

## Strategic report

### Section 172 statement

This statement sets out how the directors have had regard during the period ended 2 July 2021 to the matters set out in Section 172(1) (a) - (f) of the Companies Act 2006 when performing their duties.

In the performance of their duty to promote the success of the company, the directors had regard to a number of matters, consistent with the size and complexity of the business and its mutual purpose. They had also considered, as appropriate, the views of the company's key stakeholders, as described in more detail below.

### Key decisions of the company

As a result of the company's activity, the decisions of the board mainly relate to the delivery of services to the Member Firms. The principal decisions that the company has taken during the period include:

- The determination of the services to be provided and preparation and approval of the company's annual budget for these services; and
- The transfer of 459 employees ("Employees") from Ernst & Young Services Limited ("EYSL") to the company on 1 May 2021. The Employees were already assigned by EYSL to provide services to the company under the terms of a service agreement. When the relevant service agreement with EYSL was terminated, the Employees' employment was transferred from EYSL to the company under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

In taking these decisions, the directors have focused, among other things, on what they considered may have an impact on the business of the company and the delivery of services to the Member Firms in the long term.

### Culture and strategy

The company's approach to business ethics and integrity reflects EY shared values as embedded in the EY Code of Conduct and other EY Global Policies.

### Stakeholder engagement

The directors recognise the importance of the views of key stakeholders in maintaining a reputation for high standards of business conduct.

The main categories of stakeholders with whom the company engages and how such engagement takes form are described below.

- Ultimate owners, customers and key suppliers: Member Firms are the company's customers and key suppliers as well as the ultimate beneficiaries of the mutual trade. The company creates value for the Member Firms by providing services to them to further the international alignment, enhancement, cooperation and cohesion among them. Engagement with the Member Firms and their evolving needs mainly takes place within the relevant EY network governance arrangements.
- Third party suppliers: in addition to group entities and the Member Firms, the company has a large pool of third party suppliers. The company's suppliers are fundamental to the quality of the company's services and to ensure that as a business the company meets the high standards of conduct that the directors have set. The company's template procurement agreements require third party suppliers to agree to the EY Supplier Code of Conduct when contracting with the company.
- People: the quality of the services that the company provides to the Member Firms is central to the sustainability of the business of the company in the long term. Accordingly, the professionals who are responsible for the delivery of such services are an important part to the success of the company. The company's engagement and communication with these professionals (who include individuals directly employed by the company and others whose services are supplied to the company by other Member Firms) has been principally managed by the relevant functional and service line leaders.

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### Section 172 statement (Continued)

#### Stakeholder engagement (continued)

- Community and Environment: through a series of initiatives which are part of the EY global Corporate Responsibility programme, EY professionals are encouraged to participate in opportunities which have a social or environmental impact.

For and on behalf of the Board



Alisdair Mann  
Director

Date: 23 November 2021