



How do you help people learn AI at the speed of AI?

Annual Review 2023/2024
Ernst & Young Nederland LLP



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The better the answer.
The better the world works.



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Our mission

At EY, our purpose is *Building a better working world*. The insights and quality services we provide help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients, and for our communities. We believe a better working world is one where economic growth is sustainable and inclusive. We work continuously to improve the quality of all our services, investing in our people and innovation. And we are proud to work with others - from our clients to wider stakeholders - to use our knowledge, skills, and experience to help fulfill our purpose and create positive change.

For more information about our service lines, please visit the [‘Services’](#) section of our corporate website.

Contents

Foreword	4
Stable performance, exceptional teamwork	4
EY Netherlands at a glance	8
Report of the Board of Directors	11
Key figures	12
Developments and challenges	13
Our strategy: NextWave	16
Our performance in 2023/2024	19
People value	20
Client value	26
Social value	34
Financial results	43
Governance	46
Report of the former Supervisory Board	55
Financial statements	62
Other information	68
Assurance report of the independent auditor	68
About this report	71
Our reporting approach	71
Basis of preparation	73
Sustainability Statements	80
Approach to sustainability reporting	80
Stakeholder dialogue	81
Double materiality assessment	82
Our FY24 sustainability matters	84
Connectivity table	87
Annex	90
1. EY's contribution to the UN Sustainable Development Goals	90
2. Taking climate action	93
3. EY Netherlands carbon footprint	101

Foreword

Stable performance, exceptional teamwork

During a challenging year – with geopolitical tensions and a stagnating economy affecting us all – the strength of our people came into even sharper focus. What truly stood out this year was our team of approximately 5,000 employees and equity partners, whose commitment to excellence continues to earn the trust of our clients and our stakeholders. The individual talents of our people were amplified through exceptional teamwork.

Throughout the year and across EY in the Netherlands, we acted as one unified team. With Project Everest, which explored the potential transformation of our organization into two distinctive multidisciplinary organizations, in the rearview mirror, we moved forward, stayed true to our values and continued to advance our *NextWave* strategy. We remained united as one, and our teamwork continues to be one of our key differentiators. Looking back, we can be tremendously proud of how we united around our ambition to be the most distinctive and trusted professional service provider in our market. We worked closely together to deliver integrated services to help our clients on their transformation journey and solve complex challenges. We collaborated across service lines and looked beyond our individual areas of expertise to deliver the best possible results for our clients.

Dutch regulation requires public interest entities, including financial institutions, to rotate their external auditors at least once every 10 years. Consequently, the expiration of long-term auditing contracts is close. We are serving out our contracts diligently and professionally, while competing for market share at the same time. Although it is still too early to make a definitive statement, we are optimistic about maintaining our market share in audit services. Moreover, we are proud to have entered into engagements with several important new clients, many

of whom are industry leaders, and we look forward to strengthening our relationships in the years to come.

We are also enhancing our brand visibility in the Netherlands. One of the ways we do this is by making tangible contributions, financially and otherwise, to society. Over the last year, we continued to embrace the exciting emerging sport of padel. What stands out about our partnership with KNLTB Padel and sponsorship of major padel tournaments, are the opportunities for our people and clients to participate. Padel is competitive and fun, and one of the fastest-growing sports worldwide. Like sports, arts and culture bring people together, inspire us, and add joy to our lives. Their societal role cannot be overstated. We are proud of our ongoing support of the Dutch Film Festival and our partnership with the Dutch Design Foundation and Dutch Design Awards.

Stable financial performance

The financial performance of Ernst & Young Nederland LLP (hereinafter: EY Netherlands) was characterized by stability. That is particularly noteworthy considering the geopolitical and economic landscape was anything but stable. Our revenue of €1,094 million (2022/2023: €1,083 million) also reflects our well-balanced portfolio. Our Assurance and Tax service lines, which add an element of continuity and predictability, experienced growth. Our Consulting and Strategy and Transaction service lines are essential to guiding clients through the ups and downs of doing business, but are also more sensitive to economic fluctuations. As such, they saw a slowdown. The nature of our organization and the fact that we serve clients in times of prosperity, during periods of crisis as well as in everyday business, contributes to our stability. Furthermore, we should keep in mind that this year of stability follows two years of substantial growth. Over a three-year period, we have achieved a 6.7% compounded annual revenue growth rate. This

performance is not only commendable but also exceeds that of previous years.

Investments in people

At EY Netherlands, we want to deliver an exceptional experience for our people, with projects that are both demanding and rewarding and a work environment that promotes wellbeing. This year, we conducted a comprehensive survey to gain insight into what wellbeing looks like in a high-performance organization like ours. What stood out is the role that clear expectations play in people's wellbeing. That means knowing what is expected of you, what you can expect from others and what you can expect from your employer. The survey also emphasized the importance of people-focused leadership. This leadership style helps achieve both personal and organizational growth and involves demonstrating empathy, being clear about our goals and providing the direction and support needed to achieve them. We have incorporated these insights into upcoming updates to our leadership curriculum and plans for cultivating people-focused leadership qualities among all our people, regardless of formal title or position.

Creating a safe and welcoming environment for everyone is a top priority, and we strongly believe in the power of diversity, equity and inclusiveness (DE&I). We continued and expanded our initiatives to promote DE&I and adapted our policies to better align with an inclusive culture. For example, we expanded our holiday policy, effective FY25. It is a small yet meaningful change to allow people to exchange official public holidays for other recognized holidays that hold personal and cultural significance. We should all be able to celebrate the holidays that matter most to us, and this change makes a difference.

We continued to invest in our people. We see it as our role to cultivate capable and engaged professionals and equip them with the skills to make meaningful contributions to society. We play our part by investing in training and development and supporting our people's growth, whether they advance within our organization or pursue opportunities elsewhere. Our ongoing investments in people also reflect our confidence in the future and our

commitment to staying ahead of new developments, such as those in AI and sustainability, that will transform the working world.

In the year under review, we welcomed 756 new people (employees and equity partners) and successfully filled our open positions, including in high-demand areas such as technology, innovation and sustainability. Our team has grown in terms of the number of people. Our turnover rate was 17.2% compared to 13.4% in 2022/2023. We were able to meet our workforce needs and have the right people in the right roles. Through our efforts to create an exceptional employee experience, we aim to retain talented people.

Our role as a trusted advisor

Our ambition is to be the world's most trusted and distinctive professional services organization. One way we do this is by sharing our knowledge and drawing from our expertise and experience to help our clients and society at large understand and navigate complex current challenges. This past year, we were particularly visible and vocal in conversations and debates on the Dutch business and investment climate. We conducted surveys, organized roundtable sessions, and summarized our learnings and insights in whitepapers, including the report 'Hoe maken we Nederland samen beter?' (Working together toward a better future for the Netherlands), which we presented to the State Secretary for Tax Affairs and the Tax Administration Mr. van Rij. Our reputation and brand recognition allow us to share our expertise with a broad audience, and we strive to use this platform for good. In the case of the Dutch investment and business climate, that means to translate the concerns of Dutch executives into actionable insights. We believe this will contribute to a more dynamic and vital economy, in which large multinationals help boost local economic activity and provide a premier training ground for tomorrow's professionals.

Our role is also to build trust in capital markets. The multi-year inquiry of the 'Kwartiermakers Toekomst Accountancysector' (Quartermasters Future Accountancy Sector) has shed a critical light on the sector. In

their report, the quartermasters noted that there is room for the sector to accelerate the pace of change, suggesting that external pressure is necessary to keep the sector moving in the right direction. Externally, we have demonstrated our commitment to audit quality by engaging in constructive conversations with stakeholders about the best path forward for the sector as a whole, not just for EY. Internally, we continue to invest in quality improvements, focusing on areas such as culture, professional skepticism, role clarity and opportunities for technological innovation. Our internal quality assessments, along with external evaluations by the 'Autoriteit Financiële Markten' (AFM; Dutch Authority for the Financial Markets), have shown that our efforts are leading to improvements in our audit quality. Audit quality and continuous improvement is and will remain a priority for EY.

Following reports of academic integrity in the accountancy sector, we have been fully cooperating with the AFM and PCAOB to investigate academic integrity in our organization between 2018 and 2023. It is crucial that this investigation is conducted with the utmost diligence to maintain trust in the accountancy sector. We are being thorough and meticulous to uphold that trust. We intend to finalize our internal investigation by the end of 2024 and will share our findings once the investigation is concluded.

From reporting to sustainable business transformation

Across our service lines, we observed the growing role of ESG (environment, social and governance) in our work. Our sustainability professionals experienced another active year helping clients prepare for compliance with the Corporate Sustainability Reporting Directive (CSRD). At the same time, they worked to identify client needs and opportunities for sustainable business transformation, enabling us to form cross-service line teams with the optimal mix of skills and experience to serve our clients.

We have found that for many organizations, strategy and reporting go hand in hand. Strategy influences reporting, and reporting, in turn, shapes the ESG strategy. Our teams are equipped to address both elements

simultaneously and effectively. We also recognize that the CSRD puts pressure on both our clients and our own organization. Internally, we have invested in the capacity and expertise needed to provide assurance under the CSRD. Nevertheless, we expect the first CSRD reporting year to present challenges, particularly due to the introduction of numerous disclosure requirements that assurers must review for the first time.

AI front and center

We cannot talk about the year without mentioning artificial intelligence (AI). We are transforming business through data and technology and strongly believe that AI will open up new opportunities for long-term value creation. In a major vote of confidence, EY Global invested US\$1.4 billion in AI. And the journey has only just begun. One of its first landmarks is the launch of the EY.ai platform. Within EY Netherlands, we followed suit with a comprehensive roll-out of AI solutions across our organization, from proprietary tools to an ever-growing library of AI insights. Most importantly, we embraced innovation, experimentation and learning. We tested AI in various use cases to identify where it has the greatest potential, and we brought everyone along in the effective and responsible adoption of AI. That goes for our people, our clients, and our clients' stakeholders. We invested significant effort into training and support to help our employees incorporate AI into their workflow, regardless of their role.

While the impact of AI on our productivity is certainly an area of interest, our priorities are clear: to help people identify and understand the various solutions available to them, how these solutions work, and their limitations and risks. Ultimately, our people's understanding of these technologies, coupled with their in-depth knowledge of our clients' business and industry, drives our service offering and defines the value we bring to our clients.

Looking ahead

At the end of the financial year, I took over the helm from Jeroen Davidson. With confidence, as his leadership has contributed to the stability of EY Netherlands and has ensured a solid foundation from which we can continue

to build. I have had the pleasure of working alongside our exceptional professionals for over 20 years. My role may have changed, but my commitment to fulfilling our purpose *Building a better working world* remains as strong as the day I joined EY.

Driven by our *NextWave* strategy, we have made great strides in creating long-term value for all our stakeholders. Now it is time for a refresh. I look to the future with confidence as we roll out our new *All in* strategy in the Netherlands. That strategy will build on our strong foundation and involves advancing our leadership position in the fields of ESG and AI. This will be a top priority in the years ahead. To this end, we will focus on forming the best integrated cross-border teams to meet our clients' needs. Finally, we can only make meaningful contributions to society when we are part of it. Therefore, it is key that we remain outward-focused by continuing our tradition of sharing our knowledge, organizing events and insightful conversations, and engaging in meaningful sponsorships.

A word of thanks

I want to extend a heartfelt word of thanks to all our people. We do not take for granted the enormous effort and commitment they have put into maintaining the highest standards of quality and service. Their dedication to our organization enables us to perform at an exceptionally high level. I deeply appreciate and recognize everyone's contributions and the excellence with which all of our people represent EY in the Netherlands. I am proud to stand with such talented professionals and look forward to achieving great success together in the years ahead. I would also like to offer my sincere appreciation to my predecessor, Jeroen Davidson, for his exceptional leadership and guidance. Finally, I would like to thank our clients for their trust, our suppliers for their collaboration and our Works Council and Supervisory Board for their invaluable insights and support.

Patrick Gabriëls

Chair of the Board of Directors
Ernst & Young Nederland LLP
24 September 2024

AT A GLANCE

EY Netherlands at a glance

Guided by our global EY purpose *Building a better working world*, our team provides insights and services tailored to the unique needs of our clients in the Netherlands. Leveraging comprehensive sector-specific knowledge, we help them capitalize on opportunities and manage risks, creating sustainable, long-term value.

Who we are and what we do

The EY global network provides services in Assurance, Consulting, Strategy and Transactions, and Tax, and has more than 700 offices in over 150 countries.

Our history in the Netherlands dates back to 1883, when our predecessors founded the first independent accounting firm in the Netherlands. Today, our EY Netherlands headquarters continue to be located in Rotterdam. In addition, we serve our clients from eight additional offices strategically located throughout the Netherlands.

We are guided by our EY purpose *Building a better working world* and align our operations in the Netherlands with our global EY strategy. We leverage the strength of our global network to serve our clients in the Netherlands, from EY's strategic alliances with technology and industry leaders to our EY Global Delivery Services platform. In addition, our EY Netherlands services address the unique needs of our clients, as well as the specific opportunities and risks faced by clients within our region.

EY Netherlands has approximately 5,000 employees and equity partners. Our multi-disciplinary teams consist of accountants, tax professionals and consultants and are supported by our Core Business Service (CBS) professionals. EY Netherlands had 268 equity partners at the end of the financial year, who bear ultimate responsibility for our organization's performance, including the quality of our client services, the experience of our people and our impact on society. We recruit, retain and develop top talent, help EY people prioritize their wellbeing, and foster a diverse, equitable and inclusive culture.

Our teams offer insights and services that enable clients to capitalize on opportunities and manage risks. We use the broad and sector-specific knowledge within our EY organization to deliver well-rounded and effective solutions that are fully tailored to our clients' needs. Our support includes guiding clients through their transformation journeys in areas like AI and sustainability. We assemble teams with professionals from our various service lines to approach strategic conversations with our clients from multiple points of view, deliver coordinated advice and provide integrated services. We continuously invest in people and innovation, with a focus on leveraging data and technology to introduce new services and solutions that redefine how we deliver sustainable, long-term value.

Our clients include government agencies, listed and non-listed companies of various sizes, NGOs, schools, hospitals and individuals. They operate in numerous market segments, such as advanced manufacturing and mobility, consumer and retail, energy and utilities, financial services, government and public sector, healthcare and life sciences, private equity, technology, media and telecommunications.

For more information on our service lines and market segments, see '[Services](#)' on our corporate website.

Revenue growth

(%)

1%
2023/2024

10%
2022/2023

Operating profit margin

(% of total revenue)

21%
2023/2024

22%
2022/2023

People value

Employee experience

% of respondents who say their experience with EY is 'exceptional'

74%
2023/2024

78%
2022/2023

Employee engagement

% of respondents who indicate they feel engaged with EY

76%
2023/2024

73%
2022/2023

Client value

Client experience

Client satisfaction score: % of clients who indicate the relationship has improved or remained the same

94%
2023/2024

92%
2022/2023

Social value

Planet impact carbon footprint

Total tCO₂e

11,124
2023/2024**

10,382
2022/2023

Total tCO₂e per FTE

2.3
2023/2024

2.3
2022/2023

Internal Quality Review score

Assurance***

94.5%
2023/2024

98.9%
2022/2023

Tax

84.6%
2023/2024

87.5%
2022/2023

* EY Netherlands at a glance - reporting standards and data compilation, see page 78. Ernst & Young Belastingadviseurs LLP ('EY Tax') has a strategic alliance with HVG Law LLP. In connection with this strategic alliance, the key figures of HVG Law LLP have been incorporated in the key figures of EY Tax (except for customer satisfaction score). However, as no control can be exercised over the activities of HVG Law LLP, the figures of HVG Law LLP have not been included in the (consolidated) financial statements.

** Based on comparable categories.

*** Internal quality review score as currently assessed by EY Netherlands. EY Globals' confirmation is still pending as of publication date of the report. Within the following Annual Review any potential changes in the outcome due to Global will be reflected and disclosed.

Report of the Board of Directors

Danny Oosterhoff



Patrick Gabriëls



Saskia van der Zande



Stephan Lauers



Tom de Kuijper



For the profile of the members of the Board of Directors, please visit [our website](#).

Key figures

Key figures ¹	2023/ 2024	Δ	2022/ 2023	Δ	2021/ 2022	Δ	2020/ 2021	Δ	2019/ 2020	Δ
Revenue (in millions of euros)										
Assurance	414	4.2%	397	10.6%	359	5.8%	339	-1.0%	343	1.2%
Tax	350	3.6%	338	7.4%	314	7.0%	294	-1.0%	297	3.4%
Consulting	204	-4.3%	213	14.1%	187	29.7%	144	-5.4%	152	3.2%
Strategy and Transactions	77	-12.1%	87	-2.7%	90	4.5%	86	16.5%	74	-1.8%
Rendering of services	1,045	0.9%	1,035	9.0%	950	10.0%	863	-0.3%	866	2.0%
Core Business Services (Other income)	49	2.5%	48	31.1%	36	-1.3%	37	-5.6%	39	33.9%
Total	1,094	1.0%	1,083	9.8%	986	9.4%	900	-0.5%	905	3.1%
Financial results (in millions of euros)										
Profit for the fiscal year	233	0.3%	232	5.1%	221	30.0%	170	10.9%	153	-4.8%
Income available for distribution	214	5.0%	204	6.7%	191	31.5%	145	14.9%	126	-7.9%
Average partner income (in thousands of euros)	813	1.4%	802	4.5%	768	31.4%	584	17.8%	496	-4.5%
Average number of FTE staff and partners										
Client serving employees	4,108	0.6%	4,083	6.5%	3,833	1.3%	3,784	-4.2%	3,950	1.3%
Support employees	510	-4.0%	531	0.4%	529	-0.2%	530	-1.5%	538	0.2%
Total employees	4,618	0.1%	4,614	5.8%	4,362	1.1%	4,314	-3.9%	4,488	1.2%
Equity partners	263	3.5%	254	2.1%	249	0.1%	248	-2.5%	255	-3.5%
Total	4,881	0.3%	4,868	5.6%	4,611	1.1%	4,562	-3.8%	4,743	0.9%

¹ Ernst & Young Belastingadviseurs LLP ('EY Tax') has a strategic alliance with HVG Law LLP (and EY Belastingadviseurs B.V. has a strategic alliance with HVG Law B.V.). In connection with this strategic alliance, the key figures of HVG Law LLP have been incorporated (not-consolidated) in the key figures of EY Tax. However, as no control can be exercised over the activities of HVG Law LLP, the figures of HVG Law LLP have not been included in the (consolidated) financial statements (chapter financial statements page 62).

Developments and challenges

Our purpose *Building a better working world* challenges us to be agile, to anticipate and respond to change, and to remain in control during times of uncertainty. To be agile, we keep a close eye on global developments, local challenges and emerging trends. We do this by leveraging our multidisciplinary teams and global network of EY professionals. Most importantly, we listen to our clients and understand their challenges from a comprehensive perspective. In this chapter, we discuss the developments and challenges that are affecting our organization, our clients and our approach to creating long-term value.

Politics and economics

The state of the economy has significant implications for our clients and for our business. In the year under review, EY Netherlands experienced the impact of a challenging economic climate characterized by persistent inflation, high interest rates and weak growth prospects. Across the globe, companies adopted a more conservative approach to spending and postponed large-scale business transformation projects. In addition, merger and acquisition (M&A) activity considerably decreased. Geopolitical events, including the ongoing war in Ukraine and the escalation of conflicts in the Middle East, contributed to the down year for M&A transactions. As a result, demand for our M&A advisory services decreased.

The EY Europe Attractiveness Survey 2023 and roundtable discussions organized by EY Netherlands revealed that top executives, including CEOs and CFOs from Dutch listed companies, large family businesses and semi-public organizations, are increasingly concerned about the business and investment climate in the Netherlands. They cited the deteriorating tax climate, tight labor market, uneven playing field for sustainability regulations and stagnant growth due to infrastructural limitations as areas of concern. Highly publicized moves by multinational companies to relocate their headquarters raised questions about the attractiveness of investment and business in the Netherlands. At the same time,

the Netherlands remains one of the most competitive economies globally. To maintain this position in the future, the survey and roundtable sessions revealed the need for a long-term vision for the Netherlands as a place of business, as well as policies aimed at strengthening infrastructure, attracting and retaining talent, promoting (sustainable) innovation, and modernizing fiscal policy and legislation. EY Netherlands summarized the outcomes of the roundtable sessions in the report 'Hoe maken we Nederland samen beter?' (How to work together toward a better future for the Netherlands?), which was published in October 2023.

The regulatory environment

Tax complexity

The EU carbon border tax, known as the Carbon Border Adjustment Mechanism (CBAM), and the new EU rules for minimum corporate taxation have introduced additional tax complexity for our clients. The European Commission introduced CBAM as one of the legislative tools to achieve the EU's climate targets under the European Green Deal. CBAM addresses the issue of carbon leakage, i.e. the outsourcing of the production of carbon-intensive products to countries with less stringent emission standards. It seeks to create a level playing field by applying price adjustments to imported carbon-intensive goods, including cement, steel, fertilizers and hydrogen. EY Netherlands is supporting clients throughout the three-year transition period, during which organizations are required to file quarterly CBAM reports. The first CBAM report was due on 31 January 2024. In addition, we advise clients on broader strategic and operational considerations in the context of decarbonization and sustainable business transformation.

The Base Erosion Profit Shifting (BEPS) 2.0 rules have had a significant impact on large multinational organizations, including many of our clients. The BEPS 2.0 'Pillar Two' rules impose a minimum global tax of 15% for multinational enterprise groups with a global turnover of €750 million or more. EY Netherlands provides

an integrated approach to help clients navigate and assess the impact of these complex rules, use data and technology to meet reporting obligations, and prepare for compliance.

Corporate Sustainability Reporting Directive

The Corporate Sustainability Reporting Directive (CSRD) will come into effect for listed companies (with more than 500 employees) from the 2024 financial year. In the Netherlands, these include the companies that are currently subject to the CSRD's predecessor, the Non-Financial Reporting Directive. By the 2026 financial year, several thousand companies in the Netherlands, including EY Netherlands, will be subject to the CSRD. EY Netherlands provides CSRD readiness services and helps organizations to integrate sustainability into their corporate strategy to generate long-term value, both for the organization as well as society as a whole. In addition, we provide assurance on reported sustainability information.

The future of the accountancy sector

The accountancy sector, and specifically the quality of the mandatory independent audit, has been under scrutiny in recent years. The 'Kwartiermakers Toekomst Accountancysector' (Quartermasters Future Accountancy Sector) issued their final report in November 2023. The report acknowledges the high-pressure environment in which external auditors operate as a result of the mounting responsibilities of auditors and the resulting increase in workload. The report is also critical of the sector's response to these issues, citing a lack of initiative and a reluctance to re-evaluate, adapt and innovate. Meanwhile, the 'Wijzigingswet accountancy sector' (Reform Act Accountancy Sector) is making its way through the legislative process. The act proposes new rules and supervisory mechanisms to improve audit quality.

EY Netherlands strives to continuously improve the quality of its audit practices and build trust in the capital markets. In response to the report of the quartermasters, the Assurance service line organized several sessions with a diverse group of stakeholders,

including the national government, the 'Vereniging van Effectenbezitters' (VEB; Dutch Investors' Association), and the 'Vereniging Effecten Uitgevende Ondernemingen' (VEUO; Dutch Association of Listed Companies), to discuss their findings and recommendations, determine areas for improvement and address any barriers to change. By engaging in stakeholder dialogue, we aim to promote mutual understanding and foster a learning culture that prioritizes knowledge sharing and continuous improvement. Meanwhile, our internal quality assessments and external evaluations led by the 'Autoriteit Financiële Markten' (AFM; Dutch Authority for the Financial Markets) of the 'opdrachtgerichte kwaliteitsbeoordelingen' (OKB; engagement quality control review) showed meaningful improvements in our audit quality.

Academic integrity

EY Netherlands is currently carrying out an internal investigation into possible occurrences of academic integrity for the period 2018 to 2023. EY Netherlands believes that integrity is non-negotiable. We have developed a plan of approach to strengthen the culture of integrity and accountability, which includes investments in a 'Speak Up' initiative aimed at encouraging employees to report unethical conduct and violations of our policies.

Mandatory audit rotation

In the Netherlands, large public companies and financial institutions are required to rotate their external auditors at least once every ten years. The regulatory mandate will impact these organizations in stages, with significant effects beginning in 2024. As a result, several of our long-term auditing contracts will expire in the years ahead and cannot be renewed. The objective of the 2014 EU Audit Regulation is to mitigate the familiarity threat and the risk of a lack of independence. EY Netherlands has been preparing for the upcoming changes.

Responsible AI

The year was characterized by the rise of AI, the tech world's response to OpenAI's ChatGPT, as well as the rollout of new AI-powered digital assistants. The rise of AI affects every aspect of our professional landscape.

Organizations are questioning the impact of AI on their business and the risks and opportunities associated with AI to determine their next steps, all while the full potential of AI technology is just beginning to be discovered. As such, organizations are in a constant process of transformation. EY Netherlands supports organizations at every stage of AI adoption, with a focus on future-proof technology and data solutions that can evolve with their business.

EY has embraced AI technology to enhance both the customer and the employee experience. As of September 2023, EY has consolidated its AI capabilities into the EY.ai platform to help clients confidently and responsibly adopt AI. The platform also features a new EY.ai EYQ chatbot based on ChatGPT for EY employees. EYQ has similar capabilities to open-source AI tools, leverages EY's own powerful data, and keeps all data secure and confined to a protected EY environment. EY strongly believes in the potential of AI to deliver both economic and social value. EY also carefully considers and advises clients regarding the risks associated with AI, including data privacy and security, and the implications of AI on EY people. EY aims to put people at the center of AI by automating routine tasks that enable employees to focus on more strategic and fulfilling work. This is especially relevant given the tight labor market and ambition to attract and retain the best talent in a competitive marketplace.

New legal structure

On 29 June 2024, at the start of the FY25 financial year, the legal form of EY in the Netherlands changed from a United Kingdom (UK) limited liability partnership (LLP) to a Dutch private company with limited liability (B.V.). The change addresses the complexity for the organization caused by the UK's withdrawal from the European Union and evolving laws and regulations.

With this restructuring, we aimed to keep the position of claimants and creditors unchanged, thereby not putting them in a worse or more advantageous position. This principle was enshrined in indemnity and guarantee agreements. The LLP transferred the businesses and activities (assets and liabilities) to newly incorporated

Dutch BVs. In doing so, we have endeavored to maintain the basic structure, preserving the economic interest and influence of the now former members. The entire restructuring was completed in a series of transactions at the beginning of the financial year 2024/2025. The LLPs will continue to exist for the settling of affairs but are no longer operational.

EY Global leadership and strategy

On 1 July 2024, Janet Truncale assumed the position of EY Global Chair and CEO, succeeding Carmine Di Sibio. A few days earlier, on 27 June 2024, Janet Truncale announced the new global EY strategy, called *All in*, which takes effect from FY25 and builds upon the *NextWave* strategy. The *All in* strategy recognizes the increasingly complex and interconnected issues facing organizations worldwide and outlines how EY will address these challenges to fulfill its purpose *Building a better working world*. The strategy also emphasizes the importance of working as one organization and being 'All in together'. Key areas of focus include enhancing collaboration within the global EY network, investing in growth areas such as transformation, managed services and sustainability, and accelerating the adoption of AI.

Our strategy: NextWave

Our purpose is *Building a better working world*. Our global *NextWave* strategy highlights our approach to delivering long-term value for all our stakeholders in an ever-changing world. Through our *NextWave* agenda, we help clients navigate developments and challenges, from new ways of working enabled by AI to globalization, complex regulation and compliance obligations, and an increasing focus on environmental and social responsibility.

NextWave challenges us to think about what we must do today to serve the interests and needs of EY Netherlands people, clients and society in the future. Through our service lines - Assurance, Consulting, Strategy and Transactions, and Tax - we support organizations in creating value for their stakeholders too. We apply this lens to everything we do: to the way that we conduct financial and non-financial audits, help clients turn complex business challenges into competitive advantages, generate economic value, and support compliance with tax and regulatory requirements. In doing so, we aim to become the world's most trusted and distinctive professional services organization.

Our *NextWave* strategy is also an expression of how we view transformation. We embrace new ideas and transform business through data and technology, resulting in new opportunities for sustainable, long-term value creation. Crucially, we recognize the most significant driver of EY's success: EY people. Creating long-term value for EY people is a core pillar of the EY *NextWave* strategy and remains our focus as we attract and create exceptional experiences for the best talent in the marketplace.

From strategy to reporting

EY Netherlands is committed to EY Global's ambitions and targets. In addition, the *NextWave* strategy has guided the development of strategic pillars and KPIs for EY Netherlands. With a focus on client centricity, engaging and attracting exceptional and diverse people,

transforming business through data and technology, and accelerating global integration and teaming, we aim to deliver client value, people value, social value and financial value.

We periodically conduct a materiality assessment to identify topics that are material because they affect our ability to create financial value, and those that are material because they influence our ability to create value for people and society.

In the year under review, we updated our materiality assessment in preparation for the upcoming CSRD, incorporating the principle of double materiality. In this Annual Review, we report on our progress toward our *NextWave* strategy. We also account for our sustainability matters.

The assessment of the material impacts, risks and opportunities, covering the entire value chain, forms the basis for the Annual Review and takes place at an early stage of the reporting process. EY Netherlands made the transition from a single materiality assessment to a double materiality assessment (DMA) in anticipation of the relevant paragraphs from the European Sustainability Reporting Standards. We have taken this step in anticipation of the reporting requirements that will apply to EY Netherlands from FY26.

Our value creation model

EY Netherlands' value creation model demonstrates how we create long-term value for our stakeholders. The model highlights the resources that enable our business model and shows how our purpose, strategy and core activities contribute to our ambition to create long-term people, client, social and financial value. In addition, it shows the relation between our material sustainability matters, our impacts and the UN's Sustainable Development Goals (SDGs). In the chapters People value, Client value, Social value and Financial value, we describe our progress towards our long-term value creation ambitions and report on key performance indicators related to our sustainability matters.

EY Netherlands focuses primarily on the following SDGs:

- ▶ 4. Quality education
- ▶ 8. Decent work and economic growth
- ▶ 12. Responsible consumption and production
- ▶ 16. Peace, justice and strong institutions

See our Sustainability statements for more on our double materiality assessment and an overview of relevant impacts, risks and opportunities.

All in

In FY25, EY Global and EY Netherlands will begin implementing the new *All in* strategy. In addition, we will begin using the new EY tagline *Shape the future with confidence* in our communications to express how we create value. The tagline will exist alongside our purpose *Building a better working world*.

OUR RESOURCES

- Exceptional, talented and diverse people
- Local reach, being close to clients
- EY global knowledge and experience
- Powerful network
- Strong brand

BUSINESS MODEL

PURPOSE

Building a better working world

CORE ACTIVITIES

- Assurance
- Tax
- Consulting
- Strategy & Transactions

STRATEGY

How we create long-term value:

- Drive client centricity
- Engage exceptional and diverse people
- Transform our business through data and technology
- Accelerate global integration and teaming

AMBITION

Create long-term value as the world's most trusted, distinctive professional services organization.

OUR VALUES

- We demonstrate integrity, respect, teaming and inclusiveness
- We do this with energy, enthusiasm and the courage to lead
- We build relationships on doing the right thing

How we safeguard value:

- Governance
- Culture
- Compliance
- Risk management

OUR PERFORMANCE ON SUSTAINABILITY MATTERS

Exceptional work environment

Service innovation and quality of service

Sustainable and responsible operations

Stable financial results

LONG-TERM VALUE

People

To create an exceptional experience for EY people

Clients

To help clients grow, optimize, and protect value

Social

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

Financial

To be the long-term growth leader

IMPACT

Confidence in and credibility of the capital markets

Employment and labor force participation

Sustainable development and innovation

Economic and social activity

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PEOPLE

People value

At EY Netherlands, we strive to ensure that our people feel valued and have the opportunity to contribute meaningfully. By empowering our team to shape their EY experience, we aim to be a top employer, attracting, retaining and developing the best talent.

Creating an exceptional experience for EY people

Employee experience

74%

of the respondents say their experience with EY is exceptional

Target FY24: 74%

Employee engagement

76%

People pulse engagement score

Target FY24: 74%

Great place to work

78%

of the respondents would recommend EY as a great place to work

Target FY24: >75%

People value

Our people play a key role in our *NextWave* strategy. We want everyone at EY to feel seen and appreciated and to have the opportunity to contribute and add value. By empowering people to build their own exceptional EY experience, we deliver on our ambition to be among the most attractive employers, enabling us to recruit, retain and develop top talent in today's competitive labor market.

EY Netherlands' talent plan, *Exceptional You*, focuses on creating people value throughout the employee journey and is designed to help our people fulfill their potential and achieve our business goals. Its pillars are attraction, growth and engagement. *Exceptional You* provides direction on how we can attract the best talent in a challenging labor market, contribute to personal and professional growth through exceptional learning opportunities, and retain our people by keeping them engaged. We develop our policies and train our leaders to help people prioritize their wellbeing. We also set ambitious targets (see paragraph about gender ratio) to improve the diversity of our leadership and teams and ensure equal opportunities.

We carry out our People Pulse survey three times a year to monitor the effectiveness of our policies and programs, focusing on the employee experience and employee engagement. In the year under review, the average response rate was 44%. We either achieved or exceeded our FY24 targets related to creating an exceptional experience for our people. The percentage of people who said that their experience with EY is exceptional was 74% (2022/2023: 78%). The employee engagement score was 76% (2022/2023: 73%). Finally, 78% of people stated they would recommend EY as a great place to work (2022/2023: 82%). We observed lower engagement levels in some areas of our organization that experienced a delay in promotions and fewer opportunities for advancement due to economic conditions. We expected a slight decline in our scores this financial year based on our focus on wellbeing research. We will translate the

outcomes of this research into action items to improve our scores in FY25.

Retaining, recruiting and developing employees

EY Netherlands aims to be the employer of choice. The ongoing competitiveness of the labor market presents a risk to EY Netherlands, which relies on highly educated and skilled knowledge workers to achieve its strategic objectives. In previous years, we therefore carefully assessed the competitiveness of our terms of employment, including our policy for adjusting salaries for inflation. In the year under review, we began updating our employer branding campaign to improve the visibility of EY as an employer. We also introduced priority lane onboarding, a program that gives new employees an exceptional introduction to EY. Our retention rate reached an all-time high, and we succeeded in recruiting talented people to fill open positions.

Recruiting talented employees

EY Netherlands hired 756 people (employees and equity partners) in 2023/2024, down from 1,039 in 2022/2023. We succeeded in finding the right people for most of the new and vacant roles despite an improving but tight labor market. Recruiting tech talent remained challenging.

EY Netherlands continues to face risks related to the shortage of qualified professionals, which in addition to technical personnel also includes tax professionals, as the number of students enrolling in tax-related studies continues to lag behind. At the same time, we see the growing role of sustainability in our work as an opportunity to attract young talent because of its clear connection to societal value. Regulations such as the Corporate Sustainability Reporting Directive (CSRD) and the Carbon Border Adjustment Mechanism have made sustainability a more integral part of our work.

Retaining and developing talent

By giving our people the opportunity to build an exceptional EY experience, we aim to retain the top

Creating experiences and tracking performance

talent whose knowledge and expertise are crucial to our success.

Employee turnover was 17.2%, up from the 13.4%¹ in 2022/2023. The retention rate for top talent was 90.4% compared to 90% in 2022/2023. The total employees and equity partners at the end of the reporting year was 4,938 (2022/2023: 5,101).

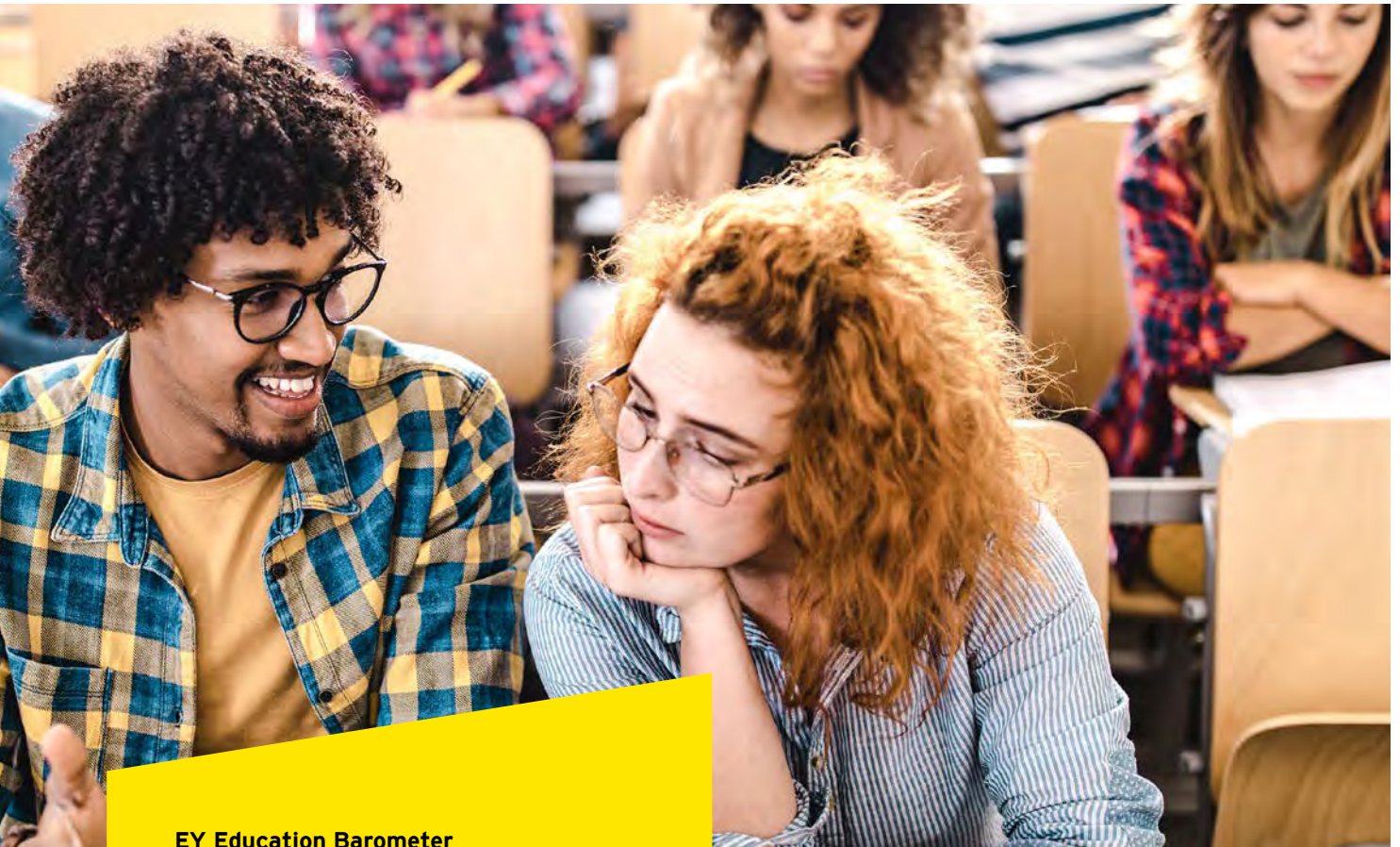
Training and professional development

One of our key strategies for retaining talent is to provide people with opportunities for both personal and professional development. In the year under review, we updated our leadership development curriculum. By creating learning journeys for all ranks, from staff member and consultant to partner, we aim to instill personal, team and client leadership skills at all levels of the organization. New and current employees will connect with colleagues from other service lines to enrich their learning experience. We have finalized all preparations to roll out the new learning journeys in FY25. In these learning journeys, we incorporate insights from our wellbeing research.

In the year under review, we spent €12.4 million on training (2022/2023: €13.8 million) and delivered 104 hours of training per FTE on average² (2022/2023: 100). In addition, we began the implementation of the *NextWave Careers* platform. The implementation involves customizing the platform to the structure of EY Netherlands. The platform will enable our people to explore and pursue lateral career moves within EY based on their skills and interests, enabling them to shape their own EY experience.

¹ In the previous year (FY23), we calculated labor turnover as employees who left EY (excluding equity partners, in-expats and interns) divided by average headcount (including equity partners, in-expats and interns). This was revised to the new method which is line with the ESRS which is turnover as employees who left EY (excluding equity partners, in-expats and interns) divided by average headcount of employees only (excluding equity partners, in-expats and interns). We have also calculated and re-stated Prior Year labour turnover rate to 13.7% from 12.2%.

² In prior year (FY23) FTE also included equity partners. This year, the employee and non-employee definitions have been aligned with the ESRS (see Basis of preparation for definitions) therefore, the FTE for this year excludes equity partners, which has led to this re-statement.

**EY Education Barometer**

The EY Education Barometer is an annual initiative to help educational institutions gain insight into the past performance and future outlook of the sector. In 2023, we charted the financial and operational performance of 14 universities, providing a clear assessment of results, risks and prospects. We evaluated risks described by the universities, such as staffing, housing, information security and knowledge security. [Read more on our website.](#)

We use strategic workforce planning to ensure that we have the right people with the right skills in place to meet our current and future needs. We developed a customized tool to improve our ability to predict workforce needs and adapt to the economic climate and changes in the labor market. The tool will be rolled out in FY25. The insights will inform recruitment targets as well as promotion opportunities.

Engaging our people

We also focus on employee engagement to retain talent. In the year under review, we prepared to implement 24/7 HR services, enabling people to access HR support at any time. The 24/7 HR portal consists of interactive workflows for requesting and accessing employer statements, applying for parental leave, and numerous other support and information requests. The digitalization of our HR services supports people in focusing on doing work that

they enjoy, which our wellbeing survey identified as one of the top five factors to improve wellbeing at EY. The 24/7 HR portal is an initiative of EY Netherlands and was implemented with support from the EY Europe West region.

Working conditions

Employee safety, health and wellbeing

Wellbeing is at the heart of employee engagement. The *NextWave* strategy recognizes that wellbeing, and mental health in particular, are concerns for our profession and emphasizes the importance of helping people prioritize their wellbeing. EY Netherlands therefore conducted a comprehensive research study into the factors associated with employee wellbeing to promote a positive employee experience and generate better business results.

The goal of the survey was to identify the factors that most significantly enhance our employees' wellbeing. The response rate was 61.1%, with 3,157 out of 5,171 employees completing the survey. The study combined survey data with demographic data and data on absenteeism, turnover and productivity. An in-depth analysis of the data revealed six factors that together can improve wellbeing: a healthy workload, work-life balance, work that you enjoy, feeling safe to speak up and express an honest opinion, knowing what is expected and people-focused leadership. People-focused leadership, a combination of goal-oriented and empathic leadership, was shown to promote both mental wellbeing and productivity and will therefore be an important area of focus moving forward. The development of the new HR program *Ambition powered by wellbeing* will, among other things, address the role of EY's culture and leadership in promoting wellbeing. The new leadership development curriculum will be based on the concept of people-focused leadership.

We continued the *Better Me Check In* and *Better Us Check In* initiatives. The *Better Me Check In* involves one-on-one sessions between employees and an external coach and focuses on individual needs, while the *Better Us Check In* involves group sessions and focuses on team dynamics. The programs are expected to be integrated into our

Ambition powered by wellbeing program. There were also initiatives at the service line level. The introduction of agile auditing, for example, has had a positive impact on the work environment. While the primary driver for adopting an agile approach is efficiency, it also contributes to teaming. The audit team, including partners, remains involved throughout the audit process and meets daily to discuss ongoing audits. Employees have noted that the agile way of working helps them to feel more in control, which positively contributes to their wellbeing.

Sick leave

We closely monitor sick leave as an indicator of employee health and wellbeing. Sick leave stayed the same at 3.87%. In the previous financial year, we switched to a new occupational health service provider to support our people in their return to work. As part of the transition, we also started assigning external case managers, rather than internal staff such as HR personnel or managers, to more quickly respond to the needs of employees who call in sick.

We also monitor overtime as a potential risk factor for sick leave. In the year under review, the average overtime as a percentage of contract hours reached 3.1% compared to 3.1% in the previous year. In addition, we identified a pressurized work environment as a potential risk. Our people work with clients to address their most complex business challenges, which requires an exceptional level of service. They face high demands, hard deadlines and numerous stakeholders. This can lead to a pressurized work environment and a less positive employee experience. Our wellbeing and leadership initiatives address these risks.

Equal treatment and opportunities for all

We are committed to establishing diverse teams, providing equal opportunities and creating an inclusive environment in which our people experience a sense of belonging and feel safe. We have aligned our diversity, equity and inclusiveness (DE&I) vision and governance with the EY Global organization. In addition, we have

implemented policies and initiatives that are unique to EY Netherlands.

We monitor career and remuneration pathways to ensure equal opportunities for all, regardless of gender, cultural background, sexual orientation, work restriction or other differences. We developed a new mentorship program that addresses the main reasons why women and underrepresented minorities discontinue their careers at EY. The mentorship program pairs participants with higher-ranked mentors who have successfully navigated and overcome barriers to continuing their career at EY, enabling them to help participants achieve similar success. In addition, we developed a sponsorship program that pairs women with experienced colleagues who act as sponsors, providing support for their career development. The mentorship and sponsorship programs will be rolled out in FY25.

Equal opportunity must be accompanied by fair and equitable compensation. EY Netherlands already monitors gender wage gaps to ensure equal pay between men and women. Identifying differences in earnings between other groups, such as underrepresented minorities and people with disabilities, requires insight into the demographic makeup of our workforce. Moving forward, employees may choose to disclose their personal information for use in our pay equity analysis.

In addition to building and sustaining a diverse workforce and equitable processes and systems, we are committed to creating an inclusive culture and work environment. Our networks *Sheconnects*, *Unity NL* and *AcrossCultures* have played an important part in promoting inclusiveness in our organization. The DE&I taskforce partnered with the networks to develop DE&I programming, which included network-specific events and organization-wide initiatives such as Diversity Day and International Women's Day celebrations. We also prepared a broader initiative to renew our focus on DE&I and advance our organization's goals in these areas. Starting in FY25, we will bring together separate networks into a unified *EY Inc.* network, of which all employees are automatically members and in which there is room for identity-specific communities.

To contribute to a more inclusive organization, EY Netherlands expanded its parental leave policy. By adopting a broader definition of 'parent', non-legal parents are now eligible for parental leave as well. In addition, starting in FY25, employees may choose to exchange up to three official public holidays - Ascension Day, Easter Monday and Whit Monday - for other recognized holidays of their choice such as Eid al-Fitr, Keti Koti and Diwali. This new flexible policy allows employees to celebrate holidays that are personally and culturally significant to them.

Gender ratio

EY Netherlands sets ambitious targets to improve gender diversity at all levels of the organization. To achieve these targets, we must first retain talented women. Second, we need to ensure balanced hiring practices by aiming for a 50/50 gender ratio. We work to retain talented women by reinforcing our policies and supporting women as they progress in their careers and transition into leadership positions. EY Netherlands has standards in place for the proportional promotion of women. In the year under review, we continued to raise awareness and enhance our monitoring of fairness in promotions. We met with stakeholders throughout the organization prior to performance evaluations, monitored the promotion of women in line with our standards and engaged in conversations with talent leaders when standards were not met. The goal of these conversations is to identify and address any conscious or unconscious biases that may underlie the disproportionate promotion of women, thereby ensuring fairness in promotions.

In the year under review, 46% of new hires (employees and equity partners) were women. Women make up 43% of the total employees and equity partners. The overall male-female ratio did not improve. For FY25, we set the target of having 25% female equity partners, with women representing 35% of newly appointed partners (equity and non-equity), 35% of leadership positions, 50% of total employees (including equity partners) and 50% of total hiring¹ (employees including equity partners).

In FY24, women made up 21% of our equity and non-equity partners and 27% of newly appointed equity

partners. Our forecast of the inflow (promotions) and outflow (departures) of partners shows that without a change in strategy, we are unlikely to meet our target within a reasonable time frame. We are reassessing our strategy and assessing new and ambitious targets for both inflows and outflows to improve mobility at the partner level and address the legacy issues that have led to the overrepresentation of men.

Equal pay

A core principle at EY Netherlands is ‘equal pay for all ranks’: everyone in a similar position with similar experience should earn the same. We have included this in our DE&I plan for 2023-2025. Last year, we conducted preliminary research on equal pay within EY in the Netherlands. Based on this research, the Board has decided to set a target for FY24 and beyond: <1% adjusted pay gap between men and women, taking into account their work experience. Having in mind the developments with regards to CSRD preparations we will not report on equal pay this year yet, but next year in line with relevant reporting standards.

¹ Target is organisation wide, there might be variations between Service lines and CBS

CLIENT

Client value

We create long-term value for our clients by helping them grow, optimize and protect their value. Our multidisciplinary teams serve as trusted advisors enabling clients to capitalize on opportunities and manage risks.

Helping clients grow, optimize and protect value

Client experience

94%

Client satisfaction score (% of clients who indicate the relationship has improved or remained the same)

Target FY24: 94%



Client value

We create long-term value for our clients by helping them grow, optimize and protect value. We achieve this by getting to know our clients, considering their goals from a comprehensive standpoint and engaging in strategic conversations. Our multidisciplinary teams serve as trusted advisors. Working together, they offer insights and services that enable clients to capitalize on opportunities and manage risks. We help our clients succeed in the age of sustainability and artificial intelligence (AI) by continuously enhancing our service offering, with a focus on people and innovation.

Our ambition is to be the trusted advisor to companies around the world. We achieve this by delivering high-quality services and enabling sustainable and future-proof business solutions. To this end, we gain a deep understanding of our clients' business, remain on top of developments in our markets, and think long-term. We invest time and effort into our relationships, looking beyond immediate or short-term rewards, and prioritize sustainable growth. In the year under review, EY Netherlands continued to help clients effectively navigate a rapidly changing and highly complex business environment. We delivered services that enabled our clients to remain in control, with the right information and tools at their disposal to grow, optimize and protect value.

We regularly conduct client interviews to collect feedback on their satisfaction with EY. Each year, to ensure continuous improvement and alignment with client expectations, we conduct Assessment of Service Quality (ASQ) interviews and (online) survey questionnaires, inviting a select group of clients across our services lines to participate. The selection of clients for the ASQ is a collaborative effort led by our Leadership, Global Client Service Partners, Service Line Leaders, Client Experience Leader and the Business Development team. To ensure an unbiased evaluation of client experiences, the criteria for account selection are meticulously crafted to encompass a

variety of factors, including but not limited to, new clients partner rotations, high team turnover, significant client organizational changes, such as mergers and acquisitions, recurring engagements and previous challenges or issues.

We carefully select interviewers, typically (senior) partners, senior managers and members of the Client Experience (CX) team, to obtain transparent and objective feedback. Interviewers receive CX training to ensure effective interviewing and utilize standardized procedures and templates to conduct and document client feedback. When assigning interviewers, we prioritize (senior) professionals not directly involved in the account or engagement being assessed. Before the interviews are conducted, we identify and address potential conflicts of interest, re-assigning interviewers if necessary and where possible. This process is essential to maintaining the integrity of our CX ratings.

In the year under review, we conducted 412 formal client experience interviews and surveys (2022/2023: 414). 69% of respondents stated that their relationship with EY Netherlands had improved compared to the previous financial year (2022/2023: 54%). 26% said their relationship with EY Netherlands had remained the same (2022/2023: 38%). Finally, 5% of respondents described their relationship with EY Netherlands as less satisfactory than in the previous financial year (2022/2023: 8%). The 412 formal client experience interviews and surveys consist of 257 formal client experience interviews (2022/2023: 260) and 155 surveys received based on 251 surveys sent (2022/2023: 232) with a response rate of 62%.

Quality of our services

Integrated services and multidisciplinary approach

At EY Netherlands, we focus on developing and implementing solutions to help our clients manage

economic, operational and regulatory complexity. We use the broad and sector-specific knowledge within our EY organization to gain a comprehensive understanding of our clients' situations, consider their various challenges and opportunities, and deliver well-rounded and effective solutions. Our solutions are fully tailored to our clients' needs. To remain a leader in our industry, we invest in people and innovation. We focus specifically on transforming business through data and technology, with new services and solutions that change the way we deliver sustainable and long-term value.

EY Netherlands has adopted a multidisciplinary way of working in recent years. This involves bringing together professionals from our service lines to approach strategic conversations with our clients from multiple points of view, deliver coordinated advice and provide integrated services.

We began more rigorously applying our policies and procedures around the formation of cross-service line teams for key accounts, as well as communities to promote knowledge sharing. The goal is to address client challenges in the most holistic way possible, with teams of professionals whose expertise and experience best match client needs. We also developed and implemented concrete initiatives to intensify our collaboration with members of the EY global network. For example, Strategy and Transactions worked on reshaping its operating model, an effort that spans EY's operations in Europe. The new operating model allows us to build teams with a wide range of complementary skills and capabilities, tailored to the sectors in which our clients operate. The changes to the operating model reflect the broad expertise and extensive collaboration between disciplines required to navigate complex business challenges. In addition, our Financial Services Organization (FSO) further leveraged the EMEA FSO network to improve service quality on EU-wide topics, such as the Digital Operational Resilience Act (DORA) and ECB regulatory requirements. This practice, known as borderless teaming, has given us the scale needed to help our clients solve multi-dimensional challenges encompassing operations, technology and compliance aspects.

Audit quality

As part of the commitment to continuous improvement, EY Netherlands implemented the International Standard

on Quality Management 1 (ISQM 1). We have implemented ISQM 1 to further enhance the quality of our audit services by creating a more structured and robust System of Quality Management, with a clear identification of roles and responsibilities on quality. By focusing on effective quality controls and addressing risks to quality, we aim to ensure that our audits consistently meet our high standards on quality.

Service innovation

In the year under review, we continued to integrate 'traditional' business consulting and technology consulting across each of our service lines. We combine our expertise in traditional consulting areas such as finance, risk and supply chain management with our expertise in developing and implementing technology transformation strategies to deliver solutions that meet our clients' immediate needs and help them achieve their overall business objectives.

One example is the transformation of the tax function, which has been high on our clients' agendas. This is driven in part by mounting legal and regulatory complexity. We helped clients effectively manage and comply with laws and regulations by making better use of digital technologies, data and analytics, as well as AI and other emerging technologies. In doing so, we leveraged both proprietary solutions as well as the solutions of our EY Alliance partners. We also made optimal use of technology to meet the needs of our clients in the financial sector, with solutions that are specifically designed to improve the operational efficiency and effectiveness of financial institutions, support compliance and enable reporting in line with ECB and national supervisory authority requirements. Customer experience (CX) was an important focus areas. Our consultants worked together to develop technology solutions that are both effective and user-friendly.

Working together to create long-term value

EY Netherlands' investment in a highly skilled software strategy team enables us to develop and offer new services to meet current and emerging client needs through the use of innovative new technologies. We do this in collaboration with our EY Alliance partners such as Microsoft, SAP and ServiceNow. In the year under review, we regularly collaborated with EY Alliance partners to provide end-to-end solutions, from strategy development to technology implementation.

AI

At EY Netherlands, we promote the responsible use of AI to build public trust and ensure that AI benefits society as a whole. We do this by introducing new services and solutions to help our clients create value through AI, sharing our knowledge and insights, and incorporating secure AI systems in our own way of working.

Consistent with the principles of trustworthy AI, we provide services and solutions that promote not just the effective, but also the reliable, secure and ethical use of AI. To this end, we introduced AI due diligence services. Clients gain insight into the risks associated with the use of AI, such as data ownership and privacy risks, as well as opportunities to create value, such as improving operational efficiency and enhancing the customer experience. In addition, we helped clients develop and implement AI use cases, including a secure GenAI chatbot for the private banking sector.

Another way that we contributed to both confidence in AI and the responsible use of AI is through the launch of the EY.ai platform. The platform is an initiative of the EY network and brings together all of EY's AI capabilities. Clients can use the platform to access our knowledge and insights and to connect with AI technologies, while EY people can use the platform to expand their AI skills and incorporate AI into their workflow.

Within EY Netherlands, we have extensively used new AI capabilities in our proprietary technologies. For example, the updated EY Canvas online audit platform now features new technology and AI-enabled capabilities to enhance the effectiveness, efficiency and quality of our audits.



Tomorrow's Boardroom

Our network, Tomorrow's Boardroom, inspires supervisory directors and directors using knowledge sharing and peer connections. Through exclusive events with top speakers from the Dutch business community, trend and market research, and technical articles, we help supervisory board members and directors improve their performance in their current roles and prepare for future responsibilities.

[Read more on our website.](#)

In addition, we adopted EY.ai EYQ, a large language model that serves as a conversational AI assistant for EY people. EYQ is hosted in a secure and private EY environment. This enables EY people to confidently use AI to enhance the quality of client services.

Sustainability

EY Netherlands offers a broad range of sustainability services to help our clients achieve their sustainability objectives and manage the impact of EU sustainability regulations on their business. In addition to the push for long-term sustainability strategies, clients are faced with data collection and reporting requirements, new supply chain laws, and other measures that require operational adjustments and investments. We therefore provide a multidisciplinary approach that is tailored to each client's unique needs.

We advise clients on the risks and opportunities of sustainability topics, compliance with sustainability rules and regulations, and the use of technology and data to support non-financial reporting. In terms of risk and opportunities, our teams consulted clients on the role of sustainability in mergers and acquisitions (M&A) and how an organization's sustainability performance may or may not impact the valuation of M&A transactions. This practice of environmental, social and governance (ESG) due diligence can be an important step in an organization's decision-making process. We also helped our clients respond to the introduction of the Carbon Border Adjustment Mechanism (CBAM), an import tariff on carbon-intensive products. Our clients' objectives range from reducing their carbon emissions to managing compliance risks.

In 2024, the Corporate Sustainability Reporting Directive (CSRD) came into effect for companies that are currently subject to the Non-Financial Reporting Directive (NFRD). Other large companies and listed small to medium-sized companies must report in accordance with the new requirements from 2025 and 2026 onward, respectively. In the year under review, we helped our clients navigate through the transition period.

We held discussions with clients about the upcoming changes to help them prepare for compliance with the CSRD. Supported by the Climate Change and Sustainability Services (CCaSS) and in collaboration with EY Europe West, we rolled out a comprehensive CSRD-readiness program for audit professionals focused on capacity building and skills development. In addition, our consultants focused on helping clients use data and technology to prepare for upcoming sustainability reporting requirements.

We continued our campaign *Duurzaamheid, hard gemaakt* (Sustainability made rational). Since the launch of the campaign in 2022, we have guided clients along their sustainability journey, from raising awareness of the risks and opportunities related to sustainability and climate change, to helping them make the transition to a sustainable business model. Events and content covered

various aspects of sustainability, including sustainability in the supply chain, reporting requirements, and the role of data in sustainable finance and subsidies.

Client centricity

We put the client at the center of our strategy, operations and processes. We build lasting relationships with our clients based on trust, develop a comprehensive understanding of their business and objectives, and use our sector-specific knowledge to help them capitalize on opportunities and manage risks. We also invite our clients to events and sponsorship events, proactively inform them about relevant developments, and contribute to the public debate on issues that are relevant to our clients by conducting and publishing research on these issues.

In the run-up to the general election in the Netherlands, our teams analyzed the domestic and European taxation policy programs of the main political parties in the Netherlands and shared insights with our key stakeholders. We held roundtable sessions with senior executives and board members of large companies to discuss the implications of proposed tax policies on the business environment and society. In our discussions with our clients, we included the public sentiment regarding taxation, including potential reputational risks related to specific tax structures, to support well-informed decision-making.

We also continued to host major client events such as our Tomorrow's Society event and quarterly Tomorrow's Economy meetings. During the Tomorrow's Economy meetings, we update executives and board members on the current state of the (inter)national economy, covering topics such as economic growth, competitiveness, the euro, sector-specific developments and global trends.

Entrepreneur Of The Year™

EY Entrepreneur Of The Year™ (EOY) is a global flagship initiative to honor leaders who demonstrate excellence in areas such as innovation, financial performance, social responsibility, and personal commitment to their businesses and communities. The program provides extensive support to entrepreneurs by providing access

to a global network of peers and mentors as well as learning resources. The more than 70 winners of local competitions go on to represent their country or territory in the EY World Entrepreneur Of The Year™ competition. Ali Niknam of Bunq was named the 2023 EY EOY in the Netherlands. The founder and CEO of Bunq received the award in recognition of his disruptive entrepreneurship. The vision of Bunq is to create a sustainable banking business model and a new and improved banking experience for customers. The theme of this year's Dutch competition, The Art of Entrepreneurship, reflects the creativity and imagination that goes into changing the working world.

Gijs Coppens of online mental health counseling platform OpenUp was named Emerging Entrepreneur Of The Year. The EY Social Impact Award went to Jamal Oulel of social enterprise Socialdebt, which helps young people to get

out of debt by rewarding responsible behavior rather than imposing penalties that increase people's debt. The jury selected truck and trailer service company Van Tilburg-Bastianen as the winner of the Family Business Legacy Award.

EYnovation™

We continued to support innovative start-ups and scale-ups through the *EYnovation™* program. The goal of the program is to promote entrepreneurship and drive innovation. We provide entrepreneurs with personalized services, including strategy development, legal, tax and financial advice, employee participation plan advice and practical support such as payroll administration and accounting services. We also connect start-ups and scale-ups to established clients in our global EY network, which results in mutually beneficial relationships and learning opportunities. The *EYnovation™* team is an active part of the Dutch start-up and scale-up ecosystem and supports Techleap, a non-profit organization funded by the Ministry of Economic Affairs and Climate Policy, in their effort to improve the policy environment for innovative startups in the Netherlands.

EY Society

Consistent with our purpose Building a better working world, the EY Society serves as a network, connecting organizations with a social mission to other types of organizations and companies. We work with organizations in healthcare, government and education as well as housing corporations to solve financial issues, manage risks, perform data analytics and more. We facilitate the exchange of knowledge and expertise, tapping into our extensive local and international network, and we inspire organizations through research publications, seminars and formal and informal events and gatherings. [Read more on our website.](#) In doing so, we transform impact to ideas.

Innovate EY

The global EY network seeks to advance its leadership position in the fields of AI and sustainability. To this end, the network invests in innovation at the global, regional and local levels. The internal innovation program of EY Netherlands - *Innovate EY* - encompassed a wide range of topics, including automation, data analytics and AI. Its objectives included improving our own way of working, developing innovative client solutions and building a culture of innovation and entrepreneurship. In the year under review, the *Innovate EY* program became part of the EY Europe West innovation program. The consolidation of local initiatives into a multi-country program fosters a more cohesive and collaborative approach to innovation across the region, with a focus on GenAI, data and ESG. Innovation continues to be a priority in the Netherlands, which is now supported and overseen at the regional level.

Due to the transition, we have seen that after 31 December 2023, the time was majorly spent on portfolio management, which involves following up on and transferring projects initiated through the *Innovate EY* program in the Netherlands. In addition, innovation hours were dedicated to capacity-building. Projects included the Gen AI Learning Hub, innovation methodology trainings, and a cross-service line tech initiative aimed at identifying existing capabilities and service offerings, and exploring strategies to enhance their utilization.

SOCIAL

Social value

Our services enable our clients to run their businesses in a more sustainable and future-proof way. Our focus is on fostering trust and transparency in the capital markets and creating long-term value for society.

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

94.5%

Internal Quality
Review score Assurance

Target FY24: >90%

84.6%

Internal Quality
Review score Tax

Target FY24: >90%

11,124

Total CO₂ emission
(tCO₂e)

Target FY24: 12,443

2.3

Total CO₂ emission
per FTE (tCO₂eq)

Reducing our environmental footprint

Social value

We are committed to building trust in capital markets, having a positive impact on communities and reducing our negative impact on the planet. EY Netherlands serves the public interest by providing services and solutions that enable our clients to run their businesses in a more sustainable and future-proof way. In addition, we deliver high-quality audits with independence, integrity and objectivity, and professional skepticism. As a responsible corporate citizen, we identify and take action to limit the negative environmental impacts of our business activities and invest in the communities in which we operate.

Trust in capital markets

We are committed to quality and focus on continuous improvement to build trust and confidence in capital markets, which drives investment and economic growth and creates long-term value for society as a whole. We continuously carry out quality reviews on engagements with a focus on clients that are large, complex or of significant public interest. The primary purpose of the reviews is to determine compliance with quality control systems, policies, procedures, professional standards and regulations.

Within Consulting, we perform quality reviews while engagements are still ongoing to assess and, if appropriate, improve the quality of our services. Within Strategy and Transactions, we perform quality reviews of closed engagements. The reviews of Consulting and Strategy and Transactions entail qualitative assessments. Therefore, no quantitative data is available. Within Tax and Assurance, we perform quality reviews of closed engagements, which include a quantitative component.

We have modified the calculation of internal quality review score to reflect better which engagements are concluded to be sufficient. In the year under review, 94.5% of Assurance engagements (2022/2023: 98.9%)



EY Climate Barometer 2023

EY Netherlands conducts annual research into the state of climate-related reporting among Dutch organizations in various sectors. We examined the degree of transparency, completeness and quality of the reports based on public information. The conclusion? The Netherlands has the potential to have a significant impact on reducing global warming. [Read more on our website.](#)

were sufficient. This is a slight decrease compared with the previous financial year, but it is above our target of having at least 90% of the reviews receiving a rating of sufficient. For the assurance engagements Root Cause Analyses will be performed to analyze the significant findings, followed by the execution of a Quality Improvement Plan.

Also for Tax we have modified the calculation of internal quality review score to reflect better which engagements are concluded to be sufficient. For tax 84.6% of the engagements had a sufficient rating (2022/2023: 87.5%), just below our target of having at least 90% of the reviews receiving a rating of sufficient.

We recognize that delivering high-quality audits is critical to serving the public interest. Our EY Netherlands audit teams strive to deliver high-quality, analytics-driven audits with independence, integrity, objectivity and professional

skepticism. The quality of EY Netherlands' Assurance services in the Netherlands is subject to supervision by the Dutch Authority for the Financial Markets (AFM).

Independence in assurance services

Independence is an important element in our Global Code of Conduct. Violations of external or internal independence rules can lead to conflicts of interest and reputational damage. Therefore, we constantly assess whether our services comply with the applicable laws, regulations and professional standards. We refrain from providing services if this would result in a breach of independence rules.

Non-assurance services

Both EU regulations and the more restrictive Dutch 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO; Regulation regarding the independence of accountants performing assurance engagements) prohibit auditors of a client that is an 'organisatie van openbaar belang' (OOB; public interest entity) from providing non-audit services to this client, with very few exceptions. No cases of non-compliance were identified during the financial year 2023/2024.

Personal independence

Our professionals must comply with internal and external rules regarding personal independence. Compliance is not only mandatory, but EY Netherlands considers it vital to maintaining trust in capital markets. Compliance is monitored through our *Personal Independence Compliance Testing* (PICT) program, which covers partners and executives (managerial ranks including non-equity partner). During the period under review (1 April 2023 to 31 March 2024), 58 partners were tested. The testing uncovered zero independence breaches and three administrative violations. This resulted in a financial penalty for one partner and non-financial sanctions for two other partners (prior period: 58 tests, zero breaches and three administrative violations resulting in a penalty for one partner and a non-financial sanction for another). Furthermore, 126 executives were tested during the period, which resulted in zero breaches and 15 administrative violations. For all executives, this resulted

in non-financial performance consequences (prior period: 105 tests, zero breaches and 15 administrative violations, resulting in non-financial performance consequences for 14 executives). The overall non-compliance rate for partners and executives is 10% for the reporting period (prior period: 11%).

Climate change

As a responsible corporate citizen, EY Netherlands identifies and aims to limit the negative environmental impacts of our business activities. Our environmental management agenda covers the impacts of our travel, office buildings, energy use and waste production. We have set measurable goals and targets for these business activities. We aim to achieve our goals by transforming our business and engaging with stakeholders and partners across the value chain.

Our climate change and sustainability strategy, including our environmental agenda and priorities, are aligned with the environmental commitment outlined in the EY global environmental statement, as well as the global carbon ambition. Within EY Netherlands, we focus on reducing our carbon footprint, encouraging responsible material consumption, increasing energy efficiency, reducing business travel, collaborating with our value chain partners and training our people on environmentally responsible work practices.

EY's decarbonization ambition

The EY global network commits to reduce absolute scope 1, 2 and 3 GHG emissions by 40% by FY25 from a FY19 base year, consistent with our 1.5 degrees Celsius Science Based Targets initiative (SBTi) target. Within this target, the global network commits to reducing absolute scope 1 (direct emissions from our own organization) and 2 (indirect emissions from electricity used) greenhouse gas (GHG) emissions by 93% and absolute scope 3 GHG emissions from business travel, employee commuting, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations by 32% over the same timeframe. The global network also commits to increasing annual sourcing of renewable electricity from 41% in FY19 to 100% by FY25. EY

Netherlands, in alignment with the target of the global network, has committed to reducing its GHG emissions by the same amount by the end of FY25.

At a global level, we are on track to meet our initial decarbonization target set in 2021. However, due to how 'net zero' is defined by SBTi, our existing commitments are no longer sufficient to achieve our goal of being net zero by FY25. We are using new and emerging standards, including guidance from SBTi, to review and update our net-zero roadmap and timeline, including the next phase through 2030. Our strategy will build on our achievements to date. A substantive update will be presented in early FY25. We plan to set new reduction targets and refine the calculation methodology to better monitor and reduce emissions. Starting in FY25, efforts will focus on collecting supplier-specific data, particularly from top suppliers, to enhance the accuracy of emission tracking and the effectiveness of reduction strategies. A first step in this is that we have extended the scope and added the following categories: fugitive emissions and fuel and energy-related activities.

In FY24, EY Netherlands' GHG emissions fell by 45.1% compared to our FY19 baseline, taking into account the same GHG emissions categories¹ reported on in FY19. Compared to FY23, however, GHG emissions were up 7.1%. We have made progress on reducing our scope 1 emissions, mainly because of reductions of the number of fossil fuel lease cars. Our scope 2 calculations have increased due to our improvement of reporting market- and location-based emissions and our decrease in use of the renewable electricity for buildings. The 13% increase in kilometers of business air travel contributed to this year-over-year increase of scope 3, which, in combination with a higher number of business class flights and the increase of Defra emission factors, led to an increase in GHG emissions of 44.6%.

While our priority is reducing GHG emissions in line with our target, we invest in nature-based solutions and carbon-reduction technologies to remove or offset

carbon from the atmosphere. EY Global purchases verified GHG emissions reductions (either sequestered or avoided) elsewhere to offset our GHG emissions. This year, the cost allocation has been attributed to each country. Total carbon credits retired and allocated to EY Netherlands in this reporting year are 22,549 tCO₂e.

Travel

Our challenges are still with balancing our travel with inherent client work, where we need to maintain our international character. We continue to set guidance via our business travel policy, which stipulates travel internationally only when absolutely necessary, which is the guiding principle. All trips of less than four hours or under 400km must be undertaken by train, and we also encourage colleagues to choose to travel by train for journeys up to 700km. Looking at our business model, air travel (especially client-related travel) is the largest contributor to our overall carbon footprint after procured goods and services. We are closely monitoring and working on additional measures to reduce air travel. We continue to encourage people to use virtual collaboration tools and we have equipped our offices with the technology needed for effective hybrid working and collaboration.

We are continuing to electrify our vehicle fleet. By the end of 2025, we aim to have a fully electric fleet of more than 2,140 cars. At the end of this reporting year, 68.9% of our lease cars were electric (2022/2023: 58.5%), and we were on track to meet our target.

Energy use

Currently, we purchase electricity from the national grid in the Netherlands to power our offices. Out of our 11 offices, 6 offices make use of 100% renewable electricity. The remaining 5 offices still partially rely on non-renewable electricity. Of the total electricity consumed by our offices (6,347,028 kWh), 88.8% now comes from renewable sources. In addition, all electricity for our lease cars is purchased as green electricity. For previous year (FY23), guarantees of origin have been

¹ In FY24 we added for the first time additional categories: fugitive emissions and fuel and energy related activities.

purchased. For F24 our energy supplier has confirmed they will purchase guarantees of origin again. The goal of the EY global network is to exclusively use renewable energy for its office buildings and to become a member of RE100, a global initiative that brings together the world's most influential companies committed to using 100% renewable electricity by 2025.

Waste reduction and disposal

Our waste management strategy includes measures to prevent waste, reduce waste generation, reuse materials, recycle materials and dispose of waste responsibly. In FY24, we produced 272,848 kg of waste (split by category), compared to 275,675 kg in FY23. 56% of our waste is recycled (FY23: 54%) and given a second life,

while 44% is downcycled and used to generate energy (FY23: 46%). We aim to increase the percentage of waste that is given a second life. When renovating our office buildings, we take sustainability and circularity into account. In the year under review, we renovated our Zwolle office. We introduced energy-saving measures and emphasized the conscious use and reuse of materials. The new acoustic ceiling is made from recycled old newspapers and old ceiling tiles are being reused in the new ceiling.

The use of the Too Good to Go (TGTG) app contributed to a reduction in food waste during the year under review. During the reporting year, more than 1,000 meals were saved and sold to EY colleagues through TGTG.

To reduce waste related to our office equipment, we lease our laptops from a company that takes back and refurbishes the laptops at the end of their lifecycle. The leasing company uses a certified data-erasure procedure and sells the laptops on the refurbished electronics marketplace, giving them a second life. In the year under review, we also reduced the number of multifunctional printers from 99 to 44 and added 2,000 computer monitors to facilitate digital working and reduce printing.

As of 1 January 2024, we have replaced single-use (coffee) cups with reusable CupXchange cups at our offices in Amsterdam, Arnhem, The Hague, Rotterdam, Eindhoven, Zwolle and Utrecht. Where CupXchange was not the most sustainable alternative due to low volumes or the distance of the office to a cup cleaning facility, we have made mugs available. CupXchange picks up the used cups and transports them emission-free to local facilities that partner with social enterprises that provide inclusive and meaningful work experiences, such as Pantar in Amsterdam. The partnership with CupXchange generated a total of 1,542 hours of employment.

Climate risks and opportunities

As part of our strategy to operate our business in a more sustainable and future-proof way, we consider climate-related risks and opportunities. In the year under review, EY Netherlands used and followed up on the results of the

Corporate responsibility

With our purpose *Building a better working world* in mind, we aim to make a positive impact on one billion lives by 2030 through our EY Ripples network. To accomplish this, we focus on three pillars where we believe we can have the greatest impact: the next-generation workforce, impact entrepreneurship and environmental action. EY Netherlands helps young and disadvantaged groups transition into the labor market through knowledge sharing, mentoring programs, orientation days and skill development workshops. We assist impact entrepreneurs by offering digital tools, coaching programs and other services to help them scale and expand their impact. Lastly, EY Netherlands contributes to environmental action by supporting environmental nonprofits and impact companies, leading action-driven workshops and backing research projects. [Read more on our website.](#)

climate scenario analysis conducted by EY Global. We also assessed and identified transition risks, physical risks and opportunities that are specific to EY Netherlands.

Additional sessions are planned to validate the results of the assessment.

The assessment involved a substantive analysis of the climate risks and opportunities faced by EY's people, operations, clients and society. The assessment revealed the most important physical and transition risks and opportunities, which primarily affect our operations, services and clients. These physical risks and opportunities were quantitatively modeled over short-term (current year to 2025), medium-term (2030) and long-term (2050) horizons. Two scenarios were considered: business as usual (BAU) and low-carbon economy (LCE). Under both scenarios, the model indicated that EY will remain resilient. The assessment provides insight into our risk exposure based on both the network's current operational footprint and revenue (BAU) and implementing aggressive decarbonization and climate change mitigation efforts (LCE). The next steps include assessing the impact of identified climate-related risks and determining mitigation strategies.

Locally, we identified the financial impact of transition risks and opportunities at the EY Europe West level. For EY Netherlands' assessment of transition risks, revenue proportion was used as an indicative allocation of financial impact. EY Netherlands determined that the transition risks and opportunities identified by EY Global are also applicable to the local situation.

We used EY's Climate Analytics Platform (CAP) to gain additional insight into physical risks that may be applicable to EY Netherlands. We determined that two physical risks are also applicable to EY Netherlands (R1: Heat stress and R2: Flooding). We also identified a few additional physical risks that are not material, but will be considered and, if necessary, monitored. Please refer to appendix A for detailed descriptions of the key risks and opportunities.

Sustainable supply chain

Our commitment to promoting the principles of sustainability and responsibility – including in relation to human and labor rights – extends beyond our own

organization. It includes continued efforts to promote the highest ethical standards within the EY supply chain, and to maintain and grow a diverse supplier base that reflects the markets, clients and communities we serve.

Just as EY's Global Code of Conduct sets out the standards of ethical behavior expected of every EY employee, our Supplier Code of Conduct does the same for EY suppliers. We view their performance as an integral part of the EY value chain and expect all suppliers to meet high legal, ethical, environmental and employment-related standards. The Supplier Code of Conduct is a contractual document that is a part of the overall supplier contract and is included in our Global Procurement Policy.

Supply Chain Services (SCS) helps to connect the EY organization to leading services and suppliers. This means that we are governed by EY's Global procurement policy and the Global standard operating procurement procedure, with many of our largest suppliers managed at a global level. This structure allows us to approach sustainable procurement through a global lens to ensure consistency.

Going forward, our aim is for 75% of our suppliers (calculated by spend) to set SBTi carbon reduction targets by FY25. We aim to achieve this by identifying our large (by spend) suppliers and assessing the availability of carbon-reduction targets or future plans for developing these targets.

Our supply chain

Our supply chain includes suppliers of essential products and services in the following main categories:

- ▶ Real estate and workplace services.
- ▶ Travel, meeting and events services.
- ▶ Technology sourcing.
- ▶ Talent and brand, marketing, and communications procurement.

Supplier due diligence

Our supplier due diligence program is managed by SCS and covers three main areas:

1. Supplier selection
2. Supplier onboarding
3. Deep-dive due diligence

We ensure consistency and mitigate risk by asking all suppliers to adhere to our Supplier Code of Conduct as part of our due diligence and contracting process. All sourcing managers are asked to include a core set of ESG and human rights questions in every request for proposal or request for information (RFP/RFI) prior to the supplier onboarding process.

We survey suppliers during the onboarding process to understand their goals, programs and policies. The outcome of this screening process is a shortlist of suppliers that qualify for a more extensive assessment. Responses are reviewed, scored and weighted using an automated system.

In 2022, we piloted an assessment of high-risk, high-spend suppliers globally using the Supplier Equality Standard system. In 2024, we followed up on this pilot by assessing additional high-risk, high-spend suppliers through the Supplier Gateway platform. As part of these assessments, suppliers respond to questions about their policies, programs and impacts related to ESG, human rights and diversity, equity and inclusiveness. We will work with suppliers to drive improvements. This will become an annual assessment, with more suppliers included each year.

Community investment

We aim to create value not only for our business but also for society and the communities in which we operate. That is why we consider the economic and social impact of our business activities and engage in various projects and partnerships.

EY Ripples

In 2019, we launched *EY Ripples*, our global corporate responsibility program. Through *EY Ripples*, our people use their skills, knowledge and experience to positively impact the lives of people globally with a focus on supporting the next generation, working with impact entrepreneurs and accelerating environmental sustainability.

By 2030, we aim to impact one billion lives with our *EY Ripples* program. In FY24, we exceeded our ambition of positively impacting 500,000 lives in the Netherlands, reaching a total of 610,199 lives impacted¹.

In the year under review, we had 1,129 participants of EY Netherlands in the various activities, down from 1,560 in 2022/2023. Collectively, our people spent 11,353 hours on *EY Ripples* initiatives compared to 16,413 hours in 2022/2023. We believe that the increased focus on client work and re-alignment of initiatives has resulted in fewer participants. However, lives impacted have increased due to participation in global EY Ripples initiatives supporting impact entrepreneurs that have high impact on lives.

Supporting the next generation

We continued working with JINC and NL Cares to support the next-generation workforce. We helped children aged 10 to 12 develop ideas for a sustainable business, and EY colleagues mentored secondary school students on networking and job application skills. In the year under review, 86 colleagues (FY23: 130) were involved in JINC initiatives involving a total of 1,005 children.

Working with impact entrepreneurs

This year, 149 colleagues used their business skills, knowledge and experience to support impact entrepreneurs and NGOs. These are entrepreneurs and organizations that are working toward the United Nations Sustainable Development Goals (SDGs). Their work specifically addresses inequality and empowers people to

¹ Outside the scope of the assurance assignment. For more background about the approach and methodology see EY Global's Value Realized report.

improve their lives. EY Netherlands people were on the ground in Nepal to provide pro-bono support to the non-profit organization 80days and organized workshops on growth hacking and financial modeling for 39 start-ups in the areas of inclusive fintech, renewable energy and agri-foodtech, in close cooperation with Startupbootcamp. In addition, start-ups programs YES!Delft and WorldStartup were supported.

Accelerating environmental sustainability

We are actively involved in programs that raise environmental awareness and educate people on the impacts of climate change. This year, we introduced the *Climate Fresk* workshop as an active and engaging way to educate people about climate change.

107 colleagues participated in the workshops, which involved learning about the causes and consequences of climate change and translating insights into actions for EY and our clients. In addition, 126 EY people, together with clients and colleagues from our alliance partner Microsoft, joined Life Terra events where they planted 6,000 trees, worked in foodforests and learned about biodiversity.

Social Return on Investment

At EY Netherlands, we engage in Social Return on Investment (SROI) initiatives, which aim to create employment opportunities for individuals with barriers to the labor market, thereby fostering inclusiveness and economic participation. In addition to supporting and organizing projects related to participation in the labor market, we practice social procurement as part of our commitment to SROI.

Initiatives in 2023/2024

- ▶ *Women mentoring program*: a multi-month mentorship program designed to enhance the employment prospects of women refugees in finance and administration roles in the Netherlands.
- ▶ *Project Maatschappelijke Diensttijd* (Project Social Service): a concept originating from the Ministry of Health, Welfare and Sport (VWS) and now under the Ministry of Education, Culture and Science (OCW). EY participates in the *Realisten* (Realists) project to prepare

young people with disabilities for the transition to the job market.

- ▶ *Finance Academy*: a four-month mentorship and training program for financial talents with refugee status. Participants are assisted in finding employment, preferably with EY Netherlands or one of the other program partners.
- ▶ *Sustainable placements at EY*: with the support of various organizations, several people from the SROI target group found sustainable employment at EY. These include people with a refugee background and people with a disability.
- ▶ *Pilot Speaksee*: a microphone system that accurately transcribes and translates group conversations in real-time to help people who are hearing impaired participate in meetings and conversations with colleagues in the workplace.

FINANCIAL

Financial value

EY Netherlands is committed to creating exceptional experiences for people, delivering high-quality services to clients and serving the public interest. In fulfilling our role as the most trusted professional services organization, we generate financial value for our company.

Being the long-term growth leader

1%

Revenue growth

21%

Operating profit margin

Financial results

Despite a challenging year, EY Netherlands reported solid financial results for the financial year 2023/2024. Following a 9.8% revenue growth in 2022/2023, we reported a 1.0% growth in 2023/2024, with a revenue increase from €1,083 million to €1,094 million.

Revenue from services provided by our four operating lines of service amounted to €1,045 million (2022/2023: €1,035 million). Assurance and Tax recorded growth of 4.2% (€17 million) and 3.6% (€12 million), respectively. Consulting and Strategy and Transactions revenues decreased by 4.3% (€9 million) and 12.1% (€10 million), respectively, due to a weakening demand for large transformation projects and M&A services. Other revenue increased by 2.7% (€1 million) to €49 million.

Operating expenses increased by 1.6% (€14 million) to €863 million in 2023/2024 (2022/2023: €849 million). This growth was mainly due to a combination of an increase in employee expenses versus a drop in purchased services. Total employee expenses increased by 4.6% (€21 million), while purchased services decreased by 2.9% (€5 million).

Operating profit amounted to €231 million (2022/2023: €234 million), a decrease of 1.4% (€3 million), while the operating profit margin slightly decreased by 0.5 pts to 21.1%, compared to 21.6% in the previous financial year.

Financing income increased by 187.4% (€4 million), resulting in a slightly higher pre-tax profit of €233 million compared to last year and after-tax profit of €233 million. The amount of profit reserved for non-distributable items and interest on capital is €19 million (2022/2023: €28 million). The remaining amount of €214 million (2022/2023: €204 million) is available for distribution as partner earnings. This represents an average increase of 1.4% per partner. Solvency and working capital also remained robust, providing a solid foundation to weather

the current economic challenges and safeguard our investment agenda. We remain committed to delivering solid financial results.

Future expectations

Financial year 2024/2025 is expected to be another challenging year. We are facing low (macro-) economic growth, which is reflected in weakened demand for our services in some areas of our business. Though inflation has come down, it still remains above the 2% target. Finally, the labor market continues to be tight. All of this will put pressure on our revenue and margins.

Working together toward a better future for the Netherlands

We believe the Netherlands can maintain and expand its strong global competitive position through a future-proof business climate, sustainable growth and a long-term vision. In roundtable sessions with Dutch executives, we uncovered concerns about the attractiveness of the business climate in the Netherlands, such as the deteriorating tax climate, tight labor market, unlevel playing field for sustainability and infrastructural limitations, as well as the government's lack of a long-term vision. [Read more on our website.](#)

In spite of these challenges, we are confident about the year ahead. EY Netherlands is a financially sound, robust and resilient organization. We have a diverse portfolio of services and client base. Moreover, in times of low economic growth, we continue to support our

clients in addressing the challenges they face. We remain committed to providing exceptional services to our clients, exceptional experiences for our people and to *Building a better working world* for the benefit of society at large.

Income statement (in millions of euros) ¹	2023/2024	Δ	2022/2023
Assurance	414	4.2%	397
Tax	350	3.6%	338
Consulting	204	-4.3%	213
Strategy and Transactions	77	-12.1%	87
Rendering of services	1,045	0.9%	1,035
Core Business Services	49	2.7%	48
Revenue	1,094	1.0%	1,083
Purchased services	165	-2.9%	170
Employee expenses	465	4.6%	444
Depreciation and impairment	31	-3.0%	32
Other operating expenses	202	-0.3%	203
Operating expenses	863	1.6%	849
Operating profit	231	-1.4%	234
Finance income and expenses	2	187.4%	- 2
Profit before tax	233	0.3%	232
Income tax expenses	0	0.0%	0
Profit for the fiscal year	233	0.3%	232
Undistributable items and interest on capital	- 19	-33.3%	- 28
Income available for distribution	214	5.0%	204

¹ Ernst & Young Belastingadviseurs LLP ('EY Tax') has a strategic alliance with HVG Law LLP (and EY Belastingadviseurs B.V. has a strategic alliance with HVG Law B.V.). In connection with this strategic alliance, the key figures of HVG Law LLP have been incorporated (not-consolidated) in the key figures of EY Tax. However, as no control can be exercised over the activities of HVG Law LLP, the figures of HVG Law LLP have not been included in the (consolidated) financial statements (chapter financial statements page 62).

Governance

Corporate governance

Legal structure in FY24

In the year under review, Ernst & Young Nederland LLP was a member firm of Ernst & Young Global Ltd. (EY Global), a globally operating and leading accounting and consultancy organization. The Dutch organization supports and contributes to EY Global's vision and strategy. At the same time, we have our own responsibilities to carry out locally and nationally.

EY Netherlands provides assistance and coordinating leadership to Ernst & Young Accountants LLP (EYA), EY Advisory Netherlands LLP (EYAN), Ernst & Young Belastingadviseurs LLP (EYB) and other EY entities in the Netherlands to optimize their shared course of business and practices and promote their joint strategy. EY Netherlands carries out its operations in the Netherlands but does not provide services to clients itself. These services are provided by the Dutch EY entities, predominantly EYA, EYAN and EYB.

EMEIA and Europe West

EY Netherlands is part of the EMEIA Area, which comprises EY Global member firms in 94 countries in Europe, the Middle East, India and Africa. In addition, the Netherlands forms part of EY's Europe West Region. The services of EY Netherlands to financial sector clients are an exception, as this sector is part of the EMEIA Financial Services Region. However, services that are provided to the financial sector in the Netherlands are reported in this Annual Review and under the statutory direction of the Board of Directors.

Leadership

EY Netherlands is governed by a Board of Directors and during the financial year had a Supervisory Board that oversaw the policy of the Board of Directors and the general state of affairs of EY Netherlands. All other entities solely within EY Netherlands have a Board of Directors, with the exception of EYA, which also had a Supervisory Board. The Supervisory Board of EYA

consisted of the same members as the Supervisory Board of EY Netherlands.

Board of Directors' responsibilities

The Board of Directors of EY Netherlands is responsible for the policy and reputation of EY in the Netherlands. The Board of Directors has a coordinating leadership role aimed at optimizing and implementing the company's strategic direction, stimulating service line performance and supporting cooperation.

Supervisory Board's responsibilities

The Supervisory Board monitors the company's financial state and reviews the financial statements and the Board of Directors' strategy. It decides on important proposals for capital expenditures, acquisitions, divestments and changes to financial and other corporate policies, as well as the annual budget and long-term plan. The Supervisory Board also evaluates the performance of the Board of Directors and the board of EYA. It verifies that EY Netherlands' policies are formulated and implemented in the interests of all of our stakeholders and that our policies are sustainable and meet ethical standards.

The Supervisory Board has an Audit & Risk Committee, a Talent & Remuneration Committee, an Assurance Quality Committee and a Public Interest Committee (the roles and tasks of the Supervisory Board are explained in the Report of the Supervisory Board on pages 55 and following).

The members of the Supervisory Board are carefully selected to provide EY Netherlands with a diverse range of experience covering all areas in which EY Netherlands operates. For more information about the composition of our board and the rules for the Supervisory Board and the committees, see the ['Our Board' section on our corporate website](#).

From LLP to B.V. legal structure

On 29 June 2024, at the start of the FY25 financial year, the legal form of EY in the Netherlands changed from a United Kingdom (UK) limited liability partnership

(LLP) to a Dutch private company with limited liability (B.V.). The EY Netherlands, EYA, EYAN and EYB entities transferred their business to Dutch B.V.s. The change was driven by the withdrawal of the UK from the European Union and evolving laws and regulations, which added complexity for our UK LLPs. In the new legal structure, only EY Nederland B.V. has a supervisory board.

ESG governance

EY Netherlands has an environmental, social and governance (ESG) policy and a governance framework to ensure that sustainability is integrated into our business strategy. Three organizational levels - the ESG working group, Board of Directors, and Supervisory Board - share responsibility for the implementation and progress of our strategy in this area.

The ESG working group monitors internal and external ESG developments and is overseeing the implementation of the sustainability strategy and measures in line with EY Global. The group has a broad membership base, with members from risk management, human resources, finance, procurement, and Climate Change and Sustainability Services (CCaSS), and is chaired by the CR & Sustainability leader. The working group coordinates the double materiality assessment and informs relevant stakeholders and reports to the Board of Directors.

The Board of Directors is ultimately responsible for the ESG performance (which includes climate-related risks and opportunities) and the integration of the ESG policy into the overall strategy of EY Netherlands. The Board monitors the process and must approve updates to the ESG strategy (including the double materiality assessment), targets and action plans. Examples of ESG topics under the responsibility of the Board of Directors include but are not limited to climate-related financial disclosures, decarbonization, and diversity, equity and inclusiveness.

The Supervisory Board oversees the progress of the strategy against the KPIs set by EY Netherlands, which are included in this Annual Review.

Data protection and information security

Data protection and information security are among the material sustainability matters of EY Netherlands. We face significant risks in these areas that could have a major impact on our business operations and the trust our stakeholders have in us. We are therefore committed to collecting, protecting and using client and our own data in a way that supports the trust of our stakeholders. We intend to comply with all applicable laws and regulations, both globally and locally.

The EY network follows a global vision and strategy for data protection and information security. We also take note of the principles of the European Union's General Data Protection Regulation (GDPR) - commonly referred to as the 'Algemene Verordening Gegevensbescherming' (AVG) in the Netherlands - and with the ISO 27001/2 standards. The Global Data Protection Network and the Global Information Security Organization are two separate but aligned groups that support the data protection and information security programs of member firms. They establish policies, standards, procedures and guidelines to protect the data of the EY organization and its clients from unauthorized collection, retention, use, disclosure, modification or destruction.

Information security

EY Netherlands' Board of Directors oversees information security for our activities in the Netherlands. We follow the Global Information Security organization's policies, procedures, and guidelines. The EY Global Information Security organization is charged with information security operations, which are embedded in local business processes.

The EY Global organization acts as a service organization to the member firms, complies with the internationally recognized ISO 27001 standard for information security management, and is audited annually by an independent third-party auditor. The controls within the scope of the audits are assessed as part of the SOC 1 Type II and SOC 2 Type II reports, where SOC stands for Service Organization Control, in accordance with the International Standard on Assurance Engagements. The controls are

also assessed as part of our ISO certification process. For more information on this, see the [Legal and Privacy](#) page on our website.

Our IT suppliers must also comply with the information security standards of EY. This is monitored by EY Supplier Risk Assurance. Whenever a product or service is procured that involves confidential EY or client information, this department is involved at the beginning of the procurement process. Supplier Risk Assurance follows a strict procedure based on ISO 27001 standards and conducts security audits of the IT suppliers.

Personal data protection

EY Netherlands has a Data Protection Officer (DPO) working in a dedicated DPO Office, an independent department reporting to the Board of Directors.

EY Netherlands records data-related incidents, including personal data breaches. The GDPR, which came into force in May 2018, gives individuals the right to control their personal data. EY Netherlands, which processes personal data from its current, former, and future partners, employees, clients, suppliers, subcontractors, and other third parties, must ensure that the personal data it uses complies with the requirements of the GDPR. To this end, EY Netherlands participates in a Binding Corporate Rules (BCR) program that specifically oversees the transfer of personal data within the EY network. Our BCR policy is publicly available and can be viewed on our website.

Each quarter, the DPO Office reports to the Board of Directors on the number of data breaches that have occurred and whether they have been reported, without undue delay, to the Dutch 'Autoriteit Persoonsgegevens' (Data Protection Authority). The DPO also reports on the number of individual rights requests received and whether these are handled without delay and at the latest within one month of receipt of the request.

In FY24, we recorded a total of 240 data breaches. In 84 cases, we reported the data breach to the Data Protection Authority. In FY23 (2022/2023), we recorded 122 data breaches respectively. In the previous financial year,

we reported two data breaches to the Data Protection Authority. No incident or complaint has resulted in a fine or a direction imposed by the Data Protection Authority.

We are strengthening governance and raising awareness throughout our organization. The DPO Office organizes, among other things, customized training for service lines on specific procedures and risks. In addition, all employees of EY Netherlands are required to complete EY Global's annual online data protection and information security training.

We have a complaints procedure in place. When EY Netherlands receives a complaint, the DPO first analyzes it locally. Then, together with EY Global, it looks at which systems might be involved in the breach and what measures should be taken. The complaints committee conducts an analysis independently of the DPO if the complainant so desires.

Risk management

As we strive to be the leading professional services organization in our chosen markets, we take and manage risks to develop and deploy innovative services, expand into new markets and industries, engage in the right partnerships and alliances, and make the appropriate investments in infrastructure, acquisitions, resources and people. Managing relevant (potential) risks contributes to our success and competitiveness.

The complex and dynamic environment, such as (geo)political developments, a relatively weak economy, the ongoing shortages on the labor market, Artificial Intelligence and the sustainability landscape, continued to pose challenges to our organization. We continuously respond and turn these challenges into opportunities to the greatest extent possible.

We operate in a dynamic market. The continuously evolving business, regulatory and economic conditions not only present new opportunities but may also challenge the relevance of EY Netherlands' services and may impact achieving our strategies, objectives and success of initiatives.

Governing risks is key to ensuring we have sufficient oversight. By clearly articulating desired behaviors and related accountabilities, the governance structure helps to enable EY Netherlands to identify relevant risks in a timely and consistent manner and allows for better coordinated and more effective responses. Our organizational structure aims to control our business operations within the risk appetite set on relevant risks, including integrity risks.

Risk management framework

Our risk management framework aims to embed risk management in our organization. It consists, among other things, of the following:

- ▶ Risk strategy and policy, including risk appetite.
- ▶ Governance, including roles and responsibilities outlined in our policies and procedures.
- ▶ A risk management cycle (identify, assess, control, monitor and report) consistent with the plan, do, check and act (PDCA) cycle, aimed at continuous learning and improvement.
- ▶ Risk culture.

The design of our risk management framework is regularly reviewed for any need for updates; for example, to adapt to the changing environment. The operating effectiveness depends also on the skills and behavior of our people. We regularly pay attention to our values and train our people every year on various topics, for example through the Annual Code of Conduct Learning, Annual Data Protection and Information Security Learning and the Financial Crime Learning.

Risk strategy and policy, including risk appetite

The objective of our overall risk management strategy is to protect us (within the firm's risk appetite) and to thus increase the likelihood of achieving the organization's strategic, tactical and operational goals. This provides comfort that risk exposures are managed in line with performance objectives within the firm's risk appetite and helps to anticipate risk trends that demand (further) response and targeted actions at an early stage.

EY's global network approach to risk management is built on respect for applicable laws and regulations, EY's global values and Code of Conduct, applicable professional standards and EY's global policies. Our risk strategy, policies and procedures are primarily based on the structure and policies that the EY global network provides us in the context of our network association. When we determine this to be needed or useful, we tailor them for EY Netherlands. This can be a result of local requirements and it may also be the result of considering elements of external conceptual models, such as The Committee of Sponsoring Organizations of the Treadway Commission ('COSO') framework and the Dutch Corporate Governance Code. These are not mandatory for us, but elements provide a basis for our considerations.

Risk governance

We align as much as possible with our global network to drive consistency, quality and synergies. In addition, we have assessed whether elements of the principles of the Three Lines model could be useful. This model describes how roles, positioning and responsibilities can be designed for managing relevant risks, in order to achieve structured control of business operations and to contribute to strengthening the risk culture.

The principles of the Three Lines model are implemented by companies in many different ways. We have used the principles to clarify roles and responsibilities:

- ▶ The first line is responsible for the controlled business operations of the primary processes and has risk ownership. Supporting business processes are also part of the first line unless considered to be second or third line. The first line is responsible for the day-to-day execution of risk management based on the PDCA cycle according to our risk management framework. In short, the first line includes functions that own and manage risks. These include client-facing (sub)service lines and a number of business support departments, including, among others, Business Development, Talent and Finance.
- ▶ The second line provides the organization with additional expertise, monitoring, challenge and advice with regard to our enterprise risk management (ERM)

framework and specific risk management topics. In short, within EY Netherlands, the second line functions oversee compliance and risks, such as the Quality, Compliance & Risk Management (QCRM) departments and Service Line Quality.

- ▶ The third line provides independent and objective internal assurance and advice to (senior) management with regard to the adequacy and effectiveness of governance and risk management (including internal controls). Within EY Netherlands, Internal Audit (IA) has the third line role. IA adheres to the standards of the Institute of Internal Auditors (IIA) and is headed by the Head of Internal Audit, also the Wta Officer, and fulfils the legally required internal audit function on AML/CFT.

Risk culture

Our risk culture describes the values, attitude, behavior and understanding of the key risks identified. We aim to create a constructive, entrepreneurial and ethical culture that prioritizes continuous learning and improvement and sets aside a key role for risk management. Managing risks contributes to the likelihood of success (value creation), reduces the likelihood of failure (value protection) and contributes to the reduction of uncertainty about achieving our objectives. We strive for a safe work environment in which we can communicate with each other in a constructive and confidential manner. The right attitude and behavior of our people, both in terms of their actions and reflecting on actions that did not have the intended outcome, are considered highly important. The tone at the top is also key in that respect.

Risk profile

Twice a year, in line with the risk management cycle principles, the service lines, Core Business Services and the Board of Directors conduct a risk self-assessment to update our key risks (Risks That Matter). These are the risks that may have the greatest impact on achieving our strategic objectives and our business operations. The aim is to update our overview and understanding of the management of these Risks That Matter and to facilitate our senior management in determining whether adjustments are necessary. The Board of Directors decides on the final list of the Risks That Matter, which

generates a risk profile for EY Netherlands. This profile is also discussed in the Audit & Risk Committee of the Supervisory Board.

In this profile, the Risks That Matter are divided into three risk categories, strategic, preventable and external risks, which are also linked to EY Netherlands' long-term values. See our Risk Radar on page 51 for a visualization of the risk profile. The profile supports well-founded decision-making for the shorter and longer term, aimed at running a sustainable business model.

Risk management entails all activities aimed at keeping the main risks within the boundaries of the Board of Directors' risk appetite. Risk management is the key in controlling our business operations. It entails identifying, assessing, managing, monitoring and reporting the main risks, including integrity risks, and taking action based on these risks to make sure we achieve our short- and long-term objectives (strategic, tactical and operational) with a reasonable degree of certainty. In other words, risk management is an activity that is the responsibility of everyone working at EY for their area of responsibility.

Cybersecurity is a key focus due to the variety and complexity of cyber threats, which are increasing due to the use of generative artificial intelligence (GenAI). With GenAI, cybercriminals can generate more credible content, making it easier to deceive people. EY Netherlands aims for a strong control environment, and our people continue to play a crucial role in defending against this risk. EY Global trainings and local efforts for maintaining awareness will continue to be essential.

The risk 'Culture and business conduct' continues to receive high attention. Our EY Netherlands values, as set out in our EY Global Code of Conduct, are the foundation on which EY Netherlands and its culture are built. They guide our actions and behavior. They influence the way we work with each other and the way we serve clients and engage with communities. We adhere to our ethical requirements; integrity is non-negotiable.

Risk Radar

Overview of the most important risks that may affect the realization of EYNL's (strategic) objectives

Strategic

Risks that EY accepts in executing its business strategy, achieve its objectives and creating long-term value

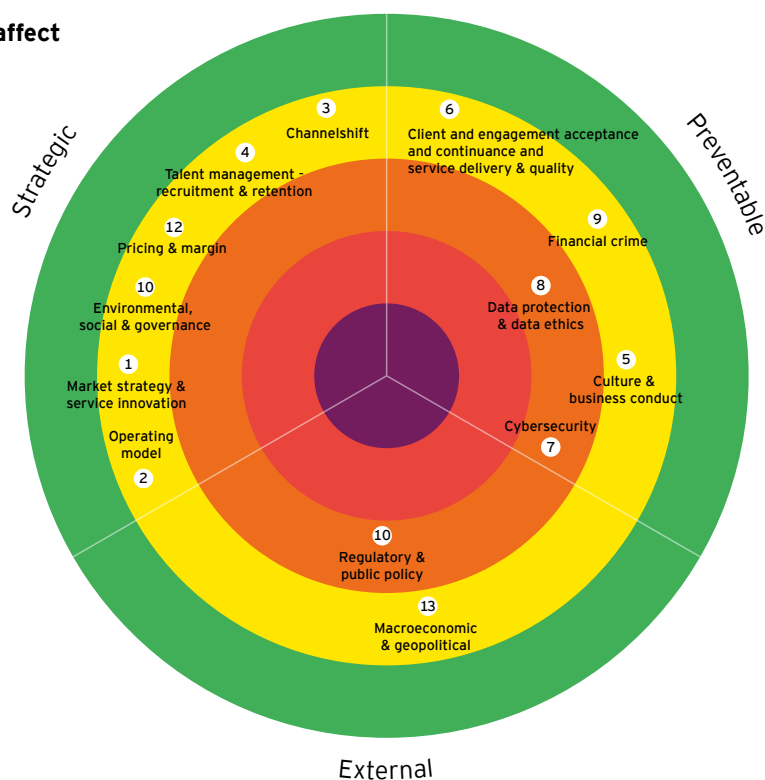
Preventable

Risks, arising from within the organization, that are controllable and ought to be eliminated, avoided or mitigated

External

Risks that only negatively impact the organization and therefore, risk treatment plans focus on mitigation, avoidance or elimination

- highest overall potential to affect the achievement of the (strategic) objectives
- lowest overall potential to affect the achievement of the (strategic) objectives



Recruitment and retention of talent remains relevant. The tightness in the labor market continues and as a result, it is even more important to retain our people. For this purpose, among other things, the Ambition powered by wellbeing strategy was developed. In this strategy, the focus is on wellbeing to support our people as best as possible in realizing their ambitions. It is expected that this strategy will contribute positively to the retention of our people.

In the context of the 'Regulatory and public policy' risk, our organization continues to pay substantial attention to complying with relevant laws and regulations such as the Corporate Sustainability Reporting Directive (CSRD). Furthermore, our continuous dialogue with our external stakeholders remains very important.

EY Netherlands has several policies and (monitoring) procedures concerning 'Financial crime' risks such as fraud, corruption, money laundering and counterterrorism and sanctions in place. Via our Systematic Integrity Risk Analysis (SIRA) insight into the management of these risks is provided.

Outlook

EY Netherlands strives to be a frontrunner in AI and sustainability. These areas will be continuously monitored for potential risks and, as a result, will remain high on our priority list for FY25.

For more information about our Risks That Matter, see the table on the following pages.

Risks That Matter

**Our ambition: Create long-term value
as the world's most trusted, distinctive
professional services organization**

Ambition dimensions	Risks That Matter	# Risk Radar	Risk Radar category	Control objectives	Control measures (not limited)
Client value To help clients grow, optimize, and protect value	Market strategy & service innovation	1	Strategic	Adopt a long-term market strategy across servicelines that includes innovation, meeting client needs, generating investment at scale to remain competitive, achieving a desired return on investment, adapting at a pace that meets or exceeds competitors.	We have various initiatives in place, such as innovation programs, markets operation models and various learnings. We recruit talent with the necessary skills and experience at all ranks.
	Operating Model	2	Strategic	Maintain our (internal) striking power due to sufficient and clear governance and accountability between the national firm and our Global network in combination with the complexity of (international) law and regulations.	We have a robust and clear governance structure in place, participation in a global network, local Board of Directors, serviceline structure with local Boards and Management teams.
	Channelshift	3	Strategic	Maintain a healthy client portfolio in terms of relative market share, risk profile and profitability leading to the realization of our desired ambition.	Amongst others, our Channel Board, client portfolio strategy and business development strategy ensure that we maintain our client portfolio within the bandwidth of targeted market share, risk profile and profitability.
People value To create an exceptional experience for EY people	Talent management - recruitment & retention	4	Strategic	Effectively forecast and identify workforce requirement, recruit, retain and develop high performing professionals with required skills.	Our people are key to our success and having the right number of people with the right skills and experience is part of forecasting, recruiting, training, performance evaluation, etc.
	Culture and business conduct	5	Preventable	Align EY's strategy, tone at the top and middle, performance incentives, business conduct and individual behaviors to EY's Values, Purpose and Code of Conduct.	We have various measures in place such as culture and wellbeing, diversity and inclusiveness programs, periodic Code of Conduct learnings and Speak Up activities, with the purpose to continuously promote and strengthen our culture. When someone doesn't adhere, we follow-up which may result in additional learnings, rating impact and/or other.
Social value To build trust in the capital markets and have a positive impact on communities and the planet	Client and engagement acceptance and continuance & service delivery and quality	6	Preventable	Accept or continue with clients and engagement relationships that are appropriate and strategically aligned with EY's market and overall strategies and deliver quality deliverables in accordance with quality standards, client's expectations and EY's commitment; and/or have an efficient service delivery strategy to balance provision of service delivery against achieving the firm's strategic and/or operational priorities.	We have various measures in place to safeguard a robust client and engagement acceptance and continuance process. To ensure high level of service delivery and quality in accordance with quality standards we also have measures in place such as EY (Global) policies and guidances, Quality Frameworks and the execution of Quality reviews and root cause analysis.
	Cybersecurity	7	Preventable	Manage growing sophistication, variety or increased volume of cyberattacks.	Cyber security includes IT elements and behavioural elements and on both topics several prevent, detect and response measures are in place and monitored for operating effectiveness.

Risks That Matter

Ambition dimensions	Risks That Matter	# Risk Radar	Risk Radar category	Control objectives	Control measures (not limited)
Social value (continued)	Data protection & data ethics	8	Preventable	Appropriately collect, protect, use and dispose of information EY has responsibility for, through the development and provision of client services and supporting operations while maintaining stakeholder trust and compliance with applicable law, professional standards and ethical practices.	Data protection & data ethics include IT elements and behavioural elements and on both topics several prevent, detect and response measures are in place and monitored for operating effectiveness. An AI Taskforce is in place to assess (potential) impact of AI. Response procedures are in place to follow-up on potential data breaches.
	Financial crime	9	Preventable	Identify, embed or adhere to evolving Financial Crime laws or regulations.	We have several policies and (monitoring) procedures in place, e.g. procedures for AML/sanctions. On top of operations, our Systematic Integrity Risk Analysis (SIRA) provides insight into the management of integrity risks.
	Environmental, social and governance (ESG)	10	Strategic	Develop, execute, govern and monitor ESG strategies that are translated into operational and actionable practices, to meet regulatory and reporting requirements and internal and external stakeholder expectations.	We have various measures in place such as policies and procedures, the EY Ripples-program, ESG/CSRD working groups, training and awareness-programs, with the purpose to develop, execute, govern and monitor ESG strategies and to meet internal and external stakeholder expectations.
	Regulatory & public policy	11	External	To shape or to comply with changes in policies, professional standards or regulatory requirements that impact EY's ability to efficiently conduct business.	Specialized teams monitor changes in requirements and ensure that processes and procedures are amended accordingly. Next training material will be developed and rolled-out to the professionals that need to know and apply.
Financial value To be the long-term growth leader	Pricing & margin	12	Strategic	Sustain the current business model (including margin erosion).	We have various measures in place such as pricing and margin management in the service lines and planning and control procedures. We continuously innovate and improve our services to keep the aligned with client, social and (when applicable) regulatory expectations/requirements. Margins are best maintained by meeting expectations and requirements.
	Macro-economic & geopolitical	13	External	Scan for, predict, prepare for or respond to macroeconomic and geopolitical events and/or changes in capital markets, impacting the demand for specific EY services, the ability to provide services to clients and the ability to meet strategic objectives.	Various EY(NL) bodies monitor macroeconomic and geopolitical developments to predict, prepare for or respond to related events.

In control statement

The Board of Directors of Ernst & Young Nederland LLP bears final responsibility for designing and implementing effective risk management and internal control systems. The aim of these systems is to manage and control the risks of our organization in such a manner that our organization is able to realize its objectives. The measures regarding the general control environment, such as the Global Code of Conduct, the risk management policies and principles, authorization schedules, and the procedures for client acceptance and continuance, are important elements in our internal control systems.

The Board of Directors has regularly discussed risk management and internal control systems. During the past year, our organization has continued to strengthen the evaluation of the effectiveness of the most important processes, risks and control measures. These evaluations have continued to strengthen (among other things) our employees' insights with regard to quality control and risk management but also their awareness and responsibility relevant to their roles around these subjects. Our organization-wide implementation of the control framework also contributes to continuous improvement with regard to managing risks and achieving our objectives.

Taking into account inherent limitations, our risk management and internal control systems are designed to provide a reasonable, though not absolute, degree of assurance that the significant risks to which the organization is exposed are sufficiently controlled. However, these systems cannot always prevent the occurrence of inaccuracies, fraud or violations of rules and regulations.

Taking into consideration the aforementioned limitations, the Board of Directors concludes that the functioning of our risk management and internal control systems provides reasonable assurance that the financial reporting does not contain any material misstatements.

The board also concludes that, based on the current state of affairs, it is justified that the financial reporting has been prepared based on the going-concern assumption, and material risks and uncertainties have been reported that are relevant for the continuity of the organization for the period of 12 months after the preparation of this Annual Review.

The evaluation of the risk management and internal control systems and actions identified to improve these systems were discussed with the Supervisory Board.

Board of Directors Ernst & Young Nederland LLP
Patrick Gabriëls, Tom de Kuijper, Stephan Lauers,
Danny Oosterhoff, Saskia van der Zande

Rotterdam, 24 September 2024

Report of the former Supervisory Board

Yasemin Tümer



Richard van Zwol



Tanja Nagel



Patrick Rottiers



Lineke Sneller



For the profile of the members of the Supervisory Board,
please visit [our website](#).

Introduction

As the former Supervisory Board (SB) of Ernst & Young Nederland LLP (hereinafter: EY Netherlands) and Ernst & Young Accountants LLP (EYA)¹, in the 12 months under review, we carried out our core duties and responsibilities related to monitoring the activities of the Board of Directors of EY Netherlands and the Board of EYA. This included monitoring the quality of the audit services provided, in accordance with the Dutch Audit Firms Supervision Act (Wet toezicht accountantsorganisaties, Wta).

During the year, the SB took the initiative to update the View on Supervision (which was created in 2021) to align it with the current situation and with expectations for the future. The final version will be published on www.ey.nl. In spite of this change, we continued to base our role as SB on a multi-year approach to the areas of focus related to EY's principles and priorities. Accordingly, we oversaw efforts to promote good governance and monitored the public interest function of EYA as well as the long-term value creation of the EY Netherlands as a whole. We also supervised the quality policy, risk management, and ethical and controlled management of EYA together with EY Netherlands.

In carrying out our core duties and responsibilities, the SB took into consideration a number of key developments in the national and international geopolitical landscape. These included, but were by no means limited to the national elections and subsequent formation of a new cabinet in the Netherlands. We saw how national and global uncertainty led to a general decrease in the willingness of companies to invest, which was reflected in a cooling in demand for the services of EY Netherlands. That said, there have been some positive developments in the economic climate in which EY Netherlands operates, for example inflation is returning to levels more in line with the long-term norm and which might result in an increase of business activity.

¹ In the 12 months under review, we served on the Supervisory Board (SB) of Ernst & Young Nederland LLP (EY Netherlands) and Ernst & Young Accountants LLP (EYA). We now serve on the Supervisory Board of EY Nederland B.V. However, the Board of Directors of EY Netherlands has requested us to make some comments, having been in function during the reporting period.

Highlights

Academic integrity

A key topic for the SB during the course of the year under review was the ongoing investigation into academic integrity, which received considerable media attention in the Netherlands. As a reflection of the importance and priority with which the SB is taking this matter, we commissioned an internal investigation and monitored the situation through the Board Oversight Group, a temporary committee of the SB that was set up for this purpose.

From LLP to BV legal structure

During the year under review, the SB oversaw preparations for the transfer of the United Kingdom legal forms of limited liability partnerships (LLP) to Dutch private limited liability companies (B.V.s). This move, which was implemented at the start of the new financial year (2024-2025) on 29 June 2024, was a result of changing national and international laws and regulations post Brexit, whereby it was evident that applying a foreign legal form (LLP) in a Netherlands-based entity was leading to increased complexity for EY Netherlands.

This change also represents a move from two separate SBs (for EY Netherlands and EYA) with a personal union, to a single SB with at least the same tasks and responsibilities as previously whilst in line with latest legislation and regulations. In order to safeguard the careful and correct transition of the change of the legal form of the four LLPs in the Netherlands to a BV structure, and in view of the importance of ensuring the correct implementation of such a change as well as our supervisory role in this process, we sought independent legal advice on this subject.

The SB agrees with the positions of the Board of Directors of EY Netherlands that reducing the complexity of the organizational legal structure is essential if EY Netherlands is to remain agile. We share their belief that this change will make it easier for Dutch clients to

do business with EY in the Netherlands. We, therefore, agreed with the decision to transfer the legal form of the four EY entities in the Netherlands to Dutch BVs. It is important to note that the SB subscribes to the view that, irrespective of this change in legal structure, EY in the Netherlands will remain the same organization with the same service line entities, tasks and responsibilities, and that only the legal form has changed.

Aligning EY's operating model in the Netherlands with the EY Global operating model

The SB has been overseeing a number of changes to align EY's operating model in the Netherlands with the EY Global operating model. This connection of EY Netherlands with the global structure came into effect at the start of the new financial year and will further improve integration with the global network, thus helping provide clients with an even better service. Furthermore, the new model increases administrative simplicity (with unambiguous reporting lines). We believe that the changes will further improve EY's ability to offer a coherent and standardized service to clients irrespective of the location.

Appointment of Janet Truncale as Global Chairman and CEO of EY

In the global EY organization, developments noted by the SB included the appointment of Janet Truncale on 1 July 2024 as successor to Carmine Di Sibio in the position of Global Chairman and CEO of EY. We congratulate Janet Truncale and look forward to the roll out of the updated vision for EY's Global strategic direction, currently being prepared by her and the newly appointed team, which includes Hanne Jesca Bax from the Netherlands, in the role of Global Vice Chair - Markets.

Future of the accountancy sector report

Towards the end of 2023, the Dutch Quartermasters Future Accountancy Sector ('Kwartiermakers toekomst accountancysector') released their final report in which they proposed a number of improvements for the industry. The SB considered this report and the

implications of the suggestions and recommendations for EY Netherlands, which we discussed with the Board of Directors and the Board of EYA.

Diversity, equity and inclusiveness

Other related topics that were monitored by the SB during the course of the year under review included the way the Board of Directors and EYA Board expressed and implemented their approach to the care of people within the organization, their personal development and wellbeing, the culture. As EY Netherlands continues to embed diversity, equity and inclusiveness (DE&I) throughout the organization, the SB noted steps taken by the Board of Directors to foster a diverse and inclusive workplace in which everyone is treated equally.

Sustainability

As the SB, we continued to follow developments in the field of sustainability, in particular the advent of CSRD regulations and their potential impact on EY Netherlands' clients, EY Netherlands' services to those clients and its own operations. We also monitor technological developments, in particular the emergence of AI and the associated opportunities and concerns.

Meetings and assessments

EY Netherlands Board of Directors: We held five formal meetings with the Board of Directors. In addition to the Annual Report 2022/2023 and 2023/2024, topics discussed included:

- ▶ The change of the legal form of the four LLPs in the Netherlands to a structure of BVs; we held an additional two meetings with the Board of Directors regarding this change.
- ▶ Changes to the EY Netherlands operating model to align with the Global operating model.
- ▶ Various reports such as those relating to claims and complaints.
- ▶ EY Netherlands in the media.

We also considered the attention given by the media and other stakeholders to relevant subjects, for example academic integrity and the future of the accounting profession, as well as broader issues such as the business climate in the Netherlands.

The Board of Directors informed us on the main developments with respect to the market, employees and services, as well as financial and other results from the service lines Assurance, Tax, Strategy and Transactions as well as Consulting.

EYA Board: We held five formal meetings with the Board of EYA during which we reviewed key performance indicators based on business updates. We also discussed the annual Transparency Report 2022/2023, which was published in October 2023, and the draft Transparency Report 2023/2024, to be published in October 2024. Other topics included:

- ▶ The Annual Plan 2023/2024.
- ▶ Personal improvement plans, where applicable.
- ▶ The quality policy and its evaluation.
- ▶ Internal quality inspections carried out during the course of the year and their results.
- ▶ Programs aimed at employee development and the organization's internal culture.
- ▶ The final report of the Quartermasters Future Accountancy Sector ('Kwartiermakers toekomst accountancysector') and the proposed accountancy sector bill.
- ▶ The process of mandatory audit rotation.

Other focus areas during 2023-2024

During FY24, the SB met a total of 13 times: in addition to the five regular meetings, we convened a further eight times to discuss topics that included:

- ▶ Matters that had been discussed with the Board of Directors and the EYA Board, including the change of legal structure and academic integrity.
- ▶ Our own supervisory vision and its updating.
- ▶ Assessment and remuneration of members of the Board of Directors and EYA Board.
- ▶ Developments in the international EY network.

- ▶ Appointment of successors to the following positions:
 - ▶ The chair of the Board of Directors and Country Managing Partner.
 - ▶ The chair of the EYA Board.
 - ▶ Other key positions in the organization.

The annual consultation with the external auditor Forvis Mazars took place, in which we focused on the audit plan and subsequent Management Letter and Board Report.

The Chair of our Talent & Remuneration Committee maintained the contact with the Works Council on behalf of the SB.

At the beginning of the financial year, one of our meetings served as an informal off-site discussion, in which we reflected on the previous year and, in particular the decision of the Global Executive to not proceed with project Everest. We also took the opportunity to look ahead to the new year and the arrival of two new SB members (Lineke Sneller in April 2023 and Yasemin Tümer in July 2023).

At the end of the year, a full day off-site meeting was held. The SB met alone and then with the Board of Directors, to consider the past year and to look ahead.

During the course of the year, we held individual performance evaluation interviews with the members of the Board of Directors and EYA Board.

We participated in a range of EY-related internal and external events. We also maintained contacts with the broad stakeholder base, such as representatives of EMEIA, Europe West, partners, employees and external stakeholders, including the regulator.

During Q2 2024, we reviewed our own performance as SB and as individual members. In this, we were supported this year by an external expert, who carried out a total of 17 interviews with members of the SB and other stakeholders. The expert was also present as observer during a number of SB meetings.

Duties and powers

The duties and powers of the SB for the year under review are laid down in the Supervisory board charters Ernst & Young Nederland LLP and Ernst & Young Accountants LLP. From 8 July 2024 this has been replaced by the Charter of the Supervisory Board EY Nederland B.V.

Composition of the SB and its committees

The members of the SB represent a combination of competencies, expertise, experience and professional backgrounds. They also reflect diversity with respect to their personalities, age and gender. This mix helps ensure we are able to adequately fulfill our role.

On 20 March 2024, Richard van Zwol was appointed *informateur* following the elections in the Netherlands. This role continued until 20 June 2024. During this period, at his own request, Richard was temporarily relieved of his position on the SB and did not attend any meetings of the SB. In his absence, Vice-president Tanja Nagel took on the role of Acting President.

With the exception given above, all members of the SB attended the SB meetings and those with the Board of Directors and the EYA Board, with no member being frequently absent.

On 24 September 2024, the SB of EY Nederland B.V. consisted of four independent members and one non-independent member and is fully in line with the SB profile as defined in the Charter of the Supervisory Board EY Nederland B.V. We outline how we have organized our supervisory duties below.

Name	Date of appointment*	Current term	Proposed date step down**	Eligible for reappointment at date step down?
Tanja Nagel	1 September 2017	2	31 August 2025	No
Patrick Rottiers *	12 November 2018	2	11 November 2026	No
Lineke Sneller	13 April 2023	1	12 April 2027	Yes
Yasemin Tümer	1 July 2023	1	30 June 2027	Yes
Richard van Zwol	1 February 2021	1	31 January 2025	Yes

* Patrick Rottiers is the non-independent member.

Committees

The SB has four standard committees: the Audit & Risk Committee, the Talent & Remuneration Committee, the Public Interest Committee (PIC) and the Assurance Quality Committee (AQC).

Special Committee: Board Oversight Group Academic Integrity

This year, in consultation with the Board of Directors, the SB of EYA also commissioned an investigation into academic integrity. To oversee this investigation, we set up a special, temporary committee - the Board Oversight

Group Academic Integrity - comprising of the Chair of the Assurance Quality Committee (Tanja Nagel) and the Chair of the Audit & Risk Committee (Lineke Sneller). The committee met 17 times together with the Academic Integrity Steering Committee.

Audit & Risk Committee

The key areas of focus for the Audit & Risk Committee (ARC) continued to be monitoring the professionalization of operational management, quality compliance and risk assessment. The ARC committee assisted the SB in fulfilling its responsibilities for the supervision of periodic reports by the second line (AML Office, Data Protection

Office, Independence, and Risk Management) and the third line (Internal Audit).

Five meetings were held during the course of the year during which reports and research reports of the second-line and third-line functions were discussed. The CFO of EY Netherlands and the COO of EYA also reported on the financial plans and results, and on the draft annual accounts. In addition, consultations were also held with the external auditor. The ARC also considered the succession of the CFO, in view of his retirement as a partner at EY on 28 June 2024.

Assurance Quality Committee

The Assurance Quality Committee (AQC) focused primarily on the quality of assurance services to clients. To this end, the committee held four meetings and topics covered included:

- ▶ Quality policy.
- ▶ Evaluation of the quality system.
- ▶ Implementation of ISQM1.
- ▶ Regulatory developments.
- ▶ Developments in the auditing profession and the sector.
- ▶ Internal and external inspections and their results with regard to audit quality.
- ▶ The status of Signals & Incidents.
- ▶ Progress reports and investigation reports by the Dutch Audit Firms Supervision Act (Wta) Compliance Officer.

Public Interest Committee

The Public Interest Committee (PIC) held four meetings, in which in particular the annual plan and progress reports of the Stakeholder Dialogue Steering Committee were discussed. In this context, a wide range of subjects were covered, including geopolitical and macro-economic developments, developments in national politics, the sector and its supervision, and media exposure.

The Chair of the Public Interest Committee also attended various meetings in this context, including the presentation of the final report of the Quartermasters Future Accountancy Sector ('Kwartiermakers toekomst accountancysector'), as well as, for example, the annual meeting of equity partners of EY Netherlands, in order

to stay in touch with and up to date on relevant public developments.

Talent & Remuneration Committee

In order to help determine executive remuneration, the Talent & Remuneration Committee (TRC) held performance reviews with the members of the Board of Directors and the EYA Board. The members met four times during the year and discussed the following topics:

- ▶ Insights and initiatives of the new chairman of the TRC following various discussions within the organization.
- ▶ The succession and appointment of policymakers, in particular the Chair of the Board of Directors and Chair of the EYA Board.
- ▶ Assessment, development and remuneration of policymakers.
- ▶ Reports and plans by the Talent Leaders at EY Netherlands and EYA, including:
 - ▶ The results of employee satisfaction and culture measurements.
 - ▶ Talent Plan.
 - ▶ Implementation of various programs, for example with respect to wellbeing and culture.

Independence

In accordance with the SB's charter, SB members are required to be independent in both their actual deeds and in how these appear. The duties and powers of the SB determine the role of its members under the prevailing independence rules. The Independence Officer of EY monitors both the personal and financial independence of SB members. Four of the five SB members qualify as independent as intended in the SB charter. With the exception of one situation, no decisions were taken by the SB in which a conflict of interest occurred, as defined in the relevant articles of the SB's charter.

Training

All SB members took part in internal and external training sessions, both face-to-face and online. The online sessions included web-based learning in 2024 on EY's Purpose and the Global Code of Conduct.

Lineke Sneller and Yasemin Tümer attended as new SB members an onboarding program for new SB members, including in-depth training on the Dutch Audit Firms Supervision Act (Wta)/the Dutch Audit Firms Supervision Decree (Bta) and other relevant laws and regulations.

Annual reports

Financial Statements

- ▶ The Board of Directors prepared the 2023-2024 Integrated Report and Financial Statements of EY Netherlands.
- ▶ The EYA Board prepared their Financial Statements.

Both sets of Financial Statements were audited by the external auditor, Forvis Mazars. The SB then discussed the findings with Forvis Mazars in the presence of the Board of Directors and representatives of the EYA Board. The SB approved the Financial Statements of EY Netherlands and EYA on 24 September 2024.

Transparency Report

Together with EYA policymakers, we reviewed the draft version of the EYA Transparency Report 2023-2024, which will be published in October 2024. We believe that the tone and text of this report is in line with our own observations, and are satisfied that it is representative of the way the EYA Board has embedded a broad range of socially relevant topics related to organizational quality.

Finally

As members of the SB, we would like to thank the Board of Directors, the EYA Board and all Dutch partners and employees for their hard work and commitment to all EY Netherlands stakeholders. In particular, we value their continued flexibility, agility and dedication to providing high-quality services for clients in what has once again been a challenging year for the sector in which EY Netherlands operates. We also would like to express our sincere appreciation to Jeroen Davidson for his leadership in recent years as Country Managing Partner. His commitment to EY has been immense and we wish him well in his retirement.

Richard van Zwol, Tanja Nagel, Lineke Sneller,
Yasemin Tümer and Patrick Rottiers

Amsterdam, 24 September 2024

Financial statements

Consolidated statement of profit or loss of Ernst & Young Nederland LLP

for the year ended 30 June 2024 | In thousands of euros

	Notes	2023/2024	2022/2023
Revenue			
Rendering of services	6.1	997,457	989,150
Other income	7	44,256	41,095
		1,041,713	1,030,245
Operating expenses			
Services provided by foreign EY member firms and third parties	8.1	156,353	163,846
Employee benefits expenses	8.2	443,833	422,628
Amortization of intangible assets	11	554	554
Depreciation and impairment of property, plant and equipment	12	4,517	5,249
Depreciation and impairment of right-of-use assets	13	26,132	26,366
Other operating expenses	8.3	193,542	186,527
		824,931	805,170
Operating profit		216,782	225,075
Finance income	9.1	6,209	1,636
Finance expenses	9.2	-4,358	-3,707
Profit before tax		218,633	223,004
Income tax (expense)/income	10	-206	-197
Profit for the financial year		218,427	222,807
Profit attributable to members of EYNL		218,427	222,807

Consolidated statement of other comprehensive income of Ernst & Young Nederland LLP

for the year ended 30 June 2024 | In thousands of euros

	Notes	2023/2024	2022/2023
Profit for the financial year		218,427	222,807
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income		166	-389
Actuarial gains on defined benefit plans	21.2	42	304
Other comprehensive income/(loss) for the year, net of tax		208	-85
Total comprehensive income for the year, net of tax		218,635	222,722
Total comprehensive income for the year attributable to members of EYNL		218,635	222,722

Consolidated statement of financial position of Ernst & Young Nederland LLP

as at 30 June 2024 | In thousands of euros

	Notes	30 June 2024	30 June 2023
Assets			
Non-current assets			
Intangible assets	11	20,203	20,757
Property, plant and equipment	12	16,845	17,892
Right-of-use assets	13	73,310	82,049
Other non-current financial assets	14	11,540	11,374
		121,898	132,072
Current assets			
Trade and other receivables	15	296,917	294,725
Prepayments	16	36,575	111,801
Other current financial assets	14	-	96
Cash and cash equivalents		152,637	158,833
		486,129	565,455
Total assets		608,027	697,527
Equity and liabilities			
Current liabilities			
Trade and other payables	17	294,530	177,380
Interest-bearing loans and borrowings	18	41,941	35,542
Provisions	20	776	2,937
Employee benefits	21	41,208	45,359
Income tax payable		337	494
		378,792	261,712
Non-current liabilities			
Interest-bearing loans and borrowings	18	99,265	123,277
Provisions	20	1,525	1,621
Employee benefits	21	23,716	21,774
		124,506	146,672
Total liabilities		503,298	408,384
Equity			
Members' capital	22	83,308	82,623
Reserves	23	21,421	206,520
Total equity		104,729	289,143
Total equity and liabilities		608,027	697,527

The financial statements of Ernst & Young Nederland LLP, registered no. OC335595, were signed on 24 September 2024 by P.J.A. Gabriëls on behalf of Drs. P.J.A. Gabriëls B.V.

Consolidated statement of changes in equity of Ernst & Young Nederland LLP

for the year ended 30 June 2024 | In thousands of euros

	Members' capital	Profit available for distribution	Retained earnings	Total reserves	Total equity
At 1 July 2022	102,729	183,701	-16,889	166,812	269,541
Profit for the financial year	-	199,022	23,785	222,807	222,807
Other comprehensive income	-	304	-389	-85	-85
Total comprehensive income	-	199,326	23,396	222,722	222,722
Profit distribution 2021/2022	-	-183,701	687	-183,014	-183,014
Contribution of capital from current members	8,017	-	-	-	8,017
Repayment regarding capital restructuring	-26,861	-	-	-	-26,861
Repayment on retirement	-1,262	-	-	-	-1,262
At 30 June 2023	82,623	199,326	7,194	206,520	289,143
Profit for the financial year	-	205,700	12,727	218,427	218,427
Other comprehensive loss	-	42	166	208	208
Total comprehensive income	-	205,742	12,893	218,635	218,635
Profit distribution 2022/2023	-	-199,326	5,059	-194,267	-194,267
Profit distribution 2023/2024	-	-205,742	-3,725	-209,467	-209,467
Contribution of capital from current members	6,650	-	-	-	6,650
Repayment on retirement	-5,965	-	-	-	-5,965
At 30 June 2024	83,308	-	21,421	21,421	104,729

Consolidated statement of cash flows of Ernst & Young Nederland LLP

for the year ended 30 June 2024 | In thousands of euros

	Notes	2023/2024	2022/2023
Operating activities			
Profit for the financial year		218,427	222,807
Adjustment for:			
Amortization of intangible assets	11	554	554
Depreciation and impairment of property, plant and equipment	12	4,517	5,249
Depreciation and impairment of right-of-use assets	13	26,132	26,366
Finance income and expenses	9	-1,851	2,071
Losses/(gains) on leases and the sale of assets		354	34
Movement in employee benefits	21	-2,310	-6,650
Movement in provisions	20	-2,261	-3,463
Income tax charge for the year	10	206	197
		243,768	247,165
Working capital adjustments:			
Movement in trade and other receivables and prepayments		-2,369	-8,203
Movement in trade and other payables		448	-24,910
Income tax paid		-294	-343
Net cash flow from operating activities		241,553	213,709
Investing activities			
Purchase of property, plant and equipment	12	-3,842	-1,208
Disposals of property, plant and equipment	12	372	58
Additions to other non-current financial assets/loans	14	-	-4,000
Repayment/disposals of other non-current financial assets/loans		96	145
Net cash flow used in investing activities		-3,374	-5,005
Financing activities			
Payment from/(to) current and retired members (current account)		-92,834	9,725
Prepayments to current members	16	-	-74,919
Payment of profit distribution 2022/2023 (2021/2022)		-119,348	-119,915
Contributions of capital from current members	22	6,650	8,017
Repayment of capital contributions	22	-5,965	-28,123
Repayment of lease liabilities	13	-27,666	-25,502
Proceeds from interest-bearing loans and borrowings	18	7,106	18,252
Repayment of interest-bearing loans and borrowings	18	-14,872	-13,889
Interest paid		2,554	-1,337
Net cash flows used in financing activities		-244,375	-227,691
Net cash flow		-6,196	-18,987
Net cash and cash equivalents at beginning of fiscal year		158,833	177,820
Net cash flow		-6,196	-18,987
Net cash and cash equivalents at end of fiscal year		152,637	158,833

Other information

Assurance report of the independent auditor

To: the members of Ernst & Young Nederland LLP

Our opinion

We have performed a reasonable assurance engagement on the Annual Review for the year ended 30 June 2024 of Ernst & Young Nederland LLP based in Rotterdam. The references in the Annual Review (to www.ey.com/nl, external websites and other documents), the paragraph "In control statement" (page 54), the paragraph "lives impacted" (page 41) and the chapter "Financial statements" (extract of the primary overview on which Forvis Mazars UK LLP has issued an unqualified auditor's report, page 63 - 68) are excluded from our assurance engagement.

In our opinion, the Annual Review presents fairly, in all material respects:

- ▶ The policy with regard to sustainability matters.
- ▶ The business operations, events and achievements in that area for the year ended 30 June 2024.

in accordance with the applicable criteria as included in the 'Reporting criteria' section of our report.

Basis for our opinion

We have performed our reasonable assurance engagement on the Annual Review in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reports). This engagement is aimed to obtain reasonable assurance. Our responsibilities under this standard are further described in the 'Our responsibilities for the assurance engagement on the Annual Review' section of our report.

We are independent of Ernst & Young Nederland LLP in accordance with the 'Verordening inzake

de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Criteria

The criteria applied for the preparation of the Annual Review are the 'guiding principles' and 'content elements' of the Integrated Reporting Framework of the IFRS Foundation and the criteria supplementally applied as disclosed on page 71 of the Annual Review.

The comparability of the information (as included in the Annual Review) between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the Annual Review needs to be read and understood together with the criteria applied.

Materiality

Based on our professional judgement we determined materiality levels for each sustainability matter. When evaluating our materiality levels, we considered quantitative and qualitative aspects as well as the relevance of information for both stakeholders and the company.

We agreed with the Supervisory Board that misstatements which are identified during the assurance engagement and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Scope of the assurance engagement of the group

Ernst & Young Nederland LLP is the parent company of a group of entities. The Annual Review incorporates the consolidated information of this group of entities to the extent as specified in the chapter 'About this report' in the Annual Review.

Our assurance procedures for the assurance engagement of the group consisted of both assurance procedures at group level (consolidated) as well as at group components.

We determined the scope of our assurance procedures in such a way that we perform sufficient procedures enabling us to provide an opinion on the Annual Review. We considered, among other things, the management structure of the group, the nature of the activities of the group components, the business processes and controls and the industry in which the entity operates.

On this basis, we determined the nature and extent of the procedures at component level that were necessary to be performed by the group auditor and by the component auditors.

Limitations to the scope of our assurance engagement

The Annual Review includes prospective information such as ambitions, strategy, plans, expectations and estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites in the Annual Review are not part of the Annual Review as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our opinion is not modified in respect of these matters.

Responsibilities of the Board of Directors and the Supervisory Board for the Annual Review

The Board of Directors is responsible for the preparation and fair presentation of the Annual Review in accordance with the criteria as included in the 'About this report' section, including the identification of stakeholders and the definition of material matters. The Board of Directors is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Board of Directors regarding the scope of the Annual Review and the reporting policy are summarised in chapter 'About this report' of the Annual Review.

Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the Annual Review that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process of Ernst & Young Nederland LLP.

Our responsibilities for the assurance engagement on the Annual Review

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

Our assurance engagement has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our assurance engagement.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies

and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our assurance engagement included among others:

- ▶ Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the organization.
- ▶ Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the Annual Review. This includes the evaluation of the company's materiality assessment and the reasonableness of estimates made by the Board of Directors.
- ▶ Obtaining an understanding of the systems and processes for collecting, reporting and consolidating the Annual Review, including obtaining an understanding of the internal control environment relevant to our assurance engagement, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ▶ Identifying and assessing the risks whether the Annual Review is misleading or unbalanced, or contains material misstatements, whether due to fraud or errors. Designing and performing further assurance procedures responsive to those risks, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our opinion. These procedures consisted among others of:
 - ▶ Obtaining inquiries from management and/or relevant staff responsible for the sustainability strategy, policy and results.
 - ▶ Reading minutes of the meetings of management, the Supervisory Board and of other meetings that are important for the content of the sustainability reporting.
 - ▶ Obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the annual review.
 - ▶ Determining the nature and extent of the procedures to be performed for the group components. For this, the nature, extent and/or risk profile of these

components are decisive. Based thereon we selected the components.

- ▶ Obtaining assurance evidence that the Annual Review reconciles with underlying records of the company.
- ▶ Evaluating relevant internal and external documentation, on a test basis, to determine the reliability of the information in the Annual Review.
- ▶ Evaluating the data and trends in the information submitted for consolidation.
- ▶ Reconciling the relevant financial information with the financial statements.
- ▶ Evaluating the overall presentation and balanced content of the annual review.
- ▶ Considering whether the annual review as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with the applicable criteria.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings, including any significant findings in internal control that we identify during our assurance engagement.

Amsterdam, 24 September 2024

Forvis Mazars Accountants N.V.

M.M. Merx RA

About this report

Our reporting approach

The Annual Review published by EY Netherlands covers the financial year running from 1 July 2023 to 28 June 2024¹. In this review, we report on activities taking place in the Netherlands.

The report outlines relevant developments, our strategy and our contributions to long-term value creation in the year under review. We also provide an overview of our financial and sustainability performance.

In the Annual Review, we account for our sustainability matters. In anticipation of the upcoming CSRD requirements, which will apply from FY26 for EY Netherlands, we have updated our materiality assessment to incorporate the principle of double materiality.

For more detailed information on financial statements, we refer you to the Annual Review section of our website. The most important financial statements can be found in this Annual Review.

Reporting criteria

During the preparation of the Annual Review, we followed the guiding principles and content elements of the Integrated Reporting Framework ('the framework') of the IFRS foundation. We used the framework to communicate our business model, strategy and performance in the context of our ambition to create long-term value for people, clients, society and EY Netherlands. In line with this framework, we determined quantitative targets for long-term value creation (our *NextWave* strategy). This Annual Review marks the third time that we have disclosed our performance against those targets. The value creation model was used to structure the content of this Annual Review.

The process for determining our material sustainability matters is described in the Sustainability Statements. The Sustainability Statements also detail the results of the double materiality assessment, including a list of material sustainability matters for EY Netherlands. We have linked our objectives and KPIs for our sustainability matters as well as targets related to our long-term value ambitions. The connectivity matrix shows the relationship between our long-term value ambitions and our material sustainability matters. We developed our own reporting criteria for a number of KPIs (see section basis of preparation). The financial statements were prepared in accordance with IFRS (for more information, see the notes to the financial statements) and can also be downloaded from the **Annual Review section** of our corporate website.

Reporting ambitions

EY Netherlands adheres to a number of reporting guidelines and benchmarks. Because we were still organized under the LLP structure this financial year (prior to the transition to the BV structure starting FY25), this Annual Review complies with the UK Climate-related Financial Disclosure (CFD) regulations. This allows our performance and reporting methods to be compared with those of our peers and aligned with industry and stakeholder expectations. We are in the process of aligning our reporting with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). Due to the transition from an LLP structure to a BV structure, the CSRD will come into effect for EY Netherlands as of FY26. This is a gradual process. In the year under review, we introduced the term Sustainability Statements, carried out a double materiality assessment in anticipation of the relevant paragraphs from the European Sustainability Reporting Standards (ESRS 1 and 2), conducted a detailed

¹ A financial year consists of 52 or 53 weeks and therefore the year-end date differs from year to year. The financial year 2023/2024 (52 weeks) started on 1 July 2023 and ended on 28 June 2024 and the financial year 2022/2023 (52 weeks) started on 2 July 2022 and ended on 30 June 2023. Accordingly, references to 30 June 2024 must be read as references to 28 June 2024.

CSRD gap analysis and developed a roadmap to work toward compliance. The Sustainability Statements include additional information on our preparations for CSRD compliance.

Boundaries and scope

The reported information comprises the activities of Ernst & Young Nederland LLP, Ernst & Young Accountants LLP, Ernst & Young Belastingadviseurs LLP, EY Advisory Netherlands LLP, Ernst & Young Actuarissen B.V., Ernst & Young CertifyPoint B.V., Ernst & Young VAT Rep B.V., Ernst & Young Participaties B.V., EY-Parthenon B.V., CFORS B.V.² and EY VODW B.V.

Ernst & Young Nederland LLP acts as a holding company and does not provide any services to clients. Ernst & Young Belastingadviseurs LLP (EY Tax) had a strategic alliance with HVG Law LLP. Given their strategic alliance, the key figures of HVG Law LLP were included in the key figures of EY Tax. As no control can be exerted over the activities of HVG Law LLP, the financial figures of HVG Law LLP were not included in the (consolidated) financial statements.

External assurance

Our independent external auditor, Forvis Mazars, has provided reasonable assurance on the Annual Review. For the exact scoping, we refer to the assurance report that can be found on page 68 and following.

Extracted figures were derived from the financial statements of Ernst & Young Nederland LLP, on which Forvis Mazars LLP (UK) issued an unqualified auditors report on 24 September 2024. The chapter 'financial statements' is derived from the financial statements audited by Forvis Mazars LLP (UK). The key figures on page 12 and income statement on page 46 are derived from the financial statements of Ernst & Young Nederland LLP, on which Forvis Mazars LLP (UK) issued an unqualified report on 24 September 2024. The key figures on page 12 and the income statement on page 46 were adjusted to include the figures of HVG Law.

Appendix A on Climate risks, opportunities and their impacts was derived from the audited statements of Ernst & Young Nederland LLP (UK) in which they are included as 'other information'. The procedures performed by Forvis Mazars on other Information are in line with the requirements for such procedures as described in ISA 720 'the auditor's responsibilities relating to other information'.

² As of June 2024, the name has been changed to EY Accounting, Compliance and Reporting B.V.

Basis of preparation

Data privacy

EY Netherlands views data privacy and information security as fundamental components of doing business, and we are committed to protecting information assets, personal data and client information.

Number of reported incidents

We include all potential incidents or breaches reported to the Data Protection Office (DPO) through the EY privacy incident mailbox or EY Support.

Number of data breaches

We report on all confirmed data breaches from the reported incidents after the DPO has done its investigation.

Notifiable data breaches

We report on breaches that the DPO has classified as a reportable breach, which must be reported to the Dutch Data Protection Authority (DDPA) within 72 hours if the risk cannot be mitigated. The authorities (DDPA) may receive a preliminary or final notification of the notifiable data breach. Even if the DPO is unsure whether the breach is reportable, they still report it and submit information for further investigation, which could result in a final decision or withdrawal. Please be aware that the KPI only applies to final reported cases.

Employee-related data

Employee numbers are expressed in this report in full-time equivalent (FTE) and headcount. FTE counts the approximate number of full-time employees, with the inclusion of part-time employees. The calculation converts part-time employees into a fraction of a full-time employee based on their hours worked. The total FTE of employees is 4,464. Headcount is used to define the number of people working for the company at the end of the year. The total employees and equity partners at the end of the reporting year were 4,938.

Employee

An employee refers to an individual who is in an employment relationship with EY Netherlands. It excludes all individuals who are categorized as non-employees.

Non-employee

A non-employee refers to contractors, agency of record employees, managed services employees, interns and employees who participate in the EY exchange program and get paid by the host country. Equity partners are also considered non-employees.

Other non-employees

Includes all non-employees except for equity-partners.

Retention rate top talent

The retention rate top talent is based on employees who have a LEAD score of four (which is the highest year-end performance score) at the beginning of the reporting period and are still employed at the end of the reporting period. This is based on headcount. LEAD is our learning and feedback program. Based on the feedback cycles carried out during the year, an average score is assigned to the employee to assess their performance. Each feedback cycle, the employee is asked to obtain LEAD feedback from colleagues. This KPI includes all employees who are eligible for their LEAD evaluation.

High-performing teams (HPT) sessions

The EY Global program is designed to make teams work more efficiently and effectively by driving consistent positive team experiences. This is done through high-performing teams: an organizational development concept based on the Lencioni model. This KPI has two components:

1. The number of HPT sessions delivered in the reporting period.
2. The number of participants in the HPT sessions in the reporting period.

Percentage of overtime

The total number of hours charged by employees as a

percentage of the total number of FTE contract hours. The percentage of overtime hours is based on the total number of contract hours. The overtime hours are the number of hours worked in excess of the contracted hours. This KPI includes all employees and equity partners and excludes other non-employees.

Sick leave

EY Netherlands monitors the number of reported sick days by their employees (using a separate HR system for registration instead of Mercury). However, if a sick leave trajectory lasts for more than two years, days after the 730th day no longer contribute to the scope of this KPI. Sick leave is calculated by dividing the number of hours employees have been absent due to sickness by the number of hours they should have worked according to their employment contract in the period from July 4, 2023, to July 4, 2024, and then expressing the result as a percentage. This KPI excludes non-employees.

% Female employees (including equity partners)

The percentage of females at year-end based on the total headcount at year-end. This includes all employees and excludes all non-employees, with the exception of equity partners who are included.

% Female equity and non-equity partners

The percentage of female partners at year-end based on the total headcount at year-end, including both equity and non-equity partners.

% Intake female employees (including equity partners)

The percentage of new female hires based on the total head count at year-end. This includes all employees and equity partners, and excludes the other non-employees.

Female leadership positions

EY leadership is defined as members of the Supervisory Board (SB), Board of Directors (BoD), Operational Committee (OpCo) and the management teams of the service lines and FSO Netherlands. If individuals are members of more than one team, they will only be counted once. Female leadership is defined as the

percentage of women in EY Netherlands leadership positions.

Hours spent on training and education

This KPI is defined as the total number of hours spent on education and training, including direct learning hours and hours booked on 50/50 engagements (engagements with a training component).

The KPI falls within EY Strategic Focus Retaining, Recruiting and Developing Employees, which is defined as: Attracting and keeping diverse (top) talent, investing in employee loyalty by providing an inspiring work environment, attractive professional training, diverse career development opportunities and hybrid working.

Investment in training and education

This KPI is defined as euros spent on training and education over the financial year and is based on the expenses booked under the general training cost code and specific training/education engagement codes (journal entries in Mercury, the internal accounting system).

The KPI falls within EY Strategic Focus Retaining, Recruiting and Developing Employees, which is defined as: Attracting and keeping diverse (top) talent, investing in employee loyalty by providing inspiring work environment, attractive professional training, diverse career development opportunities and hybrid working.

People Pulse engagement score

Within EY Netherlands, a confidential People Pulse survey of employees is conducted each year to inform EY leaders about key people-related insights. This can help them take actions to improve engagement with their teams and create exceptional experiences for EY people. The most important indicators that are measured are employee experience, employee engagement and spotlight items. The spotlight items are focused on ethics, trust and speaking up, risk management, the local EY office and smart delivery/technology experience in FY24. Other topics include recognition and appreciation, inclusive culture and work environment and *NextWave* priorities. The average response rate is 44%.

The KPIs derived from the survey are defined as follows:

1. Employee experience¹: The percentage of respondents (EY employees), who respond favorably (responding 'strongly agree' or 'agree') to the item 'Overall, my EY experience is exceptional' for each individual survey, then averaged for the three surveys that take place during the financial year.
2. Employee engagement: People Pulse engagement score. This is a percentage of respondents (EY employees) who respond favorably (responding 'strongly agree' or 'agree') to the four statements included in the engagement section of the EY People Pulse survey for each individual survey, then averaged for the applicable surveys that take place during the financial year. The four statements are defined below:
 - ▶ I am proud to work for EY.
 - ▶ I would recommend EY as a great place to work.
 - ▶ My work gives me a sense of personal accomplishment.
 - ▶ I plan to be working at EY a year from now.

The last item, 'I plan to be working at EY a year from now' has replaced the item: 'I rarely think about looking for a new job at another company' from the prior year. This change has been made to align with industry standards and best practice on employee engagement measurement.
3. % EY people that would recommend EY as a great place to work: the percentage of respondents (EY employees) who respond favorably to the statement 'I would recommend EY as a great place to work' included in the Engagement section of the EY People Pulse survey then averaged for the applicable surveys that take place during the financial year.

Employee experience was evaluated in each People Pulse (in July '23, November '23 and March '24). The employee engagement score and EY as a great place to work only in the surveys of July '23 and March '24. The scores disclosed in this report are the unweighted average of the outcomes in the surveys.

Internal Quality Reviews

Internal Quality Reviews are conducted in two of our service lines: Assurance and Tax. For the Service Lines Strategy and Transactions and Consulting, there are no quantitative ratings since these reviews focus on qualitative assessments rather than quantitative ones.

In the case of the Internal Quality Review Assurance, the quantitative ratings are assigned at the engagement level. In the case of the Internal Quality Review Tax, quantitative ratings are given at the partner level. The primary objective of these reviews is to assess compliance with quality control systems, policies, procedures, professional standards and regulatory standards. Further, we also want to learn from the findings.

Service Line - Assurance

All assurance partners undergo reviews at least once every three years, and additional reviews may be conducted as needed. New partners are subject to a quality review within their first two years. Partners may also be selected for review through random sampling. This KPI makes no distinction between equity partners and non-equity partners.

The engagements are selected based on a risk analysis (for example, a first-year assignment or one that received a rating of two with significant findings or three in the previous year) and on engagements randomly selected for quality reviews. The engagements are selected from 1 July 2022 and 31 May 2024.

Each quality review assessment gets a rating from one to three:

- ▶ '1' for engagements with no or minor findings.
- ▶ '2a' for engagements with findings more than minor, but not significant.
- ▶ '2b' for engagements with maximum one significant finding.
- ▶ '3' for engagements with material findings; one or more significant findings.

¹ The definition of employee experience has been updated this year to align closely with the calculation methodology which itself has not changed.

For Assurance we make a distinction between engagements with and without significant findings. Significant findings are issues identified during the review process that result from non-conformity with reporting standards, inappropriate audit reports, deviations from auditing standards or failures in compliance with established EY Netherlands procedures.

Engagements without significant findings (category 1 or category 2a), these engagements are sufficient and have no or limited findings.

Engagements with significant findings (category 2b and 3), these engagements are partly insufficient because of one or more parts of our audit do not meet our quality standards.

Within Assurance we refined our KPI and include both rating 1's and ratings 2a without significant findings. The rate of *Internal Quality Review Score Assurance (in %)* is based on the consolidated number of quality review engagements with a rating of 'without significant findings (category 1 or category 2a)' to the total number of the quality review engagements.

Service Line - Tax

For Internal Quality Review Tax, tax partner selection is determined through a risk assessment process that considers various criteria. This assessment considers factors such as whether there are partners who have received lower scores in the past (specifically, scores of two or three) and whether there are any new partners who have joined within the past 18 months. In addition, each partner should be reviewed at least once every four years. Furthermore, the selection of engagements for partners undergoing review is determined through a comprehensive risk analysis process. This risk analysis involves applying a risk ranking system that considers qualitative criteria, such as the size of the engagement, total hours dedicated to the engagement, and the hours contributed by the partners involved. As a result of this risk analysis, a few engagements per partner are chosen for the review.

The definition of equity and non-equity partners was adopted in the period 2023-2024 in the service line Tax. The selection includes equity partners, and, as of this year, non-equity partners as well.

Each reviewed partner gets one of the following ratings:

- ▶ '1*' for no findings - gold standard workspace (exceptional client service and/or leading practices).
- ▶ '1' for minor findings.
- ▶ '2a' for improvement needed, but no material findings.
- ▶ '2b' for improvement needed, with material findings.
- ▶ '3' for substantial improvement required.

The rate of *Internal Quality Review Score Tax (in %)* is based on the consolidated number of reviewed partners with a rating of 1 (including 1*) and 2a to the total number of the reviewed partners. In the prior year, the figure was calculated as the consolidated number of equity and non-equity partners with ratings of 1 (including 1*) and 2a to the total number of the partners reviewed.

Client satisfaction score

An internal program through which we assess the quality of our services by conducting interviews and (online) survey questionnaires with our clients. We carefully select interviewers—typically senior partners, senior managers and members of the Client Experience (CX) team—to obtain transparent and objective feedback. Interviewers receive CX training to ensure effective interviewing and utilize standardized procedures and templates to conduct and document client feedback. When assigning interviewers, we prioritize (senior) professionals not directly involved in the account or engagement being assessed. Before the interviews are conducted, we identify and address potential conflicts of interest and reassign interviewers if necessary and where possible such as in cases involving legal disputes. This process is essential to maintaining the integrity of our CX ratings.

The clients' assessment of the relationship with EY Netherlands is expressed in percentages. The client can classify their relationship with EY Netherlands as follow: improved, worse or remained the same. The definition of the KPI *Client experience* is defined as % of clients who

indicate that the relationship has improved or remained the same. HVG is not included in this KPI.

Independence review partners

The outcome of our yearly Personal Independence Compliance Testing (PICT) program for EY Netherlands equity partners. This program tests compliance with personal independence confirmation requirements. There are two types of personal independence compliance violations:

- ▶ Independence violation - cases where the partner has not disclosed his/her interests (or those of his/her spouse) in relation to an engagement to which he or she is the partner.
- ▶ Administrative violation - cases where the partner has not completed the reporting process.

In the financial year 2023/2024 (in the period 1 April 23 and 31 March 24) testing cycle, the independence of 58 partners was tested.

Incidents regarding non-assurance services

The number of breaches with regard to the provision of non-assurance services to OOB/Dutch EU-PIE audit clients that are prohibited on the basis of the Dutch 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO; Regulation regarding the independence of accountants performing assurance engagements) (in the period 1 April 23 and 31 March 24). HVG is not included as HVG relates to law services.

Hours spent on innovative services

The number of hours spent by NL Innovation employees, EY Netherlands employees and HGV Law employees participating in the Innovate EY program.

Community investment

Community investment is part of EY's global strategy, and refers to sharing knowledge and expertise on a pro-bono basis and concluding strategic partnerships with civil society organizations and social start-ups. All EY employees can participate in projects and spend hours on community investment activities through the *EY Ripples* program.

Number of participants in community investment/ *EY Ripples*

The total number of participants in projects that are part of the *EY Ripples* program. The number of participants is determined per project and reported on an aggregated level. This is based on the total employees, contractors and equity partners of EY Netherlands including FSO and our colleagues from HVG Law.

Number of hours spent on community investment

We calculate the total number of hours spent on social activities, encompassing pro-bono advisory, skills-based volunteering (*EY Ripples*), other corporate responsibility (traditional volunteering), Diversity, equity and inclusiveness (DE&I) networks and initiatives and Corporate Responsibility and Sustainability team-related hours. These hours are registered in EY's time registration system Mercury.

Energy use

To improve data quality of energy consumption and minimize estimation errors, we collect the data for the calendar year instead of the usual financial year.

Often the utilities/facility managers are only able to provide invoices or overviews of a calendar year instead of our financial year. As a consequence, that in previous years data was often extrapolated.

Carbon footprint assessment

EY Netherlands is committed to assessing and reporting on the carbon footprint of its operations in accordance with the Greenhouse Gas (GHG) Protocol standards to the extent possible.

Scope 1 - direct CO₂e emissions are accounted for, including the natural gas used in EY Netherlands buildings and the fuel consumed by company-leased vehicles.

Scope 2 - indirect CO₂e emissions from the electricity used in our buildings and electrically powered leased vehicles, as well as from district heating.

Scope 3 - emissions from activities not directly owned or controlled by EY Netherlands, such as:

- ▶ Fuel-and energy-related activities not covered in Scope 1 or 2.
- ▶ Waste generated in operations.
- ▶ Business travel.
- ▶ Employee commuting.

Relevance assessment table

Category	Relevance
Scope 1	
Company facilities	Yes
Company vehicles	Yes
Scope 2	
Purchased electricity and district heating	Yes
Scope 3	
1. Purchased goods and services	Yes
2. Capital goods	No
3. Fuel and energy related activities	Yes
4. Transportation and distribution	No
5. Waste generated in operations	Yes
6. Business travel	Yes
7. Employee commuting	Yes
8. Leased assets	No
9-15. Other categories	No

The calculations adhere to the extend possible to the GHG Protocol Corporate Standard, Scope 2 Guidance and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emission factors are sourced from aligned databases such as co2emissiefactoren.nl, DEFRA, EXIOBASE and Ecolnvent 3.

Explanation of reporting scope

This year, EY Netherlands has expanded its carbon reporting scope to include fugitive emissions in Scope 1 and one new category in Scope 3: fuel-and energy-related activities (3.3). Due to the negligible impact of fugitive emissions in FY24 (0.02% of the total footprint), they were not retroactively added to the baseline. Emissions from refrigerant leakages are calculated by recording the types and amounts of refrigerants refilled in our office

cooling systems during the year and then multiplying these quantities by their respective emission factors. Although category 3.1 (Purchased goods and services) is relevant, it is not included yet this year. As of FY25, with the revision of our FY30 environmental ambition on a global level, this category will be included and aligned with the EY Global methodology. Category 3.7 is relevant, but insignificant for a professional services firm. Category 3.8 is not relevant for EY Netherlands as we have only operational control over all leased assets. Categories 3.9-15 are not relevant as EY Netherlands does not produce/sell products, lease assets to lessees, have franchises, or make such investments.

Emissions factors for the 'waste generated in operations' and 'district heating' have been updated and recalculated

for FY22 and FY23, to ensure comparability. For previous year (FY23), guarantees of origin have been purchased for electricity of leasecars, therefore FY23 emissions have been updated.

Disclaimer

In this Annual Review, we report on our efforts and the realization of objectives in 2023/2024. In addition, we outline our plans and vision for the future. This future-oriented information can be recognized through the use of words such as to continue, to wish, to aim, to forecast, expectation, goal, objective, vision, planning, ambition, intention and forecast. Inherent in expectations regarding the future is the fact that outcomes are subject to risks and uncertainties, and that realization is therefore uncertain. Furthermore, when we use the terms 'more', 'extra' and 'better' in several sections, this is in relation to our own performance in the previous financial year.

Sustainability Statements

Approach to sustainability reporting

EY Netherlands adheres to several reporting guidelines and benchmarks. We are aware that we will be subject to the EU Corporate Sustainability Reporting Directive (CSRD), which entered into force on 5 January 2023. The European Sustainability Reporting Standards (ESRS) were adopted by the European Commission on 31 July 2023. Due to the transition from an LLP structure to a BV structure, EY Netherlands will be required to report in accordance with CSRD from FY26 onwards.

In the year under review, we initiated preparations for compliance with the CSRD. In the first half of FY24, we conducted a double materiality assessment considering the CSRD requirements as outlined in ESRS 1 and 2. Following the assessment, we carried out a detailed CSRD gap analysis and developed a roadmap to work toward compliance.

The FY24 Sustainability Statements are a first step in our transition to CSRD compliance in FY26. The statements incorporate several material disclosures that are set out in the ESRS. We expect to make significant progress in FY25 and be fully compliant in FY26.

Stakeholder dialogue

We engage in ongoing dialogue with our key stakeholders to understand their perspectives and interests, identify material impacts, risks and opportunities and deliver long-term value. These dialogues take place on different levels within our organization and are often a part of our day-to-day operations.

The EY Netherlands leadership team participates in the most important stakeholder dialogues. These dialogues take place through the following programs and events: People Pulse, EY Private, EY Society, CEO/CFO roundtables, *Tomorrow's Economy*, *EY Ripples* and stakeholder consultation sessions during the double materiality assessment process. The EY Stakeholder Dialogue Steering Committee evaluates the dialogues, monitors and formulates improvement measures and adapts the strategy where necessary.

We have identified the following key stakeholder groups. These are groups that are affected by our operations across the value chain and are crucial to our business's success in the short, medium and long term:

- ▶ Clients
- ▶ Employees
- ▶ Non-employees including EY Netherlands equity partners
- ▶ Legislators
- ▶ Regulators
- ▶ Politicians
- ▶ NGOs
- ▶ Universities

Our stakeholder engagement framework is built on two main pillars:

1. Environmental, Social and Governance (ESG) dialogue: to determine relevant ESG themes, which serve as input for the double materiality assessment (DMA).
2. EY Stakeholder Pulse: a biennial survey to gather insights from our stakeholders on specific topics that we believe will significantly impact the future economy, and, consequently, EY Netherlands.

As part of the stakeholder consultation process, we conducted a roundtable session with employees from different service lines to gather input on the list of (potential) material sustainability matters and the initial scoring. In addition, we conducted external interviews with the before mentioned stakeholder groups. The purpose of these external interviews was to gather input on the list of (potential) material sustainability matters by asking our external stakeholders to score and prioritize these topics for EY Netherlands. Finally, we held a validation session with the Board of Directors, who have reviewed and validated the list of sustainability matters.

Double materiality assessment

In FY24, EY Netherlands¹ conducted its first double materiality assessment, which provides a structured approach to identifying which topics influence our ability to create value for people and society and to determining the reporting scope of the annual review. The assessment of the material impacts, risks and opportunities, which covers the entire value chain, forms the basis for the annual review and takes place at an early stage of the reporting process. EY Netherlands made the transition from a single materiality assessment to a double materiality assessment (DMA) in anticipation of the relevant paragraphs from the European Sustainability Reporting Standards. We have taken this step in anticipation of the reporting requirements that will apply to EY Netherlands from FY26. We also involve stakeholder representatives in determining the relevance and impact of various topics. As part of the DMA, we distinguished between impact materiality and financial materiality. We identified and scored impacts and risks and opportunities (IROs) to determine our material sustainability matters.

We plan to re-evaluate this year's DMA in FY25, when the new EY global strategy will be implemented. Currently EY Global is developing a DMA approach for EU member firms. EY Netherlands will align its approach with the EY Global standard in the next Annual Review.

Approach

We assessed the impact of EY Netherlands on people and the environment as well as the impact of sustainability matters on EY. Thus, the double materiality assessment includes an additional dimension compared to the previous single materiality approach. It is a combination of two perspectives: 'inside-out' and 'outside-in'. The inside-out perspective examines the impact we have on people and the environment. The outside-in perspective examines the (financial) risks and opportunities of sustainability matters. A topic is deemed material if it is considered significant from either one or both perspectives.

¹ Excluding HVG law LLP

Phase 1: Assess the sustainability landscape

The goal of the first phase is to compile a long list of (potential) material ESG topics and map them along our value chain (upstream, direct operations and downstream). As part of this process, we mapped, among other things, our value chain, business activities, geographic locations and stakeholder landscape, and conducted a peer analysis of industry peers and a reporting framework analysis (e.g., SASB, GRI, etc.) This resulted in a long list of potential material sustainability matters, which were then grouped into overarching topics, for which specific definitions were created.

Phase 2: Identify and score impacts, risks and opportunities (IROs)

The goal of the second phase is to assess each impact, risk and opportunity in terms of impact and financial materiality. We identified IROs for each sustainability matter. Our assessment of impact materiality involved the evaluation of the scale, scope, irremediability (only for negative impacts) and likelihood (only for potential impacts), considering both positive and negative impacts, as well as actual and potential impacts. Our assessment of financial materiality involved the evaluation of the financial magnitude of risks and opportunities and their likelihood. The financial risks and opportunities assessment includes risks previously identified by our risk department as part of the enterprise risk management framework.

We assessed and scored all IROs at a gross level, meaning prior to any mitigating actions. We considered a sustainability matter (i.e., a group of IROs) material if at least one IRO exceeded the threshold for impact materiality, financial materiality or both. Sustainability matters for which no IRO was identified or exceeded the threshold were considered not material.

Phase 3: Consolidate and validate results

The goal of this third phase is to consolidate the results, resulting in a visualization of the most material sustainability matters according to the principle of double materiality. We consulted internal and external stakeholders on the DMA results. The Board of Directors has reviewed and validated the results of the DMA, including the list of material sustainability matters.

Our FY24 sustainability matters

Sustainability matter	Definition	Impact, risk or opportunity	
Climate change	The process of reducing greenhouse gas (GHG) emissions throughout our value chain (upstream, own operations, downstream), including the reduction of consumed energy, and limiting the increase in the global average temperature to 1.5 °C above pre-industrial levels. This topic also includes the management of climate risks and opportunities to adapt to actual and expected climate change and its impacts.	▶ Greenhouse gas (GHG) emissions and energy consumption ▶ Climate change mitigation	Negative impact Opportunity
Sustainable supply chain	Our strategies, programs and procedures to improve the supply of resources in a sustainable manner and to support suppliers and contractors to carry out projects. It also relates to supplier due diligence and ongoing sustainable due diligence processes, as well as fair treatment of suppliers and payment practices.	▶ Scrutiny of value chain activities	Risk
Working conditions	Operational working conditions to ensure safe working conditions for our own workforce and workers in the value chain, including arranging appropriate working times, having adequate wages, ensuring secure employment and offering freedom of association and collective bargaining. This topic also covers the protection of human rights, including the prohibition of child and forced labor. It also covers the implementation of workplace health and safety measures to safeguard and improve employee health, vitality, mental well-being and employee physical safety.	▶ Appropriate working time ▶ Pressurized work environment ▶ Retention of employees ▶ Secure employment ▶ Promotion of employee health and safety ▶ Employee absence	Positive impact Risk Opportunity Positive impact Positive impact Risk

Sustainability matter	Definition	Impact, risk or opportunity	
Equal treatment and opportunities for all	Maintaining and promoting a diverse and inclusive work environment that offers equal opportunities and rewards and is free from discrimination. This also includes ensuring diverse leadership teams that represent our people and communities.	▶ Gender balance	Positive impact
Retaining, recruiting and developing employees	Attracting and keeping diverse (top) talent, while investing in employee loyalty by providing an inspiring work environment, attractive professional training, diverse career development opportunities, employee engagement initiatives and hybrid working. EY is considered an employer that offers employees valuable work experience that they can apply to various jobs and positions further on in their careers.	▶ Employee training and development ▶ Inability to recruit and retain talent ▶ Inability to develop our employees ▶ War for talent	Positive impact Risk Risk Risk
Stakeholder engagement	An ongoing process of interaction and dialogue between our company and its stakeholders that enables us to hear, understand and respond to their interests and concerns.	▶ Stakeholder dialogue	Positive impact
Data, privacy and cybersecurity	Strong data protection and cybersecurity measures that safeguard the privacy and identity of clients and employees and protect the company's property.	▶ (Personal) data protection ▶ Data protection and data ethics	Positive impact Risk
Quality of our services	Helping clients grow, optimize and protect their value by providing exceptional and high-quality services that demonstrate added value to our clients and keep them satisfied, while being compliant with applicable laws and regulations. This also includes anticipating global challenges with integrated services that help clients safeguard the continuity of their business and make their operations more sustainable and future proof, amidst growing restrictions imposed by supervisory bodies.	▶ Quality provision ▶ Enabling sustainable and future-proof business solutions	Positive impact Positive impact

Sustainability matter	Definition	Impact, risk or opportunity	
Corporate culture	Guiding our activities through shared values, beliefs and norms as expressed through, for example, our mission statement and code of conduct. This topic encompasses our culture, values and principles that promote integrity, transparency around business practices and communication (e.g., on financial crime, compliance, bribery and corruption, fraud and responsible tax practices). This is supported by a strong corporate governance framework. Corporate culture also empowers employees and other stakeholders to speak up without fear of reprisal.	▶ Corporate values and principles ▶ Business ethics, integrity and independence	Positive impact Risk
Client and engagement choice	Making choices about the type of clients we engage with and the type of services we offer them. This includes being prepared to walk away from some clients and services that are not aligned with our stated values, such as clients with a significant impact on climate change or those who participate in tax avoidance.	▶ Irresponsible choice ▶ Accounting for clients' environmental footprint	Negative impact Positive impact
Trust in capital markets	EY holds a public role, meaning the company serves the public interest by promoting transparency in the market and fostering confidence in information. EY Netherlands does this by, for example, validating information and working standards. EY Netherlands activities help bring the market and sector to a higher level and allow the public to have trust in capital markets.	▶ Improving market and sector	Positive impact

Connectivity table

Our management approach on Next Wave Strategy for 2024

Our values	Strategic focus/ sustainability matters	Performance KPIs FY24	Result 23/24	Result 22/23	Result 21/22	Target FY25
Next Wave People Value	Exceptional experience for EY People	Employee experience % of EY people say their experience with EY is 'exceptional'	74	78	72	>75
		Employee engagement People pulse Engagement score (in %)	76	73	72	>75
		Great place to work % EY people would recommend EY as a great place to work	78	82	79	>75
Create an exceptional work environment	Retaining, recruiting, developing employees	Hours spent on training and education	464,555	461,054	473,000	n/a
		Euro's spent on training and education (millions €)	12	13.8	10.5	n/a
		Number of colleagues attending HPT sessions	1,258	1,646	1,714	n/a
		Retaining top talent (retention rate %)	90	90	88	n/a
	Equal treatment & opportunities for all	% of female employees	43	43	43	50
		% female equity and non-equity partners	21.3	20.5	20	25
		% intake female equity partners	27	31.8	29.4	35
		% intake female employees	46	44	46	50
		% female leadership positions (SvB, BoD, SLL)	31	28.6	27.6	>35
	Working conditions (incl. Employee safety, health and well-being)	% of overtime	3.1	3.1	3.9	n/a
		% sickleave	3.87	3.85	4.39	n/a

Connectivity table

Our values	Strategic focus/ sustainability matters	Performance KPIs FY24	Result 23/24	Result 22/23	Result 21/22	Target FY25
Next Wave Client value	Help clients grow, optimize and protect value	Client experience Customer satisfaction score (% of clients who indicate that the relationship has improved or remained the same)	94	92	93	95
	Quality of our services	Internal Quality Review score Assurance (in %) Internal Quality Review score Tax (in %) Number of hours spent on innovative services	94.5 84.6 6,281	98.9 87.5 5,486	92.6 72.7 8,614	>90 >90 n/a
Being the trusted advisor	Client and engagement choice					
Next Wave Social Value	Trust in Capital markets & positive impact on community and planet	Internal Quality Review score Assurance* (in %)	94.5	98.9	92.6	>90
		Internal Quality Review score Tax (in %)	84.6	87.5	72.7	>90
		Total CO₂ emission (tCO₂e)** (market-based)	11,124	10,382	8,780	12,443
		Total CO₂ emission per FTE (tCO ₂ eq)	2.3	2.3	1.9	n/a
	Trust in capital markets					
	Climate Change	Total CO ₂ emissions scope 1	3,338	4,672	4,945	n/a
		Total CO ₂ emissions scope 2 (market-based)	549	478	1,947	n/a
		Total CO ₂ emissions scope 3***	7,237	5,232	1,868	n/a
Care for our society	Sustainable supply chain					
	Community investment (strategy, not material)	Number of participants in community investment/ EY Ripples	1,129	1,560	1,405	n/a
		Number of hours spent on community investment	11,353	16,413	19,428	n/a

* Internal quality review score as currently assessed by EY Netherlands. EY Global's confirmation is still pending as of publication date of the report. Within the following Annual Review any potential changes in the outcome due to Global will be reflected and disclosed. Result 22/23 is restated based on the Global Annual Review report.

** Based on comparable categories; see page 73 and following for basis of preparation and explanation about updated emission factors for waste and district heating.

*** Without fuel and energy related activities, see page 102 for more details.

Connectivity table

Our values	Strategic focus/ sustainability matters	Performance KPIs FY24	Result 23/24	Result 22/23	Result 21/22	Target FY25
Governance	Data, privacy and cybersecurity	Number of reported security incidents	240	226		
		Number of data breaches	84	122		
		Number of data breaches reported to authorities	2	2		
	Stakeholder engagement					
	Corporate culture	Number of incidents regarding non-assurance services at audit clients	0	0	0	0
		Number of independence compliance reviews partners	58	58	56	n/a
		Personal independence violations partners	3	3	0	0

Annex

1. EY's contribution to the UN Sustainable Development Goals

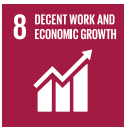
With our services, we aim to contribute to sustainable and inclusive growth. We are aware of our important social role and provide guidance through both our strategy and our services.

We see the United Nations Sustainable Development Goals (SDGs) as an opportunity for our ecosystem to drive growth, manage risk, raise social capital and create a vision to create value.

In addition to our contribution to the SDGs through our core activities, we also make an impact through our Community Investment activities. We have considerable in-house knowledge and experience to contribute more

broadly to the challenges we face as a society. We are committed to addressing these challenges through the 'EY Ripples' program as well as through initiatives related to 'Social Return on Investment', which demonstrates that we go beyond serving our clients only.

We have identified SDG 4, SDG 8, SDG 12 and SDG 16 as our core focus areas due to their direct impact on our people, clients and society. We focus on areas on which we have the largest impact and can generate positive change through our services and Community Investment program. The table below describes EY's contribution to the targets of the Sustainable Development Goals in more detail:

SDG	Relevant target	Link to EY's activities
 4 QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	▶ We attach great importance to providing our people with various learning and development opportunities. Each year, we provide our staff with a dedicated budget and introduce new initiatives. This year 104 hours were spent on learning and development per employee. ▶ We promote education by supporting young and underserved people to develop the mindsets and skills they will need to find and sustain meaningful work through the EY Ripples program (our Corporate Responsibility program). This year, colleagues were involved in initiatives with JINC and NL Cares, supporting a total of 1.303 children.
 8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries.	▶ We aim to be a long-term growth leader and generate returns that reflect our investments. This year our turnover grew with 1%.

SDG	Relevant target	Link to EY's activities
	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value-added and labor-intensive sectors.	▶ We invest in technological innovation to guarantee the quality of our services and strive for sustainable growth. For example at EY, we promote the responsible use of AI to build public trust and ensure that AI benefits society as a whole. We do this by introducing new services and solutions to help our clients create value through AI, sharing our knowledge and insights, and incorporating secure AI systems in our own way of working. ▶ The EYnovation team supports high-growth start-ups and scale-ups at an early stage, providing them with strategic, legal, tax and financial assistance. We often serve as a link between these innovative technology start-ups and our larger clients.
	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	▶ Through our 'EY Ripples' program, we are working with impact entrepreneurs. Their knowledge and skills are enabling EY employees to help scale small and growing businesses that are driving progress towards the UN Sustainable Development Goals. During the recent fiscal year, we mobilized 149 colleagues to bring their business skills, knowledge and experience to non-profit organizations and impact businesses to increase our collective impact on society.
	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10 Year Framework of Programs on Sustainable Consumption and Production, with developed countries taking the lead.	▶ EY Global commits to reduce absolute scope 1, 2 and 3 GHG emissions 40% by FY2025 from a FY2019 base year, consistent with our 1.5 degrees Celsius Science Based Targets initiative (SBTi) target. ▶ EY Netherlands offers a broad range of sustainability services to help our clients achieve their sustainability objectives and manage the impact of EU sustainability regulations on their business.
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	▶ We are committed to establishing diverse teams, providing equal opportunities and creating an inclusive environment in which our people experience a sense of belonging and feel safe. EY Netherlands sets ambitious targets to improve gender diversity at all levels of the organization. ▶ We engage in Social Return on Investment (SROI) initiatives, which aim to create employment opportunities for individuals with barriers to the labor market, thereby fostering inclusiveness and economic participation.
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources.	▶ EY Netherlands offers a broad range of sustainability services to help our clients achieve their sustainability objectives and manage the impact of EU sustainability regulations on their business. ▶ EY Global commits to reduce absolute scope 1, 2 and 3 GHG emissions 40% by FY2025 from a FY2019 base year, consistent with our 1.5 degrees Celsius Science Based Targets initiative (SBTi) target. One of the key elements of our commitment is reduction of air travel with 35%.
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	▶ In close cooperation with our facilities and catering partner, we are taking measures to reduce waste and recycle. We are working with the foodsaving app Too Good to Go (TGTG), which means that food that might otherwise be thrown away after service is now being sold through TGTG. This year 1,000 meals have been saved. ▶ We have replaced single-use (coffee) cups with reusable CupXchange cups.
	Ensure sustainable consumption and production patterns	

SDG	Relevant target	Link to EY's activities
 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	▶ EY supports many large and multinational companies with their sustainable strategy, advising them how to implement it and how to report on sustainability information. ▶ We help our clients navigate through the transition period towards compliance with CSRD. We held discussions with clients about the upcoming changes to help them prepare for compliance with the CSRD.
	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.	▶ As part of the EY Ripples pillar to accelerate environmental sustainability, we initiate activities that drive the adoption of behaviors, technologies and business models that protect and regenerate the environment. ▶ Eco Innovators NL supports, inspires and connects people around the world who share a passion for protecting and caring for the natural world. This year they organised for example 'bike-to-work day' and a vegan cookworkshop.
	16.5 Substantially reduce corruption and bribery in all their forms.	▶ EY has a global anti-bribery policy and has established robust client acceptance, independence and AML processes to ensure our integrity and the highest quality services. ▶ EY's people follow obligatory ethics-related web-based training, such as 'Anti-bribery and you'.
	16.6 Develop effective, accountable and transparent institutions at all levels.	▶ We fulfill an important social role through our audit activities. Our work contributes to the reliability of financial and non-financial information and helps keep financial markets calm and stable.
In addition to the four SDGs described above, there are two more SDGs to which we contribute as well, albeit to a limited extent.		
 Reduce inequality within and among countries	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	▶ We have a Diversity, Equity and Inclusiveness (DE&I) task force, in which the board of directors is strongly represented. The task force translates our policy into concrete plans. ▶ We have active employee resource groups such as SheConnects (a network for women), Unity NL (a network for LGBT+ professionals and their allies) and a multicultural network called AcrossCultures. They play an important part in promoting inclusiveness in our organization.
 Take urgent action to combat climate change and its impacts	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	▶ As part of the EY Ripples pillar to accelerate environmental sustainability, we contribute to awareness raising and education. During FY24 110 colleagues participated in interactive Climate Fresk workshops to learn about causes and consequences of climate change. ▶ Published as EY Climate Barometer, EY conducts annual research into the state of climate-related reporting among Dutch organizations in various sectors. We examined the degree of transparency, completeness and quality of the reports based on public information.

2. Taking climate action

At EY Netherlands, our purpose is building a better working world, and creating long-term value is a core pillar of our EY NextWave Strategy. We are committed to having a positive impact on the planet.

EY Netherlands is an entity within a wider globally represented organization. For EY Netherlands, it is of the utmost importance to stay aligned with EY Global's climate ambitions, but also progressing towards meeting our own decarbonization targets. We are on our way to reaching our initial decarbonization commitment set in 2021, and also excited to update the next phase of our science-based decarbonization plan, which will be published in early FY25.

Last year, in June 2023, the Board strengthened the governance for EY Netherlands' ESG/Sustainability policy, and have continued to use, and improve, this policy throughout FY24. Our ESG/Sustainability policy is an important subject for our organization, and EY Netherlands will endeavour to reinforce our implementation thereof. Three tiers work on, and oversee, how our strategy in this area is implemented and what progress is being made.

Climate risk management

EY Netherlands takes care to ensure that we stay aligned with EY Global, and as such we also consider climate related risks and opportunities. EY Netherlands determined that the risks identified by EY Global are applicable to our operating environment, however, we have additionally performed an assessment focused on EY Netherlands operations. Annually, EY Global undertakes a substantive analysis of the climate risks and opportunities faced by EY employees, operations, clients, and society guided by an EY steering group representing key areas of the business.

This group provided qualitative feedback and generated quantitative rankings of risks and opportunities based on their financial materiality. The EY Global assessment provides a macro view of EY's climate change risks

and opportunities, looking at physical and transitional categories across operations and the market. The chosen scenarios are considered of importance to show the maximum climate impacts possible for EY based on the network's current operational footprint and revenue (Business As Usual - BAU) as well as show the potential impacts for EY from a sharp pivot toward aggressive decarbonization and climate change mitigation (Low Carbon Economy - LCE).

Enterprise Risk Management (ERM)

The impacts of the climate-related risk analysis that have been performed at the global level, are currently included in the enterprise risk management process (The ERM process is a component of the RMF). The findings of the assessment are embedded into the broader enterprise risk management process to track these risks and opportunities. For more information we refer to the EY global environmental report .

This year, we have assimilated the results from the Global climate-risk analysis to an EY Netherlands level. Estimations were used to determine the financial impacts of the identified transition risk to an EY Netherlands value. For physical risks, we used the EY Climate Analytics Platform (EY CAP) to determine if there were any additional physical risks that EY Netherlands has to be aware of.

The results of this assessment can be found in the appendix. The identified (Netherlands specific) risks and opportunities were discussed with the ESG Working Group. The ESG Group's comments and observations were included in the climate-related risk analysis. After further discussion and analysis, we will include these findings within the enterprise risk management process.

In future, these assessments will become more granular, and each service line will have their specific input included in the assessment. Future endeavours will ensure a more seamless integration of all department's inputs to

the climate-related risk analysis, which will feed into a resilience strategy.

Appendix A - Prioritized climate risks and opportunities, and their impact on EY Global’s strategy and business model(s)

Below is a synopsis of EY Netherlands' climate-related risk assessment and scenario analysis. This information on Climate risks, opportunities and their impacts was derived from the audited statements of Ernst & Young LLP (UK) in which they are considered as 'other information' and assessed as such by Forvis Mazars UK.

Assumptions

Next steps	EY Netherlands will evaluate, assess and determine the risks applicable in FY25. The risk and opportunities identified below were quantitatively modelled under two climate scenarios at short (current year to 2025), medium (2030) and long-term (2050) time horizons. These time horizons have been chosen to best understand the exposure of the firm to physical and transition climate risks.
Business as usual (BAU) scenario	Physical risks are more pronounced; increasing frequency and intensity of acute risks such as floods, cyclones and wildfires; increased chronic risks from rising temperatures and changing precipitation patterns. Also known as the high-emissions scenario.
Low-carbon economy (LCE) scenario	Transition risks are more pronounced; market shifts quickly to renewables and away from fossil fuels; risk of noncompliance to new climate-related disclosure requirements; high reputational risks due to greater stakeholder pressure and expectations. Also known as the global warming of below 2°C scenario.
Time frames chosen for the scenarios	All physical risks were modelled from present day until 2100, while the transitional risk and opportunity modelling projects values out to 2050.

Prioritized climate risks

Risk/ Opportunity description	Impacts to EY	Considerations	Our response	Next steps
Category: Physical risk Type: Chronic Primary impact: Operations				
(R1) Heat stress: Increased temperatures leading to heightened risk for employee health and wellbeing	▶ EY is already seeing notable impacts to people, clients, and operations due to chronic climate change, and could threaten the viability of continuing EY operations in certain locations. ▶ Chronic physical risks to EY increase markedly in both the BAU and LCE scenarios, with only moderately greater potential impacts under business as usual. ▶ The offices affected mostly would be the Amsterdam, Rotterdam and Eindhoven.	▶ Heat risk does not only take into account office locations, but also the ability of employees to work from home. An increase in temperature will increase the potential health concerns such as heat stress and reducing worker productivity both at home and in the office. It might also increase EY's operating costs. ▶ This may be due to workers demanding compensation or increases in WFH budgets (such as for increased energy costs or outlay costs - aircon running costs). The result may also be an increase in Scope 3 emissions.	▶ EY maintains a flexible property leasing strategy, allowing us to focus on three- to five-year instead of traditional 10- to 15-year leases. Our global real estate policies address various factors when determining locations for new facilities, including energy cost, availability and climate change risks.	▶ Mitigate significant chronic physical risks in the near- and medium term regardless of future climate scenario. ▶ Conduct further analysis of high-opportunity (high-risk) offices and offices that serve highly vulnerable sectors and develop office- or region-level plans to improve resilience to chronic physical impacts. ▶ Further develop our building selection criteria to include more sustainability-related factors into the location recommendations.
Category: Physical risk Type: Acute Primary impact: Operations				
(R2) Flooding: Increased intensity, frequency and/ or duration of flooding, impacting office buildings and public infrastructure	▶ Extreme weather events could threaten the health and safety of EY employees, leading to potential business continuity, employee support and disaster response implications for EY. ▶ Acute climate events also have the potential to disrupt client operations and business models, especially vulnerable client sectors (e.g., power and utilities, agribusiness, government and infrastructure) which could have negative impacts to EY in the long-term. ▶ These effects will increase in both scenarios, with greater impacts in a BAU scenario. ▶ The offices affected mostly would be Rotterdam and Eindhoven.	▶ Pluvial flooding may occur more frequently than Fluvial flooding due to the environmental conditions that the Netherlands faces and carries with it a smaller impact (damage loss). ▶ In the event that pluvial flooding was to occur the damage to the two office locations exposed (Rotterdam and Eindhoven) the impact would be severe, also for the surrounding areas. This will likely impact employees in several ways, being unable to work from the office locations but also likely unable to WFH or remain in their homes.	▶ Promoting a strong culture of remote/flexible working. ▶ Leasing of co-working spaces, which can be used to accommodate personnel when an office building faces risks from a climate event or other natural disaster. ▶ Maintaining robust emergency response, crisis management and business continuity plans that are reviewed and tested frequently across EY member firms.	▶ Setting a region-specific high-exposure threshold for each physical hazard. ▶ Conducting further analysis of high-opportunity (high-risk) offices and offices that serve highly vulnerable sectors, and develop office- or region-level plans to improve resilience to acute physical impacts (will be continuously evaluated in the short term). ▶ Assessing the cost of relocating an office within a city or region (from proposal through implementation) and considering establishing a formal climate risk-related office relocation protocol.

Prioritized climate risks

Risk/ Opportunity description	Impacts to EY	Considerations	Our response	Next steps
Category: Transition risk Type: Reputations (Talent) Primary impact: Operations/services				
(R3) Inability to attract or retain talent due to negative reputation on climate performance	▶ Decreased talent attraction and retention due to possible negatively perceived reputation on climate performance. ▶ These effects will increase in both scenarios, with greater impacts in a BAU scenario.	▶ Considering new talents social consciousness about global issues the reputation of companies (especially people service focused industries) is increasingly becoming a key consideration for choosing employment. ▶ If EY wishes to attract top talent they need to ensure they set and achieve targets under a net zero scenario.	▶ Engaging our people in global corporate responsibility initiatives, including EY Ripples and Eco-Innovators, our employee-driven sustainability initiatives designed to realize our NextWave ambitions including carbon reduction.	▶ We will continue to focus on our strategy and create long-term value for our employees and we will continue to reduce our impact on the planet by emission reduction initiatives.
Category: Transition risk Type: Reputation (Reputation) Primary impact: Services				
(R4) Inability to meet public and self-imposed climate targets. Increased stakeholder concern (clients and customers) due to reputational damage, including new disclosure and compliance requirements related to climate related disclosure and reporting	▶ Since market-leading regulatory compliance is inherent to EY values, EY is unlikely to face substantial direct compliance risk from increasing climate-related regulations. However, sustainability audit and assurance engagements are expected to vastly increase in either scenario, potentially leading to an increased risk of regulatory exposure in a very small percentage of such engagements, with minimal financial impact. ▶ In either the LCE or BAU scenario, EY could face significant advantages or disadvantages with talent retention, as well as significant revenue gains or losses, depending on maintenance of or failure to maintain a market-leading climate reputation. ▶ Our projections of revenues to 2050 in the LCE and BAU scenarios as either 'climate leaders' or 'climate laggards' indicates that EY can reap substantially greater benefits by continuing to pursue a 'climate leader' role in either scenario.	▶ Loss of revenue increases if we are not able to meet the targets we have set and clients choose to switch to competitors for their superior climate reputation.	▶ Engaging our people in global corporate responsibility initiatives, including EY Ripples and Eco-Innovators, our employee-driven sustainability initiative designed to realize our NextWave ambitions including carbon reduction.	▶ We will reduce our absolute emissions by 40% across scopes 1, 2 and 3 by 2025, against an FY19 baseline, consistent with a 1.5°C science-based target approved by the SBTi (short term). ▶ The EY public policy function monitors international, national and local legislative and regulatory developments that impact member firms. Our teams work with experts throughout the businesses to closely monitor developments and analyze proposals and legislative text for potential impacts to the EY network and its clients.

Prioritized climate risks

Risk/ Opportunity description	Impacts to EY	Considerations	Our response	Next steps
Category: Transition risk Type: Policy and Legal Primary impact: Operations/services				
(R5) Increasing exposure to unethical or illegal behaviour in relation to climate regulation	▶ In either the LCE or BAU scenario, EY could face significant pressure from markets to decarbonize at an accelerated rate, as well as significant revenue gains or losses, depending on maintenance of, or failure to maintain a market-leading climate reputation.	▶ Loss of revenue due to increased litigation costs increases if we engage in unethical or illegal behaviour in relation to climate regulations.	▶ Continue to engage with legislative and regulatory developments to ensure compliance.	▶ The EY public policy function monitors international, national, and local legislative and regulatory developments that impact member firms. Our teams work with experts throughout the businesses to closely monitor developments and analyse proposals and legislative text for potential impacts to the EY network and its clients.
Category: Transition risk Type:Reputation Primary impact: Clients/services				
(R6) Misaligned engagements	▶ Pursuing client engagements which are not aligned to EY's low carbon goals, resulting in reputational damage, is higher in a LCE scenario, as we have clients widely known for their environmental impacts (examples are clients in oil and gas sector). ▶ Loss of revenue due to pursuing client engagements which are not aligned to EY's low carbon goals, resulting in reputational damage increase across all timeframes.	▶ The type of relationship we have we have with oil and gas sector clients (we could help them decarbonize (as they will have to be someone's client)); but public perception will have to be managed a society will most likely not scrutinise the type of relationship with expose clients.	▶ Continually monitor and consider the types of services we provide to certain clients to avoid potentially losing revenue or new business opportunities.	▶ We will continue to focus on our strategy.

Prioritized climate risks

Risk/ Opportunity description	Impacts to EY	Considerations	Our response	Next steps
Category: Transition risk Type: Emerging regulations Primary impact: Clients/services				
(R7) Carbon pricing	▶ Although market demand transition risks are higher in the LCE scenario, the carbon intensity of EY clients should decline noticeably by 2050, even in the BAU scenario. Therefore, EY should be prepared for substantial shifts in demand for services due to increasing regulatory, client and stakeholder pressures, in either scenario.	▶ Increased costs if no savings implemented, or ▶ Increase in revenue due to reducing carbon taxation and increasing operational margins increases across all timeframes.	▶ If we do not continue to provide exceptional client service in this space, we could potentially lose revenue or new business opportunities. To mitigate this risk and pursue the associated opportunities, we have expanded our sustainability solution set and global delivery capabilities in all service lines and sectors. ▶ We have implemented many initiatives to upskill our people in sustainability, such as offering a free sustainability MBA, promoting engagement with EY Ripples programming and empowering grassroots sustainability initiatives through employee-led sustainability networks.	We aim to further improve our future (short- and medium-term) risk modelling by: ▶ Further investigating the number of current clients with a climate strategy, with GHG emissions reduction targets and/or with an SBTi-aligned goal, to better anticipate possible transition risk hotspots and opportunities. ▶ Studying selected high-opportunity offices or regions that serve carbon-intensive sectors, and develop office- or region-specific transition risk management plans.

Prioritized climate risks

Risk/ Opportunity description	Impacts to EY	Considerations	Our response	Next steps
Category: Transition Opportunity Type:Sustainability services Primary impact: Services				
(O1) Increased demand for sustainability-services and enhanced brand value if climate leadership position is maintained and grown	▶ We expect demand for EY sustainability-related services to grow rapidly in both the BAU and LCE scenarios as the world adapts to climate change and mitigates climate risk. ▶ From our analysis, the sustainability opportunity is greater under LCE compared to BAU. This demonstrates the importance of leading decarbonization efforts for ourselves and with clients, national governments, international frameworks, and across entire economic sectors. ▶ Since LCE will benefit employee health and safety, as well as planetary wellbeing, EY should keep encouraging aggressive climate mitigation efforts and fulfil our Carbon Ambition in the short-term as we seek to develop longer-term commitments beyond 2025.	▶ If EY does not set and achieve targets under a net zero scenario the resulting impact on our marketability and reputation towards clients could be damaged, resulting in clients choosing to move to other companies that can help them align and comply with upcoming legislative requirements. As this is a growing concern for all professional services firms, the drive to grow market share is potentially linked to our ability to show we are capable of leading by example.	▶ Helping clients achieve their own carbon ambitions presents an opportunity to engage with clients, national governments, international standard setters and civil society to help ensure a sustainable future. ▶ EY member firms are recruiting more sustainability professionals at all levels to invest in EY service offerings related to climate risks and opportunities. This includes providing clients with insights and advice to understand their energy footprint, designing governance structures, mapping impacts on their value chains and developing strategies to manage the transition to a low-carbon economy.	▶ Further modelling refinement could be achieved by attempting to explicitly assess EY projected sustainability market share from 2025 to 2050, rather than applying a constant market share percentage across all five-year increments. ▶ Additionally, linking cross-cutting variables, such as market share and reputational impacts, within either scenario will automatically update risk and opportunity findings, as a specific assumption changes. ▶ This would improve stakeholders' understanding of the linkages between each risk and opportunity and would highlight the compounding effects of seizing a specific opportunity and mitigating (or not mitigating) a particular risk.
Category: Transition Opportunity Type: Reputation Primary impact: Operations/services				
(O2) Talent attraction	▶ We expect greater opportunities for talent retention in both scenarios. ▶ Increased talent attraction and retention due to positive reputation on climate performance has multiple benefits to our employees and business continuity.	▶ Considering new talents social consciousness about global issues the reputation of companies (especially people service focused industries) is increasingly becoming a key consideration for choosing employment. IF EY wishes to attract top talent they need to ensure they set and achieve targets under a net zero scenario.	▶ Engaging our people in global corporate responsibility initiatives, including EY Ripples and Eco-Innovators, our employee-driven sustainability initiative designed to realize our NextWave ambitions including carbon reduction.	▶ We will continue to focus on our strategy and create long-term value for our employees and we will continue to reduce our impact on the planet by emission reduction initiatives.

Appendix B - EY is reviewing decarbonization targets with a refreshed environmental strategy launching in early FY25

The EY global network commits to reduce absolute scope 1, 2 and 3 GHG emissions 40% by FY25, against an FY19 base year, consistent with our 1.5C Science Based Targets initiative (SBTi) target.

With this target, the global network commits to reduce absolute scope 1 (direct emissions from our own organisation) and scope 2 (indirect emissions from electricity used) GHG emissions 93% and absolute scope 3 GHG emissions from business travel, employee commuting, fuel and energy related activities, upstream transportation and distribution, waste generated in operations 32% over the same time frame:

- 1.Reducing EY's business travel emissions, with a target to achieve a 35% reduction by FY25 against our FY19 base year.
- 2.Reducing overall office electricity usage, and procuring 100% renewable energy for our remaining needs, earning RE100 membership by FY25.
- 3.Structuring electricity supply contracts, through virtual PPAs, to introduce more renewable electricity than EY consumed into national grids.
- 4.Using nature-based solutions and carbon-reduction technologies to remove or offset more carbon from the atmosphere than EY emits, every year (for the categories included in SBTi target).
- 5.Providing client project teams with tools that enable them to calculate, then work to reduce, the amount of carbon emitted in carrying out their work for the client.
- 6.Requiring 75% of EY's suppliers, by spend, to set Science Based Targets by no later than FY25.
- 7.Investing in EY services and solutions that help clients profitably decarbonize their businesses and provide solutions to other sustainability challenges and opportunities.

In order to achieve our target to reduce absolute emissions by 40% across Scopes 1, 2 and 3 by FY25, EY Netherlands monitors additional targets like:

- ▶ Having a full electric fleet by the end of 2025.
- ▶ Working toward zero waste in its own operations.

3. EY Netherlands carbon footprint

Total GHG emissions disaggregated by Scopes 1, 2 and 3

GHG emissions (tCO ₂ eq)	Retrospective				
	Base year (FY19)	FY22 ¹	FY23 ¹	FY24	% FY24/ FY23
Scope 1					
<i>Total scope 1</i>	11.983	4.945	4.672	3.338	-28,6%
Natural gas	794	495	499	371	
Refrigerant leakage	-	-	-	3	
Fuel - lease cars	11.189	4.451	4.174	2.963	
Scope 2					
<i>Total scope 2 market-based</i>	2.839	1.947	478	549	14,9%
<i>Total scope 2 location-based</i>	-	-	-	4.457	
Electricity buildings (market-based)	1.652	90	103	282	
Electricity buildings (location-based)	-	-	-	2.162	
Electricity lease cars (market -based)	406	1.441	0	0	
Electricity lease cars (location-based)	-	-	-	2.028	
District heating buildings	781	416	374	267	
Scope 3					
<i>Total scope 3 comparable²</i>	5.446	1.868	5.232	7.237	38,3%
<i>Total scope 3</i>	-	-	-	8.454	
3 Fuel and energy related activities (FY24 inclusion)	-	-	-	1.217	
5 Waste generated in operations	87	44	50	51	
5 Waste treatment	-	-	-	1	
6 Business travel - air	4.873	1.519	4.223	6.108	
6 Business travel - car	-	-	409	461	
6 Business travel - rail	-	-	6	4	
7 Employee commuting	486	305	544	612	
Total GHG emissions					
Total market - based	-	-	-	12.341	
Total market - based - comparable ²	20.268	8.780	10.382	11.124	7,1%
Total location - based	-	-	-	16.249	
Total GHG emissions per FTE - market-based comparable ²	4,4	1,9	2,3	2,3	

¹ See page 73 and following for basis of preparation and explanation about updated emission factors for waste and district heating.

² Without 3.3 fuel and energy related activities (new category in FY24).

GHG intensity based on net revenue

GHG intensity per net revenue	FY23	FY24	% FY24/FY23
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/.000€)	-	0,0150	-
Total GHG emissions (market-based- comparable) per net revenue (tCO ₂ eq/.000€)	0,0095	0,0101	5,9%

The net revenue used to calculate GHG intensity

	FY23	FY24
Net revenue used to calculate GHG intensity (in millions of euro's)	1.083	1.094
Total net revenue (in financial statements) (in millions of euro's)	1.083	1.094

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