



How can ensuring human rights create business value?

Human Rights Due Diligence
EY Sweden financial year 2024

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Introduction and summary | Safeguarding human rights in EY Sweden



Introduction | EY Sweden's commitment to protecting human rights

EY Sweden is committed to upholding and promoting human rights in line with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We believe that respect for human rights is fundamental to advancing our vision of "building a better working world".

EY Sweden in collaboration with EY Nordics in line with the OECD guidelines, conducts ongoing due diligence efforts in its own operations, supply chain and EY's Global Delivery Services (GDS). Based on the gap analysis and risk assessment, we identified specific human rights issues that require additional attention from EY. These have been continuously monitored and followed up on during financial year 2024. Respect for human rights is a fundamental principle at EY globally, and this commitment is firmly supported by the management and board of EY Sweden.

In our operations at EY Sweden, we have identified three areas with the highest risk of negative impact on human rights:

- ▶ Right to fair and favorable working conditions (including rest, leisure and reasonable limitation of working hours).
- ▶ The right to health (physical inactivity in the working day, mental health linked to high work intensity and stress levels).
- ▶ The right not to be subjected to discrimination and harassment.

The same risks as above, as well as the right to freedom of assembly and association, were also identified for GDS.

EY has well-established processes to ensure human rights in its operations, continuing the measures and processes described in our financial year 2023 annual report. Our ongoing due diligence conducted during financial year 2024 has led to new measures for the ongoing financial year 2025. These are aimed at strengthening the protection of human rights and working conditions within EY Nordics and GDS, now in closer collaboration with EY's global procurement department

Using a risk-based approach, we identified eight companies in the supply chain with a medium or high risk of human rights violations based on an assessment of the industry, raw materials in the supply chain and available information on human rights maturity. In addition, EY's global procurement department has identified 24 additional global suppliers in high-risk industries that will be included in EY's follow-up of suppliers in 2024. In total, we have identified 13 rights that are particularly relevant to our value chain from raw material to final goods/services. Over the past year, we have carried out further in-depth risk assessments, and initiated dialogue with the identified suppliers to further map their work and measures for safeguarding human rights.

In this report, we provide a description of our due diligence process, mapping, and findings in our own operations and supply chain. Additionally, we provide and update on our 2023 targets detail the planned activities and measures for the upcoming year.

About EY in the Nordics and our commitment to protect human rights

EY is one of the world's leading centers of expertise in auditing and advisory services. Our work covers audit, tax, strategy, transaction and consulting services with over 400,000 employees in more than 150 countries. At EY Sweden, more than 3,500 colleagues work across 45 geographical locations. For detailed information regarding EY's legal structure, ownership, and responsibilities, please refer to our [Transparency Report for financial year 2024](#).

In the Nordic countries, the audit and advisory industry is strictly regulated with numerous statutory controls and

procedures. Negative impacts on employees' rights can occur both at work and during the recruitment process, a risk present in any workplace. As a global company operating across borders, we face heightened risks in countries with less stringent public controls and procedures. Nonetheless, our supply chain presents the greatest risk for negative impacts on human rights.

Respect for human rights is integral to EY's purpose of 'Building a Better Working World.' Our approach to and compliance with human rights align with international conventions, such as the International Covenant on Political and Civil Rights, the International Covenant on Economic, Social and Cultural Rights, and the ILO's 10 core conventions.



Additionally, we conduct our business in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

On 1 July 2022, the Norwegian Transparency Act came into effect, prompting EY Norway, in collaboration with us in EY Sweden and the rest of EY in the Nordic countries, to develop a process for performing due diligence assessments of our own operations, EY GDS, and our supply chain. This report outlines EY's human rights due diligence process, how EY in the Nordics identifies risks related to human rights, and our measures to prevent negative impacts on human rights.

Establishing effective routines for human rights due diligence is a current priority for most large companies in the Nordics, driven not only by the Norwegian Transparency Act but also by upcoming EU sustainability regulations and directives. We are actively working towards reporting in accordance with the 'Corporate Sustainability Reporting Directive' (CSRD) and implementing the 'Corporate Sustainability Due Diligence' (CSDDD) requirements. The findings from our human rights due diligence are being integrated into the process of identifying EY's material risks of negative impact.



Due diligence | Own operations



Commitment to human rights in own operations | Policies and routines

Policies

EY's "Ethical Compass" is our [Global Code of Conduct](#) – the code of conduct that underpins our conduct and EY's culture. It reaffirms EY's commitment to safeguarding the integrity and ethical concerns of its employees. In addition, we have global and local governing documents that address EY's commitment to respecting human rights and supporting them in our operations.

Our policies and statements for human rights in own operation:

- ▶ [EYs Global Code of Conduct](#)
- ▶ [EY Global Human Rights Statement](#)
- ▶ [EY Global Executive \(GE\) Diversity, Equity and Inclusiveness Statement](#)

EY's Global Code of Conduct has clear principles that guide us in our actions and the way we do business and must be adhered to by everyone at EY. All EY employees must complete training and sign that they work in accordance with the Code of Conduct annually. In the financial year 2024, 100% of employees completed the training and all signed an understanding of and commitment to comply with the Code of Conduct. Behavior that violates our Global Code of Conduct, such as discrimination or sexual harassment, is not tolerated and will have consequences. In financial year 2024, three breaches of the Code of Conduct were reported in EY Sweden. These cases have been followed up on and handled in accordance with our internal guidelines. Through our work

to ensure compliance with the Code of Conduct, and through frequent communication of the Code, we strive to create an environment that encourages all employees to behave responsibly – and to report any deviations without fear of reprisals.

Whistleblowing and routines for uncovering negative impact on human rights

As part of our efforts to ensure compliance with our ethical guidelines and applicable laws, EY has its own whistleblowing mechanism called the "EY Ethics Hotline". This whistleblowing service is rooted on a global level and allows EY clients, partners, employees and other actors outside the organization to anonymously report activity that may be unethical, inappropriate, in violation of professional standards, inconsistent with EY's values, or our Code of Conduct. Written and oral reports to the EY Ethics Hotline are subject to immediate follow-up by the Ethics Committee. Of these, each case is assessed according to EY's standardized processes for assessing the severity of breaches and proportionate consequences. We also provide redress or compensation where relevant.

At EY Sweden, it is most common for complaints or concerns to be raised via managers, counselors, or other contact persons. All cases, regardless of channel, are handled by the Ethics Committee if there is suspicion of violations of the Code of Conduct. EY management is always informed as applicable.

Identified areas of human rights risk in own operations

To identify EY's risk of adverse human rights impacts in our own operations and supply chain, we regularly conduct due diligence in line with the OECD Guidelines and the UN Guiding Principles. When assessing risks within EY's own operations, we performed a risk assessment and gap analysis in financial year 2023. This involved analyzing all internal governing documents and routines relevant to human rights to identify any gaps that could increase the risk of a negative impact on human rights. We regularly review this analysis to ensure that any updates in policies, routines, or other circumstances that might affect human rights are considered when evaluating our risk prioritization.

The gap analysis and risk assessment of our own operations has identified the following areas as having the highest risk of negative impact on human rights within EY Sweden:

Current human rights in our own operations:

- ▶ Right to fair and favorable working conditions (including rest, leisure and reasonable limitation of working hours).
- ▶ The right to health (physical inactivity in the working day, mental health linked to high work intensity and stress levels).
- ▶ The right not to be subjected to discrimination and harassment.

Identified areas of human rights risks in EY Global Delivery Services

Respect for human rights in EY GDS

EY GDS is a network of service centers supporting all business areas of EY globally. The network employs over 75,000 people, with the majority of around 60,000 based in 10 offices in India. EY Sweden has agreements with various competence teams within GDS.

As part of EY Global, EY GDS adheres to the same Global Code of Conduct as the rest of the organization. Locally, EY GDS has implemented effective measures to promote safety, well-being, and inclusion in the workplace. However, based on country risk* and interviews with EY GDS India employees, it is assessed that there is a greater risk of discrimination and work pressure for colleagues in EY GDS compared to employees in EY Sweden and EY Nordics.

Current human rights in the EY GDS:

- ▶ The right to fair and good working conditions (fair wages, a decent living wage, safe and healthy working conditions, rest, leisure time and reasonable limitation of working hours, holidays, etc.).
- ▶ The right to health (physical inactivity in the working day, mental health related to high work intensity and stress levels).
- ▶ The right not to be subjected to discrimination and harassment.
- ▶ Right to assembly and freedom of association.

* <https://www.hrw.org/world-report/2022/country-chapters/india> (World Report 2022: India – Human Rights Watch (hrw.org))



Measures to reduce the risk of negative impact on human rights in own operations

Fair and good working conditions

Follow-up of working hours and sick leave

The market in which we operate means that our employees at times have high job intensity, high pressure and short deadlines. This can lead to overtime work, which in turn can affect the employee's rest and free time. EY Sweden monitors average weekly working hours and follows up on overtime to promote work-life balance.

Employees benefit from a collective agreement-regulated pension system with savings and disability insurance. Additionally, EY offers an extensive health insurance plan that covers employees both in the workplace and during their personal time. This insurance facilitates access to preventive care and medical treatments.

Employee feedback

At EY Sweden, we conduct the employee survey, the 'People Pulse Survey,' three times a year to examine and measure well-being, sense of belonging, autonomy, and other aspects of everyday work at EY. Our goal is to see a steady increase in the Engagement Index and to achieve an 80% Exceptional Experience Rating by 2025. In the 2024 financial year, we achieved a score of 78%, a 1 percentage unit decrease compared to last year. EY's Talent (HR) department is constantly working to ensure that employee welfare and rights are preserved, and employee feedback helps influence actions and priorities.

Promotion, salary adjustment and bonus

With more than 3,500 employees in EY Sweden, follow up on employees, assessing skills, promotions and determining salaries and bonuses is an extensive process. As with recruitment, there is an inherent risk of discrimination in these situations. EY has good procedures and processes in place to ensure fair assessment of employees:

- ▶ All employees have a Counselor who provides guidance throughout the year, with established routines and a minimum of three follow-up conversations annually to discuss work and progression
- ▶ Employees gather feedback from managers and clients throughout the year
- ▶ In the end of the year, all employees undergo an annual 'review' where managers and Talent (HR) payroll managers first consider promotions. Salaries and bonuses are then assessed individually for all employees.
 - ▶ In this process, our payroll tools:
 - ▶ Trigger "unconscious bias training" before granting access to payroll data.
 - ▶ Provide a visual representation of employees' salaries, broken down by gender, location, service areas, etc.
 - ▶ Maintain a continuous overview of the pay distribution differences between men and women.

Proposed promotions, salary adjustments, and bonuses are always reviewed by Talent (HR) management and payroll officers prior to final approval. If there is a suspicion of discrimination due to skewed distribution by gender, location, service area, etc., the adjustments will be reassessed.

All employees with project responsibility are evaluated based on quantitative KPIs such as sales, billable hours, and income from the projects they manage.



Employee health, safety and well-being

Work environment policy

Busy workdays with tight deadlines and balancing work with personal life can cause stress, potentially leading to health issues. EY recognizes this and is dedicated to providing employees with support and resources to manage stress effectively. EY Sweden's work environment policy and plan outlines our commitment to fostering a healthy work environment and mitigating risks of work-related illnesses and injuries. This management approach is seamlessly integrated into our daily operations and systematic handling of workplace issues.

EY hybrid work model

[EY's hybrid work model](#) offers our employees flexibility in their workday, both where and when they work, and allows employees to shape their own lives to a greater extent than before. Flexibility can have a positive impact on both physical and mental health, by allowing employees to manage their own time as needed and desired, and thus be more flexible to participate in both physical and social activities. At the same time, a hybrid work model changes how managers follow up and see their employees, and each employee also has a greater responsibility to set limits for working hours and leisure time with the risk that entails. Talent (HR) and management follow the effect of the hybrid work model closely, both for employees and the organization as a whole. Overall, the flexibility and trust are highly valued by our employees.

Physical health

Our employees engage in sedentary work, prompting us to actively promote wellness education and ensure ergonomic office setups. To support physical health and a positive work environment, especially under our hybrid work model, we equip remote workspaces with ergonomic home office gear. To encourage physical activity, employees have access to an app for movement reminders during breaks. Our spacious offices are designed with diverse work zones to suit various tasks, demanding either concentration or collaboration. Additionally, in 2024, EY Sweden introduced, a tailored benefits platform aimed at boosting employee satisfaction and engagement through personalized work-life balance and wellness programs, including a wellness allowance. The wellness allowance is set to 5 000 SEK.

Mental health

We prioritize mental health at EY Sweden by fostering a healthy work environment and promoting work-life balance. Our approach includes integrating stress management into performance appraisals, providing follow-up with an employee counselor, and offering counseling services. We also ensure access to insurance-covered psychological support for challenging life events and services for managing stress and daily life skills. Each year, we host themed weeks featuring webinars on mental, social, physical, and financial well-being. In 2023, we launched the #BetterWorking@EY initiative to enhance collaboration in hybrid teams and introduced improved parental leave benefits to support employees in balancing work and family life, thereby attracting top talent.

Diversity, Equity and Inclusion

Equality

EY Sweden and the Nordic region is actively working to promote gender equality at all levels of the organization. We have achieved gender balance, with a ratio of 40%-60% men and women, at lower positions, on the board, and within the total employee population. The challenge for EY Sweden lies in achieving gender balance at the Director and Partner levels. To address this, we have implemented several measures to investigate the reasons behind the lower number of female partners and to facilitate gender balance in top management as well.

Examples of these activities include:

- ▶ Enhanced parental leave process with optional coaching for employees transitioning to our from leave.
- ▶ Nordic Career Watch: A voluntary sponsorship program for a selection of women with high leadership potential at manager and senior manager level.
- ▶ Accelerate@EY, aimed at senior-level women, focuses on career development, work-life balance, personal branding, and self-awareness.
- ▶ Regular unconscious bias training for all employees.
- ▶ Went through a review according to Global Equality Standard including policy review and employee focus groups, resulting in a detailed action plan that will be used during the update of the diversity, equity and inclusion plan during financial year 2025.
- ▶ Working for a more strategic succession planning to ensure we have a better overview of our female leadership pipeline.

EY Sweden and the Nordics region has developed a Nordic diversity, equity, and inclusion plan through 2025, focusing on fostering an inclusive culture, gender focus, and being a leading voice in all we do, with clear methods and actions to accelerate progress.

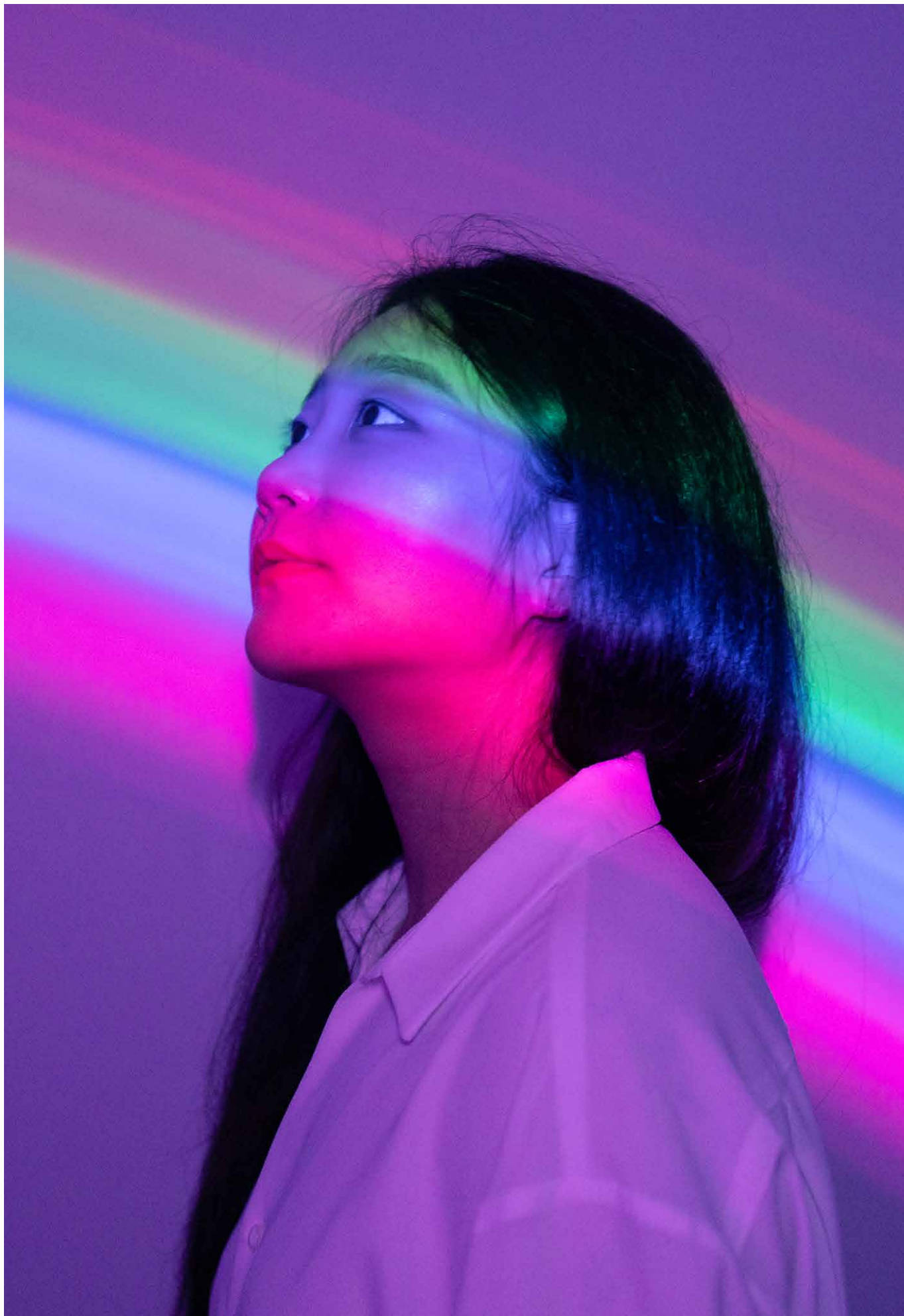
Discrimination and harassment

EY has zero tolerance for discrimination and harassment of any kind. Our culture is built on our shared values of respect, courtesy and professionalism, devoid of discrimination, bullying and harassment. Nevertheless, discrimination and harassment are inherent risks in any workplace, including our workplace. In the financial year 2024, we did not have any incident of legally binding discrimination/harassment, brought up to the Nordic Ethics Board. The situation was handled by our Nordic Ethics Committee and the appropriate response was given by the management. EY Sweden and the Nordics has a number of established preventive measures to reduce the risk of discrimination and harassment and to ensure that everyone feels included and safe with us.

Anchoring responsibility

In addition to our Code of Conduct, we have a Global Inclusion and Non-Discriminatory Policy and a Global Executive Diversity & Inclusion Statement. These not only emphasize the importance of diversity and inclusion to the business but also ensure that EY member firms are responsible for its progress, starting with management attitudes. The work on diversity, belonging, and inclusion at EY Sweden is rooted in the management and the board. We have an approach that includes diversity, belonging, and inclusion in all processes and situations.

To strengthen accountability across the EY organization, the Global Diversity & Inclusion Tracker is used to track progress in all EY regions by consistently measuring diversity and inclusion globally. EY has also established the Global Social Equity Task Force (GSET) to develop action plans that specifically address inequalities and discrimination. The task force comprises EY executives with diverse backgrounds and perspectives, from different geographies, service areas, and functions. This group supports the diversity, belonging, and inclusion agenda globally. In Sweden and the Nordic region, activities are driven by a dedicated role, the Nordic Diversity Equity and Inclusion Lead, with local Diversity Equity and Inclusion responsible in each Service Line.





Recruitment

EY Sweden regularly recruits new employees, and there is always an inherent risk of discrimination in recruitment processes. Preconceived attitudes, or ‘unconscious bias,’ are something everyone has and represent the greatest risk of making suboptimal decisions and discriminating. The following processes are in place and under development to prevent discrimination in the recruitment process and, most importantly, to ensure that all talent is welcome at EY:

- ▶ Use of inclusive language in job advertisements (improved in 2022).
- ▶ Unconscious bias training before interviews; all interviewers are required to complete it.
- ▶ Involvement of more than one interviewer in the process.
- ▶ Implementation of aptitude tests, personality profiling, and case interviews.
- ▶ Monitoring of equality and diversity throughout the process, from applicants to interviews, offers, and employment.
- ▶ We have developed a policy with adjustments that recruiters and recruiting manager can use to make sure we adapt the recruitment process so that it is inclusive for everyone, also for persons with disabilities.

The risk factors are assessed regularly to ensure that our priorities are continuously updated and integrated into our work to prevent the risk from increasing or materializing.

Social gatherings and Code and Conduct

During periods with many social gatherings and at larger events, managers remind employees of the Code of Conduct both in writing and verbally, with the intention of preventing situations of discrimination and/or harassment from occurring, and to ensure that employees feel safe to speak up if they do occur.

EY has long been committed to diversity, belonging, and inclusion. Building teams that are well-performing, diverse, and inclusive is important in our industry, which serves both Swedish and international companies. Diversity brings different perspectives that strengthen projects, customer relationships, and drive professionalism and critical thinking. While we have made progress in diversifying our business, there is still more work to be done, and we are continuously striving to enhance internal diversity. EY in the Nordics and Sweden have also established several internal networks to support belonging and inclusion. These include International @EY, a resource group for LGBTQ+ members and allies, and a focus group dedicated to ensuring accessibility for people with disabilities at EY. These groups are open to all and aim to provide a sense of belonging and a communication channel to management with a focus on inclusion.

Board responsibility for workforce

To assure progress Sustainability, Wellbeing and Diversity, Equity and Inclusion are focus areas for EY Sweden with board representatives driving separate initiatives with related teams.

Status of prioritized measures in our own operations for 2023/2024

Process for annual due diligence

Measure from 2023: In financial year 2023, we set a goal to further structure and establish our annual human rights due diligence process. The purpose of this goal was to formalize the structure of the annual process and follow-up, as well as to allocate responsibility for different tasks.

Update: Over the past year, EY Sweden and the rest of the Nordics have continued to collaborate with our expert team on human rights and due diligence within our own organization. This collaboration has resulted in a well-organized due diligence process that aligns with the OECD Guidelines. Every step and task of the due diligence process is documented in a shared platform, accessible to all parties who have been allocated responsibility. The documentation of the tasks and steps has facilitated the formalization of the process. In addition to tracking the process, we have developed an 'EY Nordics Due Diligence Routine Guideline.' These routine guidelines include descriptions of all tasks, information sources, tools, allocation of responsibility, and suggested timelines.

Raise awareness of "unconscious bias" throughout the recruitment process

Measure from 2023: EY Sweden regularly recruits new employees, and there is always an inherent risk of discrimination in recruitment processes. In financial year 2023, we set a goal to raise awareness among everyone involved in the recruitment process to reduce the risk of 'unconscious bias.' With this, we want to promote diversity at EY and prevent discrimination.

Update: EY Sweden has implemented various initiatives to prevent and mitigate unconscious bias across all risk processes. The aim of these measures is to ensure

proper oversight of course conduct and to guarantee that interviewers have received the necessary training. As part of our 2023 goal to raise awareness, we have made interview training mandatory for all interviewers and are actively monitoring compliance. The Talent (HR) department has established a schedule for eight annual training sessions focused on recognizing and addressing 'unconscious bias.' Furthermore, we have tightened the criteria for those eligible to participate in the interview process.

GDS: Follow-up and mapping of local initiatives

Measure from 2023: EY Sweden has set a goal to more closely follow up on the local management of EY GDS to better identify local initiatives that protect human rights in the teams we work with. Despite GDS being a close collaboration partner that delivers professional services to EY Sweden, there is a higher risk associated with their staff being located far from project owners in the Nordics, in countries with fewer job securities and regulations.

Update: The initiatives to mitigate and prevent negative impacts on human rights and ensure decent working conditions in GDS is shared by all EY global entities. Over the past year, there has been increased awareness among Nordic and Global leadership about the human rights risks identified in GDS. Several conversations have been initiated with the Global Sustainability Team on how we can safeguard the human rights and working conditions for everyone, particularly for GDS due to their higher inherent risks. We will continue to seek ways to reduce the risk of negative impacts on human rights among the employees in GDS.

Due diligence | Supply chain



Commitment to human rights in the supply chain | Policies and routines

EY's Supplier Code of Conduct is EY's code of conduct for our suppliers and includes commitments to respect human rights. Among other things, EY requires all our suppliers to commit to respecting and safeguarding human rights in their own operations and supply chains, as well as an expectation of due diligence to prevent forced labor. By signing EY's General Terms and Conditions, the supplier agrees to abide by EY's Supplier Code of Conduct in its delivery to EY. As part of our efforts to comply with the requirements of the Transparency Act, the due diligence process in the supply chain is strengthened at a Nordic and Swedish level, in collaboration with EY Global.

Our general policies and commitments to protect human rights in EY's supply chain:

- ▶ [EY's Supplier Code of Conduct](#)
- ▶ [EY's general terms and conditions \(Nordic version\)](#)
- ▶ EY Global Procurement Policy (internal policy)

Procurement routines and supplier follow-up

All EY personnel must comply with the requirements of our internal "Global Procurement and Supply Chain Policy" when procuring goods or services on behalf of EY, regardless of their size on the purchase. One of the points is that all contracts with suppliers should include an obligation for the supplier to comply with the EY Supplier Code of Conduct or equivalent supplier policy (as determined by Supply Chain Services and/or the General Council Office). For purchases of value above USD50,000, and the purchase of technology regardless of price, will Global Supply Chain Services be included in the purchase and selection of provider.

[EY Global Supply Chain Services](#) helps optimize EY's purchasing power across products and services. Like part of our purchasing activities are those looking for suppliers that are innovative and can provide exceptional customer service and support. We are committed to maintaining a diverse supplier base and build relationships with suppliers who reflect the market, customers, and communities we serve.

Our [Environmental Social Governance services-team](#), which is part of Supply Chain Services, drives an inclusive and sustainable mindset across EY's supply chain. Among other things, the team ensures training of all supply chain employees in ESG topics; and everyone has participated in courses on human rights in the supply chain, and how to reduce the risk of human rights violations; including forced labor.

Risk assessment and identified areas of human rights risk in the supply chain

Supply chain risk assessments and process

EY Sweden and the Nordic region carried out a due diligence assessment based on the OECD's Guide for Responsible Business Conduct in financial year 2023. The risk assessment was divided into two phases. In the first phase, all Nordic suppliers from financial year 2023 were assessed and categorized by country, sector, and company size. An in-depth analysis was conducted for all Nordic suppliers with expenditures above USD 500,000. Following the initial phase, a selection of suppliers was chosen for further investigation. This included a comprehensive in-depth analysis of the risks associated with the country, sector, product, and raw materials. Additionally, the maturity of each supplier's human rights practices was evaluated by reviewing their public documents, such as those found on websites, and through media searches. In financial year 2024, EY Sweden and the Nordics continued and followed up on the supply chain risk assessments locally and in collaboration with EY at the global level.

Findings: Risk areas in our supply chain

EY's suppliers in Sweden are mainly located in Sweden or in the Nordic region, thus the risk of human rights violations is generally lower. However, the risk of human rights violations increases when examining suppliers' industries and raw materials included in the product. Four industries were identified where the risk of negative impact on human rights is high. The industries that were identified as high-risk are:

- ▶ Technology and IT
- ▶ Facility services (e.g., office facilities, cleaning, canteen/catering)
- ▶ Construction industry
- ▶ Event and entertainment industry

Purchasing products: Technology and IT products

For suppliers of IT products (mobile phones, computers and other types of IT equipment and hardware) in general, there is a high risk of negative impact on human rights related to assembly of products and production of components. The factories where IT products are assembled

and manufactured are largely located in Asian countries where human rights violations occur frequently. Risks are particularly related to violations of the right to a living wage, forced overtime, short-term contracts and the right to form and join trade unions. Furthermore, there are risks related to health and safety, as the production of electronics requires the handling of a large number of hazardous chemicals. Lack of personal protective equipment and inadequate health and safety training further increase the risk of rights violations. Raw materials used in IT products and mobile phones include metals and minerals. The extraction of raw materials takes place globally and often in countries associated with weakened governance and human rights violations. Risks related to the extraction of raw materials in a number of countries relate to rights such as fair and favorable working conditions, the right to health and safety, the right not to be subjected to child labor and forced labor.

Procurement of services: cleaning & canteen services, construction and event industry

We have suppliers who provide services to us such as the operation of canteens, cleaning of offices, events and the construction industry. The latter is associated with the development of new EY offices. In these industries, a large proportion of young, unskilled, temporary and/or foreign workers are generally employed who may have less knowledge about the rights to which they are entitled. These are factors that make workers extra vulnerable.

For suppliers of cleaning services, catering/canteen, events/entertainment and the construction industry, we collectively find a potential risk of negative impact on rights related to fair and good working conditions, including low wages, withholding of wages, illegal work, short-term contracts, lack of overtime pay, high work pressure and social dumping. Other risks are discrimination and sexual harassment, as well as the right to health and safety in connection with stressful physical work, work at heights and lack of health, safety and environmental measures. Investigations indicate that there is a need for extra follow-up regarding procurement of services in these industries because employees are more vulnerable.

Furthermore, we find additional risks of negative human rights impacts when examining the raw materials included in the products of our service providers. For example, for some food products such as coffee, tea, cocoa and sugar, there is a very high risk of human rights violations in the supply chain. Furthermore, there are potential health risks associated with chemicals used in the production of cleaning products and, not least, high risks related to raw materials such as metal

and wood (medium risk), which are used by our suppliers' subcontractors in the construction industry.

The risk mapping reveals a range of rights where there is a potential risk of negative impact in EY's supply chain, from industry risk to the raw material extraction itself, as the final link in EY's supply chain.

The risk assessment as part of our due diligence routines in EY in the Nordics, identifies the following human rights to have the highest inherent risk of negative impact:

- ▶ Right to fair and favorable working conditions (fair wages, a decent living wage, safe and healthy working conditions, rest, leisure and reasonable limitation of working hours, holidays, etc.)
- ▶ Right not to be subjected to discrimination and sexual harassment
- ▶ The right to freedom of association with others, and to form and join trade unions
- ▶ Right to assembly and freedom of association
- ▶ Right to an adequate standard of living
- ▶ Right to health and safety
- ▶ Minorities and indigenous peoples' rights
- ▶ The right to clean drinking water and sanitation
- ▶ Right not to be subjected to forced labor
- ▶ Right not to be trafficked
- ▶ Right to freedom of movement
- ▶ Right not to be subjected to child labor
- ▶ The rights of all migrant workers and members of their families



Status of prioritized measures in our supply chain for 2023/2024

Follow-up of largest suppliers that score medium or high risk of human rights violations

Measure from 2023: EY Sweden and EY Nordics set a goal to continue and follow-up suppliers who score medium or high on risk based on country, industry and maturity in working with human rights. We have initiated a dialogue to gain insight into their work to prevent human rights violations and provide documentation. The work will take place in partnership with EY Global Supply Chain and established supplier contacts.

Update: In summary, the most important milestones in working with this measure in Sweden and in the Nordics are:

Improvements to the global ESG-Questionnaire:

EY Sweden and the Nordics have partnered with EY Global to conduct supplier risk assessments and due diligence. EY Sweden assisted the Global Supply Chain Services by outlining the information requirements that EY sets for our suppliers. Due to EY Norway being subject to the requirements of the Norwegian Transparency Act, EY in the Nordics initiated a collaborative effort with the Global Supply Chain Services to gather detailed data on suppliers' human rights practices, including risk assessments, key concerns, and preventive actions. These enhanced requirements build on our established ESG criteria, aiming for deeper insights into suppliers' human rights and working conditions.

Local supplier dialogue:

EY Sweden and the Nordics has initiated a dialogue with our largest local suppliers to learn more about how they work to ensure human rights of its employees and how we together can ensure good working conditions for those of their employees who work for us. EY Sweden strives to create a safe and working environments for all employees that work at our offices, including in canteen, cleaning, and facility management services. Through supplier dialogues, we're establishing clear channels for subcontracted employees to voice concerns and receive prompt assistance. Our objective is to promptly address and mitigate any adverse effects on

staff at our office facilities. (We have consolidated all our facility management services with a single supplier in the Nordics to foster stronger collaboration. By establishing a Vested agreement, we ensure full transparency and regularly monitor employee experiences.)

Nordic supplier follow-up documentation system:

EY in Sweden and the Nordics region has established a system where we collect information in a structured way and document, follow-up of suppliers regularly to ensure coordinated approach across the region and EY Globally.

Supplier selection courses

Measure from 2023: EY Sweden and the Nordics are working to strengthen local focus on ethical procurement. The purpose is to make local purchasers more aware of the choice of suppliers and which expectations EY has of them, as well as simplifying the overview and follow-up of suppliers.

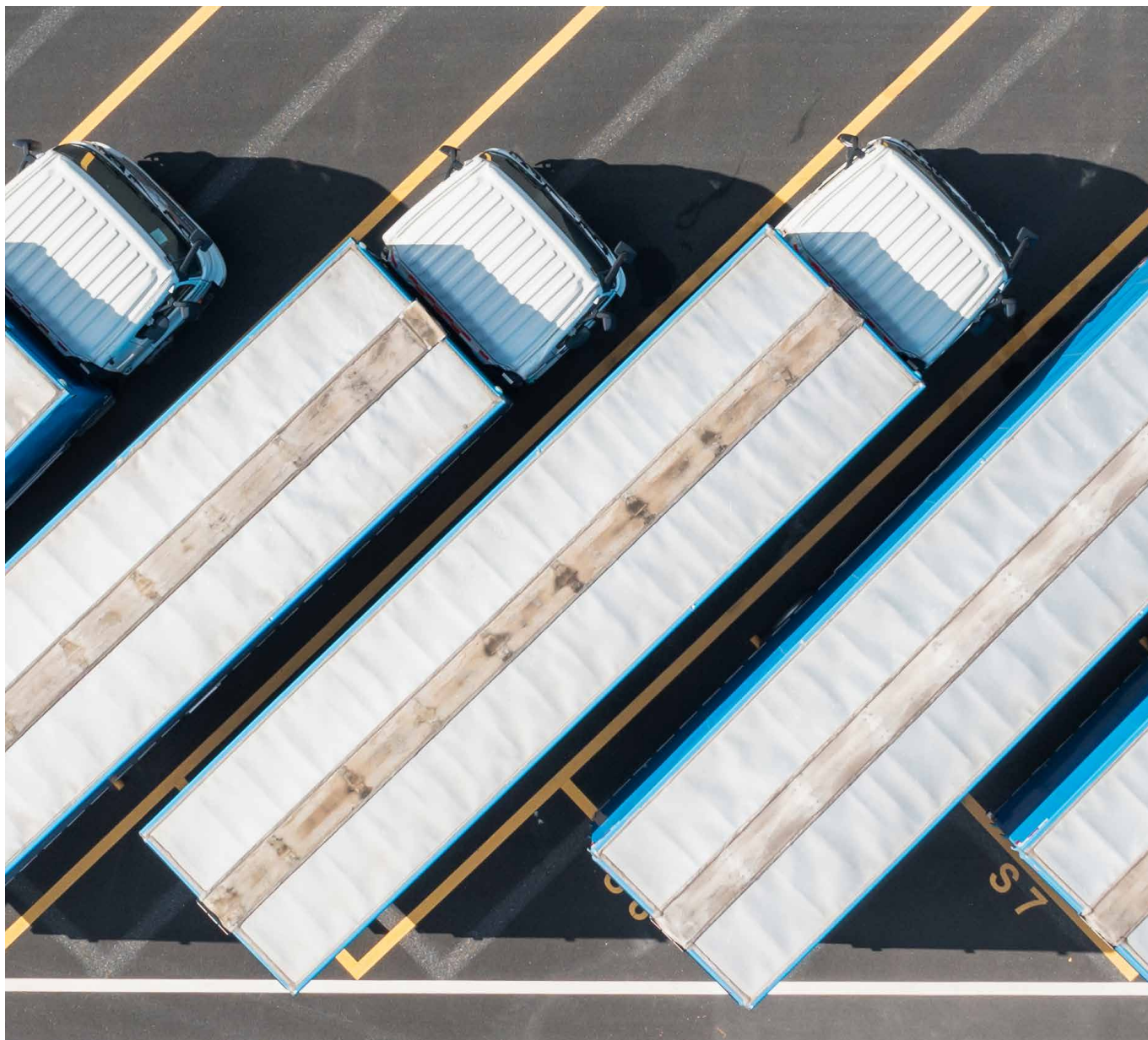
Update: In summary, the most important milestones in working with this measure in Sweden and in the Nordics are:

Internal Daily News Article:

An information letter were published across the entire Nordic region and shared with all employees in EY Nordics internal networks, outlining the guidelines for purchasing goods and services on behalf of EY. The article emphasized EY's Global Procurement Policy and individual liability.

ESG Awareness week in EYs procurement network:

The Environmental Social Governance services-team in Supply Chain Services hosted an "ESG Awareness Week" for EY employees involved in procurement. The human rights course focused on 'modern slavery' and the 'red flags' to watch for when sourcing from high-risk supply chains. Our goal with these sessions was to educate EY's procurement staff on important ESG topics and to reduce the risk of human rights violations in the value chain by providing them with the necessary education and tools.



Supply chain: Control system for the Supplier Code of Conduct

Measure from 2023: We set a goal to achieve a local overview of Supplier Code of Conduct signatures from all the suppliers with contracts in EY Sweden and the Nordic countries.

Update: EY in Sweden has not yet completed this measure, but we continue to collaborate with EY Global to secure a comprehensive overview and status of all active suppliers. Once we receive the information on Supplier Code of Conduct signatures, we plan to integrate it into the Nordic supplier follow-up document.

Further work and measures to safeguard human rights



Planned measures and further work for 2024/2025

As part of our continuous human right's due diligence process, EY Sweden and the Nordic region have considered new measures we will work with in the year ahead in addition to already established processes and routines.

Own operations

Improve documentation and assessment of already established effort:

EY Talent has implemented numerous effective measures to ensure the working environment, well-being, development, and safety of employees. As part of EY Sweden's due diligence assessment, we aim to strengthen the documentation of these measures and evaluate their impact. The goal is to focus our efforts on the most effective actions that yield positive results and minimize the risk of negative outcomes.

Expected results: EY Sweden and EY Nordics plan to further refine our processes to effectively gather necessary information to comply with the current and upcoming legislation, the activity and reporting obligations, as well as the social issues we are required to report on under the EU's Corporate Sustainability Reporting Directive. In this way we can better ensure solid tracking of our measures and milestones that will support the reporting process across multiple legislations.

Assessment of EY's whistleblowing channel:

To ensure that EY's whistleblowing channels are known to everyone and is perceived as safe, EY Global has included follow-up of EY's Ethics Hotline in the People Pulse survey spring 2024. Question that has been put to employees is the extent to which they would use Ethics hotline and the extent to which they believe that reporting is safe considering that the case is handled impartially and that they do not risk of reprisals. Based on the responses, the necessary measures will be taken during financial year 2025 to enhance knowledge about the tool.

Expected results: Enhanced knowledge about EY Ethics Hotline among EY Sweden employees concerning and greater trust for the tool from better understanding of how cases are handled.

Follow up on "unconscious bias" measure:

EY Sweden and in the Nordics will follow up on established routines for interview training to ensure they are complied with. The purpose is to ensure that people interviewing candidates have taken courses in interview techniques, including "unconscious bias".

Expected results: Through this measure, we expect awareness of unconscious bias in the recruitment process to increase over time, and for discrimination-prevention measures to become an integral part of all recruitment practices.

Supply chain

In our efforts to reduce the risk of negative impacts on human rights in our supply chain, EY Sweden will continue to build upon the measures we implemented last year.

Follow up on local suppliers:

EY Sweden and EY Nordics will continue to implement regular risk assessments and follow up on our largest suppliers who score medium or high on risk based on country, industry and maturity in working with human rights. The work will take place in collaboration with EY Global Supply Chain and established supplier contacts.

Course for choosing suppliers:

EY Sweden and EY Nordics will continue to communicate EY's Global Procurement Policy internally and provide guidance on the requirements for purchases made on behalf of EY. The purpose is to ensure that EY employees comply with procurement requirements and prevent the risk of violating laws and guidelines, including those related to human rights.

Control system for Supplier Code of Conduct:

Continue the work to ensure local control of Supplier Code of Conduct, signing and follow-up of compliance for risk industries.

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