend on professional services.	We have a firmwide approach to supporting our clients across all of our service lines — Assurance, Consulting, EY-Parthenon and Tax. EY US is well positioned to realize this opportunity of clients seeking to address climate-related sustainability matters, due to our deep technical experience, strong client relationships and strategic sector and technology focus. As part of our strategy, we utilize our Climate Change & Sustainability Services practice as the nucleus of our sustainability services, which brings 20+ years of experience supporting clients with climate-related matters, this approach positions us to grow across both high- and low-carbon pathways and build on our current leading position that has been recognized by external analyst ratings, such as Verdantix and International Data Corporation (IDC). To mitigate this risk, EY US has both a highly diversified client base across sectors and locations. Additionally, our adaptable service delivery and culture allow us to pivot toward changing client needs from physical climate events or low-carbon transition. For example, such events could create an opportunity for EY US to further support our clients through resilience building, business continuity planning or transition strategy.

RETURN TO CONTENTS



Resilience of strategies to climate-related risks

After completion of the climate risk assessment and identification of potential risks and opportunities, we assessed our risk mitigation and opportunity realization strategy to confirm our strategy is resilient. We carefully looked at how well our strategies can mitigate our climate-related risks and accelerate our climate-related opportunities, using quantitative and qualitative results from our climate-related risk and opportunity assessment. For physical risks, we used quantitative modeling to analyze office-based acute and chronic hazards, considering direct and indirect potential impacts of wind, flooding and heat hazards. We supplemented this analysis of potential impacts with additional research into our business structure, including our reliance on other resources within the broader EY network to perform various client-serving and back-office functions for us, and our adaptability to potential impacts. For transition risks and opportunities, we refined the global EY models further for our US context by incorporating additional EY US data and more granular proxy economic variables from a range of integrated assessment models, aligned to the climate scenarios and time horizons outlined in the climate-related risks and opportunities subsection.

Climate impacts are included in our financial planning process along with a range of other factors that could impact our business. We consider these factors over the short and medium term (i.e., 0–15 years). For instance, we budget for potential increased compliance costs associated with new climate-related legislation and have increased the capital we allocate to our climate-related consulting services to assist clients seeking support. We typically don't directly include climate-related impacts in our financial planning process over the long term (i.e., beyond [15] years) given the agile, asset-light nature of our business.

In light of the strategies that already exist to mitigate and realize these financial risks and opportunities, we are confident that our strategy is resilient to warming scenarios of <2°C and 4°C+ over the short-, medium- and long-term time horizons used in the climate risk assessment. We will continue to monitor and reassess periodically as climate science, our business and the external landscape changes.

Risk management

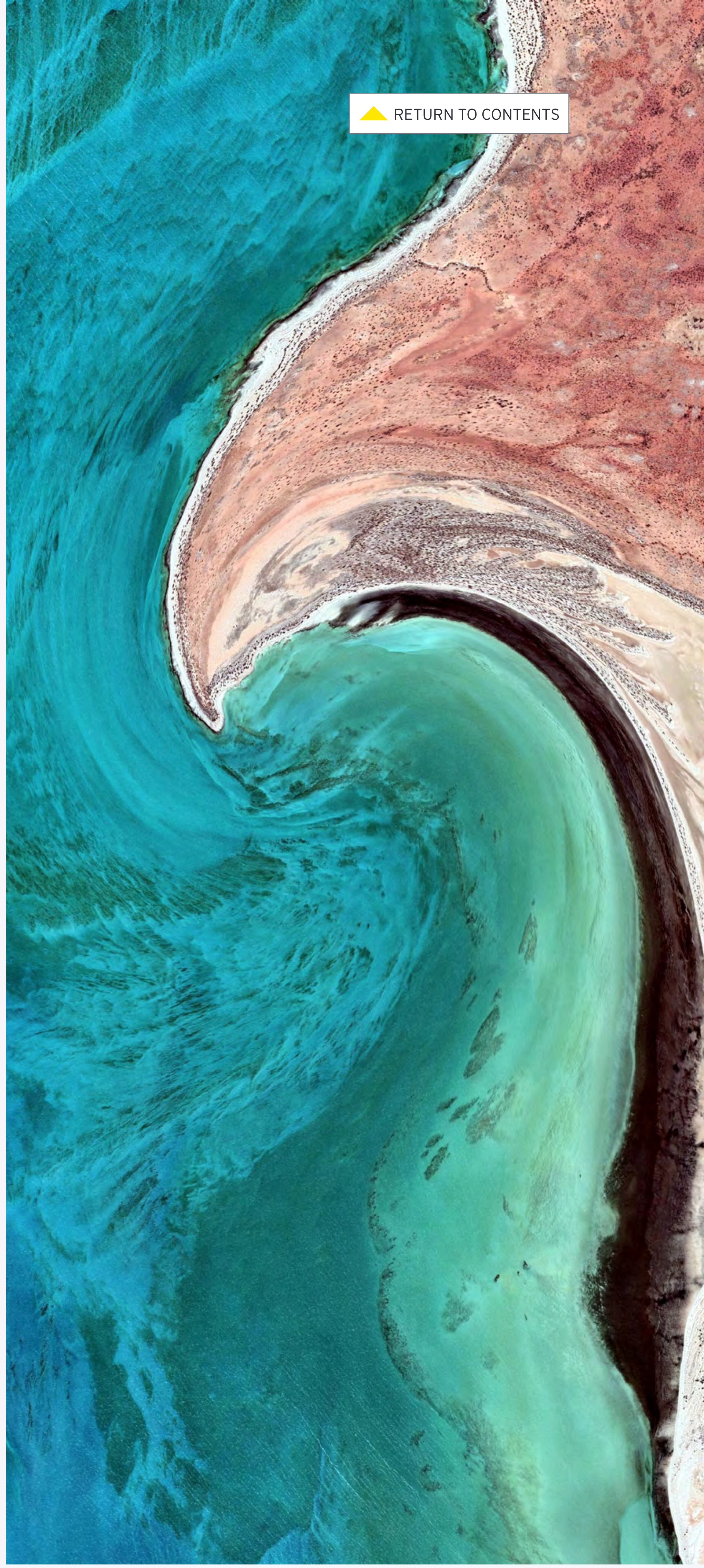
In order to determine our potential exposure to climate change, we have identified and assessed six climate-related risks and opportunities using the scenario analysis, described in the Strategy section. Using a proprietary methodology, we reviewed each risk and opportunity with leaders across Finance, Risk Management, Workplace Services, Real Estate, Public Policy, Legal and Sustainability groups in order to determine the relative significance of our climate-related risks compared to other risks that we face as a business. We considered exposure to existing and emerging regulatory requirements related to climate change as part of our second assessed transition risk. Potential regulations include GHG emissions and climate risk disclosure laws in states in which we operate. As discussed in the Strategy section, we proactively monitor and comply with these regulations. Additionally, our US Compliance Program facilitates a regular assessment of compliance risk associated with regulatory requirements, including climate-related regulatory risks.

The global EY organization takes a comprehensive and forward-looking approach to the enterprise risk management (ERM) process that seeks to protect and enhance the EY organization's positioning in the market. The EY global ERM program supports the EY organization globally to identify, manage and monitor risks, including those associated with climate. It provides coordinated engagement, support and assistance to our US firm on independence, conflicts, compliance, regulatory policy and security issues.

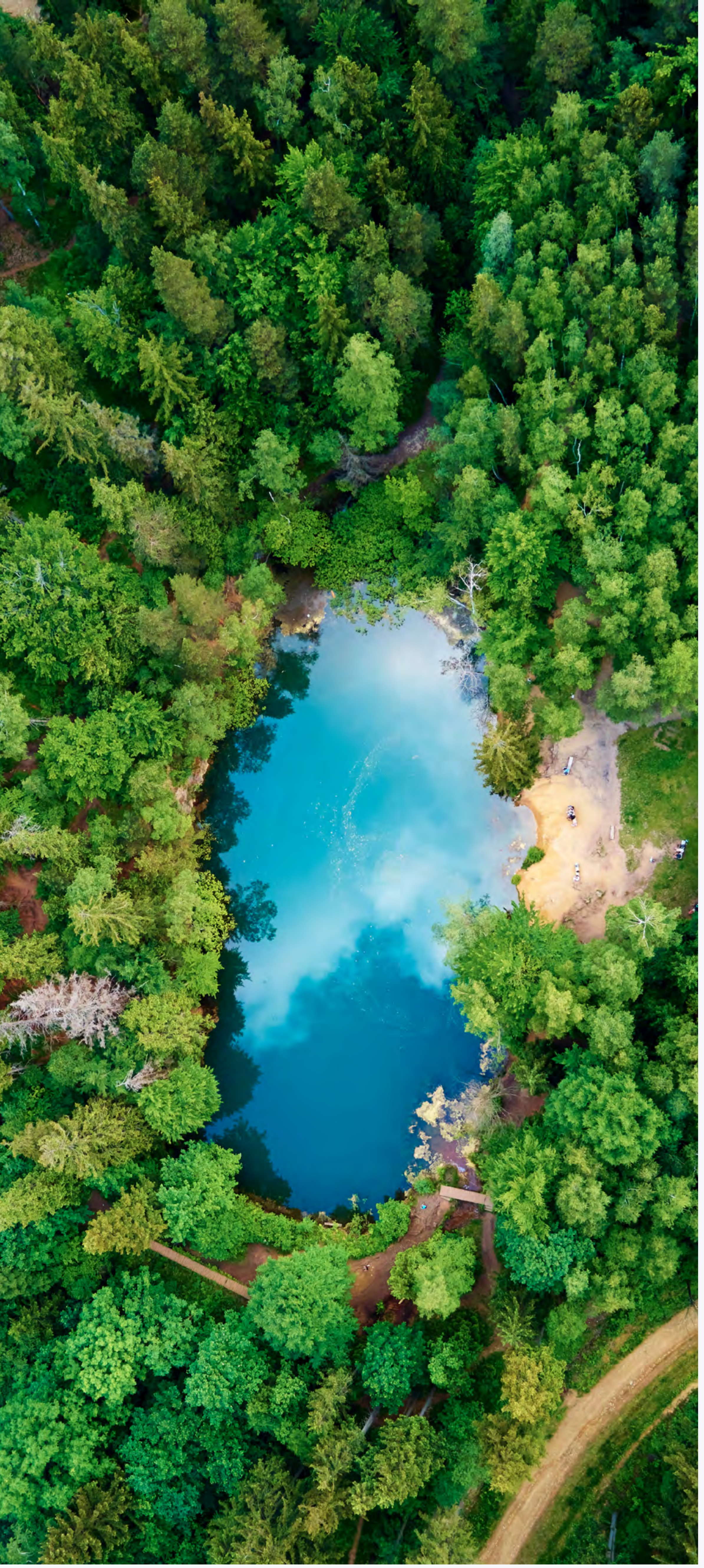
Engagement across global, region and individual member firm levels is critical within this global ERM program to identify and actively monitor matters in as close to real time as possible. The EY risk categories are assessed through regular senior business leadership reviews and include climate-related risks informed by the global EY TCFD assessment, as discussed further in the Global Environment Report.

Our Sustainability team, informed by our climate scenario analysis, manages US climate-related risks in collaboration with relevant business functions such as Real Estate, Workplace Services and our client-serving service lines. Regular touch points between our Sustainability team and other functions enable the dissemination of relevant climate-related information from our climate-related risk management to key functional decision-makers throughout our organization. This integrates climate-related risk identification, assessment and management within our overall risk management.

By engaging our key EY US functional teams on the results of our climate-related risk assessment, we will continue to address risks and opportunities as they arise, which results in our strategy remaining resilient to the challenges and opportunities we could face in the future.



RETURN TO CONTENTS



RETURN TO CONTENTS

Metrics and targets

Metrics[5]

In order to measure and manage our climate-related risks and opportunities, in line with our strategy to remain resilient to the impacts of a changing climate, EY US tracks and analyzes a number of climate-related metrics, which are described below. The most heavily utilized metrics we track are our Scope 1, 2 and 3 greenhouse gas (GHG) emissions.

Our GHG emissions are calculated in line with the EY carbon footprint methodology as described in the EY Global Environment Strategy. This is based on the GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, all developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). For the purposes of calculating our carbon footprint, an operational control approach is used to identify the emissions sources within our immediate control. The relevant Scope 3 emissions categories included in the EY US footprint are business travel, commuting, remote work, waste and fuel- and energy-related activities.

GHG emissions	FY23	FY24	FY25
Scope 1 ($mtCO_2e$)	390	588	319
Scope 2 ($mtCO_2e$) – location-based	28,000	23,055	13,254
Scope 2 ($mtCO_2e$) – market-based	640	893	1,641
Scope 3 ($mtCO_2e$)*	215,000	268,916	295,350

* The Scope 3 emissions categories included in the EY US footprint are business travel, commuting, remote work, waste and fuel- and energy-related activities.

5 GHG emissions and energy metrics are calculated by the EY global organization, which have not been independently validated by EY US.

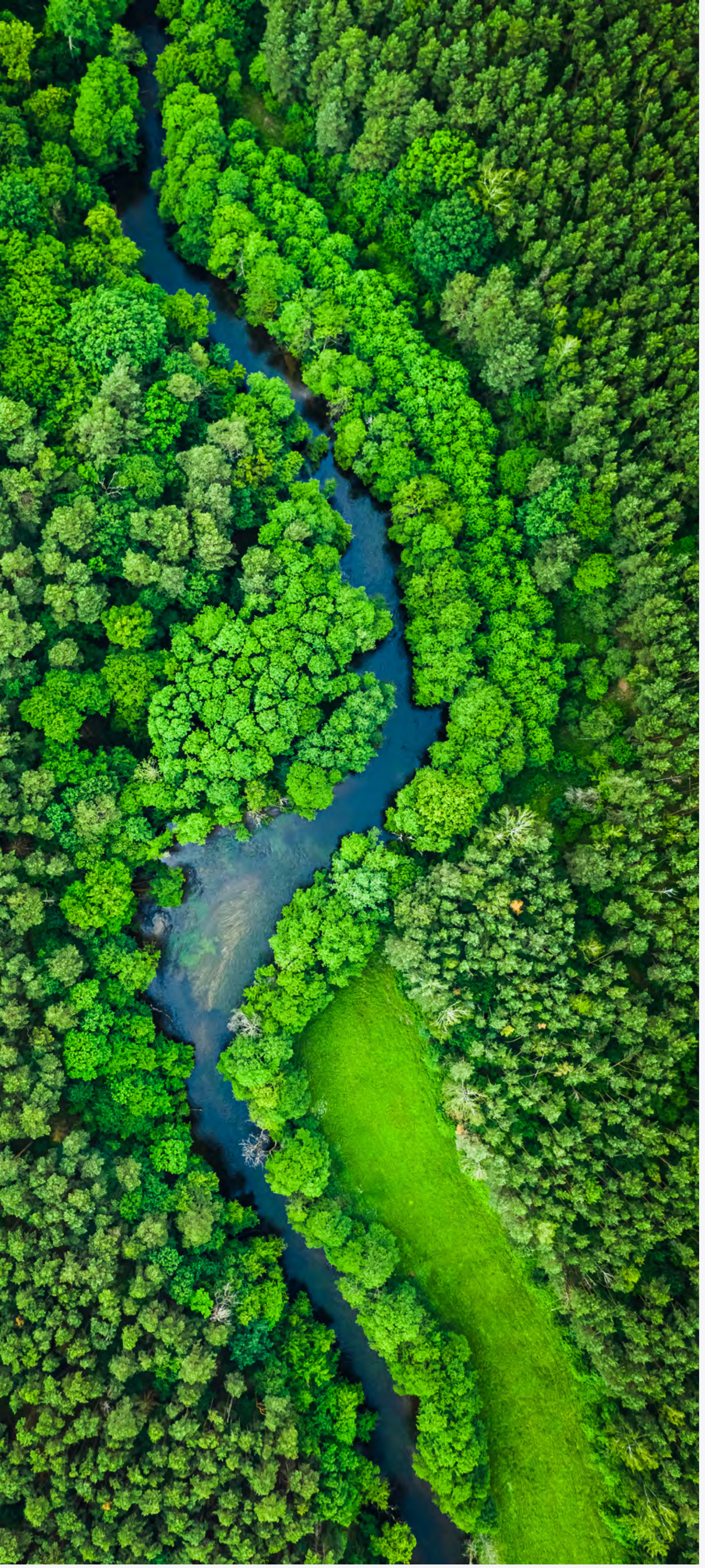
Energy	FY23	FY24	FY25
Percentage of electricity attributable to renewable energy (%)*	100	100	100
Grid electricity consumption (kWh)	54m	47.4m	33.5m
Heat usage from combined heat and power (kWh)	210k	98.7k	659k
Chilled water usage from combined heat and power (kWh)	1.3m	1.9m	3.4m
Diesel fuel usage (L)	2.1k	870	279
Natural gas usage (m3)	210k	287k	131k

* Retired renewable energy credits (RECs) equivalent to our estimated electricity consumption.

Office sustainability*	FY23	FY24	FY25
Number of leased offices in LEED Gold- and Platinum-certified buildings	29	30	28
Number of WELL Gold-Certified offices	6	6	6

* EY US has a total of 100 leased offices in the US as at year-end 2025.

We don't currently include climate-related metrics in our remuneration policies and don't implement an internal carbon price over our GHG emissions. We are working to improve our internal tracking of revenue related to sustainability services and will continue to refine this in the future.



RETURN TO CONTENTS

Targets

We have been on a journey to reduce our environmental footprint for several years. In 2021, EY announced a commitment to reduce GHG emissions by 40% from 2019 levels across the EY network by 2025.

This commitment was achieved in 2024; EY reduced absolute market-based Scope 1 and 2 emissions by 40% and Scope 3 travel emissions by 42% from baseline. EY US supported this global commitment by reducing absolute Scope 1, 2 and 3 emissions from travel by 39% from the US baseline.

In 2025, EY set new goals of cutting emissions by 50% across the EY network by 2030 compared to a 2019 baseline and achieving net-zero emissions across the EY network by 2050. These reductions would represent a 90% GHG reduction from 2019 levels. This target was submitted to Science Based Targets initiative (SBTi) for validation in fiscal year 2025 and has since been validated by SBTi in fiscal year 2026.

We are working toward emissions reductions in several different ways. Firstly, we are in the process of purchasing sustainable aviation fuel (SAF) certificates to reduce the environmental impact of air travel and support SAF growth, with plans to increase purchasing as SAF availability improves. When considering office locations, our Real Estate Services team seeks to lease in LEED-certified buildings, which are designed to reduce office-based GHG emissions. Additionally, 100% of our electricity needs are attributable to renewable energy.[6] In April 2025, a green rideshare campaign was launched to incentivize employees to choose low-carbon options available in rideshare apps for commuting.

For more than two decades, we have developed sustainability-related expertise, services and solutions tailored to meet client needs. This growth is guided by an evolving understanding of the science behind sustainability and its societal implications. As one of the largest professional services organizations, we are uniquely positioned to support our clients through sustainability services while contributing to achieving net-zero scenarios, thereby mitigating risks for our people and communities worldwide.

Our climate risk and opportunity management process will continue to evolve and grow on our journey to remain resilient to and grow through the challenges and opportunities of a changing climate. Through continuous evaluation of our climate-related strategies, we believe that we are in a strong position to help build a resilient future for our organization, our clients and the communities we serve.

6 Specifically, we retire renewable energy credits (RECs) equivalent to our estimated electricity consumption. These RECs are generated by two wind farms in Texas, with which we have multiyear renewable energy virtual power purchase agreements. Our portion of the wind farm projects added 347,910+ MWh of renewable energy to the grid in Texas during 2025, more than double our entire electricity footprint.

TCFD recommendations index

The index below shows where in this report we disclose information regarding each of the 11 TCFD-recommended disclosures.

Governance	a) Describe the board's oversight of climate-related risks and opportunities	Pg. 3
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Pg. 3
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Pg. 4-9
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	Pg. 4-9
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pg. 4-9
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks	Pg. 4, 10
	b) Describe the organization's processes for managing climate-related risks	Pg. 10
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Pg. 10
Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Pg. 11-12
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Pg. 11
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Pg. 13

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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.

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