

Transparency Report 2024

Ernst & Young Accountants LLP



Shape the future
with confidence

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Message from our leaders



Tom de Kuijper
Country Assurance
Managing Partner

Our people at the heart of quality transformation

In a world that is rapidly transforming, characterized by swift technological advancements and a growing emphasis on sustainability, we are committed to delivering high quality services. We proactively embrace the ever-changing landscape, ensuring that our adaptability translates into exceptional outcomes. At the core of our success are our people and we believe that empowering them to be their best, true selves is the key to driving quality in everything we do.

The last three years, we have prioritized our core objective of delivering high-quality services through the NextWave strategy and our four change programs: 'Exceptional Experience', 'Transformative Leadership', 'Trust Re-Invented' and 'Assurance Transformation'. We aim to build trust and confidence in capital markets and economics while executing our high-quality services with independence, integrity, objectivity and professional skepticism. This helps us to guide us to the purpose of Building a better working world.

The fiscal year 2023/2024 results of several quality reviews and indicators have a high level of excellence. This report offers insights into how we continue to invest in quality and our distinctive EY culture, how we are committed to continuous improvement and innovation and how we are preparing for the future to consistently deliver high quality, independent and objective audit and assurance services. I am proud of our collective achievements and look forward continuing to be successful together.

Advancing quality through innovation

The execution of high-quality audits is a top priority for us. In an evolving professional landscape, we are committed to adapting and meeting the diverse needs of our people, clients, and society while maintaining our quality standards. Our client relationships extend beyond traditional audit and assurance services, contributing to their purpose and long-term value. Through our "Trust Re-invented" program, we foster trust and confidence by engaging in meaningful dialogues and leveraging the combined strengths of our teams, regions and sub-service lines, all while nurturing an entrepreneurial mindset. Particularly the Corporate Sustainability Reporting Directive (CSRD) has reinforced our collaborative efforts, with Climate Change and Sustainability Services (CCaSS) playing a key role in training our auditors for high-quality ESG reporting and making an impact on our clients and planet.

Building on this foundation, we recognize that transformation in the audit sector is increasingly driven by technological advancements. Our investment in quality is illustrated in "Assurance Transformation" by continuously improving processes and the introduction of new tooling. An example is EY FIT, a part of our audit file in which we align our technology with the unique requirements of each client. By enhancing the user experience of our people through technology, we enable them to streamline the audit process, allowing them to focus more on identifying risks and guaranteeing precision. The arrival of our EYQ AI tool shows our role as a trailblazer in integrating AI into business operations proudly. Complementing innovation is our Service Delivery Model (SDM), which automates, centralizes, and standardizes our audit procedures. Through these efforts, we are not just adapting to change - we are actively shaping the future of our high-quality services.

EY purpose: Building a better working world

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

The audits delivered by EY people help build trust and confidence in business and the capital markets. EY auditors serve the public interest by delivering high-quality, analytics-driven audits with independence, integrity, objectivity and professional skepticism.

In so doing, EY helps create new value for EY clients, people, and other stakeholders in a fast-changing world.

Quality driven by our people and culture

Quality is not only driven by technological advancements but is equally shaped by the dedication and expertise of our people. We believe that we need to continue to invest in our people's wellbeing and development to provide them with the complex skill sets involved in performing today's audits and empower them become the next generation of leaders. Every day, our people serve our clients with our core values integrity, respect, teaming and inclusiveness, while enthusiastically building relationships based on doing the right thing.

Following reports of academic integrity in the accountancy sector, we are currently carrying out an internal investigation into possible occurrences of academic integrity for the period 2018 to 2023. EY believes that integrity is non-negotiable. We have developed an 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.

Our "Transformative Leadership" program encourages our people to continuously learn from each other and speak up. Our initiatives Instant Learning and Reflective Learning foster a space where individuals feel safe to discuss successes and mistakes through storytelling and webinars, which is key for our growth. To uphold our values and deepen our understanding of our organizational culture, we gain more insights through The NL Assurance Culture Survey, helping us continue to build an inclusive environment where open communication is encouraged and to support high quality.

Embracing our core principles, we acknowledge that the well-being of our people is the vital force behind our quality. Our "Exceptional Experience" program introduces initiatives that ensure a balanced mix of professional work, personal development, and life outside work. By empowering our people with flexibility and autonomy, we support their career journey in a way that suits both their personal and professional goals, as well as our collective objectives. To further elevate our audit quality, transparency regarding expectations and opportunities, including training, coaching, and diverse roles, is crucial to a sustainable workplace.

Engaging with our stakeholders

We prioritize open, transparent communication with our stakeholders to maintain our quality standards. To drive continuous improvement in the audit sector, we actively engage with regulatory bodies, such as the Dutch Authority for the Financial Markets (AFM) and Royal Netherlands Institute of Chartered Accountants (NBA), by participating in various NBA working groups as well as being part of the NBA 'Stuurgroep Publiek Belang'. Through a mix of one-on-one meetings and attending or hosting events, our outreach encompasses a wide network of stakeholders, ranging from preparers of reporting to users of reporting and policymakers. Examples include round tables with analysts and investors or supervisory board members and our Tomorrow's Economy sessions. With our Focus op Fraude webinars, we are committed to bring more awareness to fraud. These interactions enable us to adapt to evolving societal expectations, enhance our level of quality both within our organization and the sector, and make meaningful contributions to the public debate.

Quality objectives and performance

Our quality represents who we are. We take pride in our attention to detail, our relentless pursuit of perfection, and our dedication to delivering beyond expectations. Over the past years, we have focused on elevating our quality to new heights with our strategy and stakeholder input.

The implementation of SQM (System of Quality Management) in 2023 marked a significant milestone, resulting in quality objectives, quality risks and responses. Our quality objectives represent realistic and achievable goals that we set as a minimum on the organizational, process and engagement levels. In our annual evaluation we conclude that we are 'in control'.

If we do not meet one or more of the quality objectives, we investigate the reasons why and address them. As we strive to exceed these objectives in practice, we identify areas for continuous improvement to take quality to the next level.

Looking ahead

All In is the new global strategy and ambition to shape the future with confidence and drive purposeful growth, together. We aim to create new value for EY stakeholders and cement EY's position as a leader in professional services. With a focus on supporting our stakeholders in navigating challenges and opportunities, our key focus will remain to go beyond regulatory standards and expectations to continue delivering high quality audits every day. As we embark on this journey, I am filled with pride in the collective expertise, dedication and passion that our team brings to the table. Together, we will continue to innovate, inspire, and lead, to support that our shared success contributes to the outstanding quality that defines us at EY.

Rotterdam, 30 October 2024

Board of Directors Ernst & Young Accountants LLP

Tom de Kuyper (Chair)



Statement of the Board of Directors

The policymakers confirm their responsibility for designing and maintaining the system of quality management. This system, as described in this Transparency Report, aims to provide reasonable assurance that Ernst & Young Accountants LLP and its personnel are fulfilling their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and engagements are being conducted in accordance with such standards and requirements and that reports being issued by Ernst & Young Accountants LLP and Partners in Charge are appropriate in the circumstances. As set out in this report, Ernst & Young Accountants LLP has evaluated and further improved the system of quality management over the last year taking into account EY Global SQM Baseline which is based on ISQM1.

The Transparency Report was discussed and adopted in the meeting of the Board of Directors on 24 October 2024. We discussed and evaluated our system of quality management in our meeting on 17 October 2024.

Based on our evaluation, the policymakers confirm the following:

- ▶ At 28 June 2024 the System of Quality Management provides reasonable assurance that the objectives of the system of quality management are being achieved;
- ▶ An internal review of compliance with independence regulations has been conducted;
- ▶ An effective policy concerning the continuing education of our statutory auditors and other professional staff is in place.

Rotterdam, 30 October 2024

Tom de Kuyper (Chair)

Auke de Bos

Marita de Hair

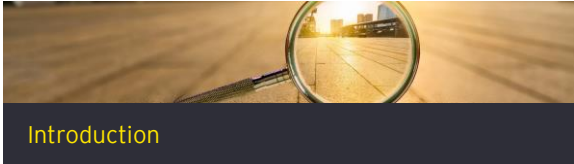
Hanneke Overbeek - Goeseije

André Wijnsma





Report of the former Supervisory Board

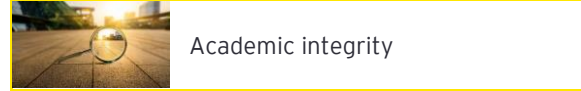
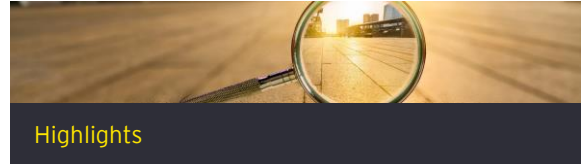


As the former Supervisory Board (SB) of Ernst & Young Nederland LLP and Ernst & Young Accountants LLP¹, in the 12 months under review, we carried out our core duties and responsibilities related to monitoring the activities of the Board of Directors of Ernst & Young Nederland LLP and the Board of Ernst & Young Accountants LLP. 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 Ernst & Young Accountants LLP as well as the long-term value creation of the EY in the Netherlands as a whole. We also supervised the quality policy, risk management, and ethical and controlled management of Ernst & Young accountants LLP together with Ernst & Young Nederland LLP.

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 Ernst & Young Nederland LLP. That said, there have been some positive developments in the economic climate in which EY in the 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 and Ernst & Young Accountants LLP. We now serve on the Supervisory Board of EY Nederland B.V. (see page 16). However, the Board of Directors of EYA has requested us to make some comments, having been in function during the reporting period



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.



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 in the Netherlands.

This change also represents a move from two separate SBs (for Ernst & Young Nederland LLP and Ernst & Young Accountants LLP) 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 Ernst & Young Nederland LLP that reducing the complexity of the organizational legal structure is essential if EY in the 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 in the 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 Ernst & Young Accountants LLP, which we discussed with the Board of Directors of Ernst & Young Accountants LLP.



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 Ernst & Young Accountants LLP expressed and implemented their approach to the care of people within the organization, their personal development and wellbeing, the culture. As EY in the Netherlands continues to embed diversity, equity and inclusiveness (DE&I) throughout the organization, the SB noted steps taken by the Board of Directors of Ernst & Young Accountants LLP to foster a diverse and inclusive workplace in which everyone is treated equally.



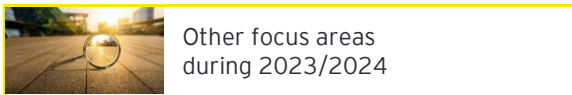
Sustainability

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 clients and services in the Netherlands to those clients and its own operations. We also monitor technological developments, in particular the emergence of AI and the associated opportunities and concerns.



We held five formal meetings with the Board of directors of Ernst & Young Accountants LLP 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 of partners, 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 Quatermasters Future Accountancy Sector ('Kwartiermakers toekomst accountancysector') and the proposed accountancy sector bill
- ▶ The process of mandatory audit rotation



During 2023/2024, the SB met in 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 of Ernst & Young Accountants LLP, including the change of the legal structure and academic integrity
- ▶ Our own supervisory vision and its updating
- ▶ Assessment and remuneration of members of the EYA Board of directors
- ▶ Developments in the international EY network
- ▶ Appointment of successors to the following positions:
 - ▶ The chair of the Board of directors of Ernst & Young Nederland LLP and Country Managing Partner
 - ▶ The chair of the Board of directors of Ernst & Young Accountants LLP
 - ▶ 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.

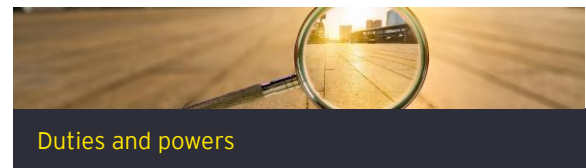
At the beginning of the financial year, one of our meetings served as an informal off-site discussion, in which we reflected on the previous year and, in particular the decision of the Global Executive to not proceed with project Everest. We also took the opportunity to look ahead to the new year and 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 of Ernst & Young Nederland LLP, 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 of Ernst & Young Accountants LLP.

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.



The duties and powers of the SB for the year under review are laid down in the Supervisory board charter Ernst & Young Nederland LLP and Supervisory board charter Ernst & Young Accountants LLP. From 8 July 2024 these have been replaced by the Charter of the Supervisory Board EY Nederland BV.



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.

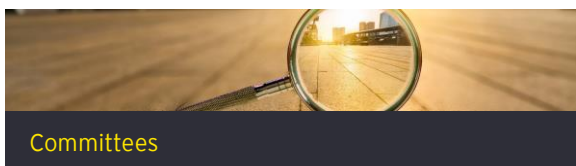
Name	Date of appointment*	Current term	Proposed date step down	Eligible for reappointment at date step down?
Tanja Nagel	1 September 2017	2	31 August 2025	No
Patrick Rottiers *	12 November 2018	2	11 November 2026	No
Lineke Sneller	13 April 2023	1	12 April 2027	Yes
Yasemin Tümer	1 July 2023	1	30 June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

* Patrick Rottiers is the non-independent member.

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 of Ernst & Young Accountants LLP, with no member being frequently absent.

On 30 October 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.



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 Ernst & Young Accountants LLP 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 secondline and third-line functions were discussed. The CFO of Ernst & Young Nederland LLP and the COO of Ernst & Young Accountants LLP 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 development
- ▶ Developments in the auditing profession 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 Ernst & Young Nederland LLP, 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 of Ernst & Young Accountants LLP. 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 of Ernst & Young Accountants LLP
- ▶ Assessment, development and remuneration of policymakers
- ▶ Reports and plans by the Talent Leaders at Ernst & Young Nederland LLP and Ernst & Young Accountants LLP, including:
 - ▶ The results of employee satisfaction and culture measurements
 - ▶ Talent Plan
 - ▶ Implementation of various programs, for example with respect to wellbeing and culture



Independence

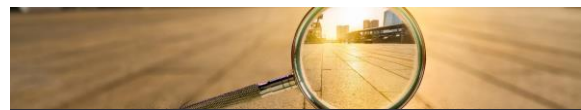
In accordance with the SB's charter, SB members are required to be independent in both their actual deeds and in how these appear. The duties and powers of the SB determine the role of its members under the prevailing independence rules. The Independence Officer of EY monitors both the personal and financial 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 EYA Board of directors prepared their Financial Statements

The Financial Statements were audited by the external auditor, Forvis Mazars. The SB then discussed the findings with Forvis Mazars in the presence of representatives of the Board of directors of Ernst & Young Accountants LLP. The SB approved the Financial Statements of Ernst & Young Accountants LLP on 24 September 2024.



Transparency Report

Together with EYA policymakers, we reviewed the draft version of this EYA Transparency Report 2023/2024. 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 Board of directors of Ernst & Young Accountants LLP 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 Ernst & Young Accountants LLP and all Dutch partners and employees for their hard work and commitment to all 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 Ernst & Young Accountants LLP operates. We also would like to express our sincere appreciation to Jeroen Davidson for his leadership in recent years as Country Managing Partner of Ernst & Young Nederland LLP. His commitment to EY in the Netherlands has been immense and we wish him well in his retirement.

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



About us

About us



During the reporting period (the year running from 1 July 2023 to 28 June 2024), Ernst & Young Accountants LLP (EYA) was an audit firm operating in the Netherlands and a member firm of Ernst & Young Global Limited, a UK company limited by guarantee (EYG). In this report, we refer to ourselves as “EYA” “we,” “us” or “our.” EY refers collectively to the global organization of the member firms of EY.

EY member firms are grouped into three geographic Areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEIA). The Areas comprise multiple Regions. Regions are groupings of member firms along geographical lines with the exception of the Financial Services Organization (FSO) Regions, which comprise the financial services activities of the relevant member firms within an Area.

EY in the Netherlands is part of the EMEIA Area. Within the EMEIA Area, there are eight Regions. EYA is part of the Europe West and the FSO Region.

Ernst & Young (EMEIA) Limited (EMEIA Limited), an English company limited by guarantee, is the principal coordinating entity for the EY member firms in the EMEIA Area. EMEIA Limited facilitates the coordination of these firms and cooperation between them, but it does not control them. EMEIA Limited is

a member firm of EYG, has no financial operations and does not provide any professional services.

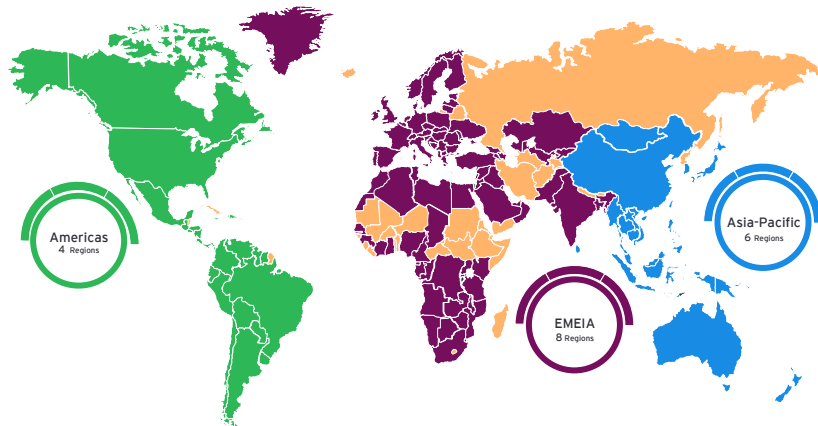
Each Region elects a Regional Partner Forum (RPF), whose representatives advise and act as a sounding board to Regional leadership. The partner elected as Presiding Partner of the RPF also serves as the Region’s representative on the Global Governance Council (see page 18).

In Europe, there is a holding entity, EY Europe SRL (EY Europe). EY Europe is a Limited Liability Company (SRL or BV) incorporated in Belgium. It is an audit firm registered with the Institut des Reviseurs d’Entreprises (IRE-IBR) in Belgium, but it does not carry out audits or provide any professional services.

To the extent permitted by local legal and regulatory requirements, EY Europe has acquired or will acquire voting control of the EY member firms operating in Europe. EY Europe is a member firm of EYG. EY Europe acquired voting control of Ernst & Young Nederland LLP as of 29 March 2019 and therefore in the financial year covered by this report maintained indirect control over our firm.

The board of directors of EY Europe is made up of senior partners of EY member firms in Europe. It has authority and accountability for strategy execution and management of EY Europe. Partners of the EY member firms in the European Economic Area (EEA) and several other countries hold interests in EY Europe

EY Areas and Regions*

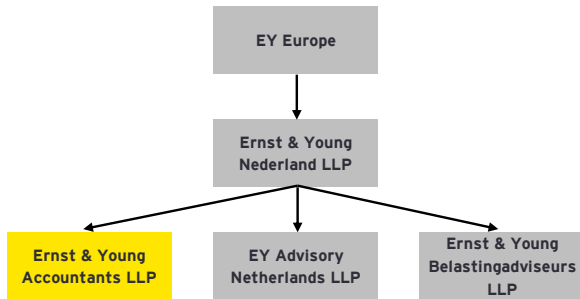


*Figures are as of 1 July 2024. EY does not have a presence in countries/territories highlighted in orange.



Structure

During the reporting year, the private practice companies of our partners participated as members in EYA. Together with the members of Ernst & Young Belastingadviseurs LLP and the members of EY Advisory Netherlands LLP, our members owned Ernst & Young Nederland LLP.



Restructuring

At the beginning of financial year 2024-2025, the LLPs were replaced by Dutch limited liability entities (besloten vennootschappen), because, since Brexit, there has been an increasing divergence between European and UK legislation. As a result of this, EYA handed in her audit permit per 28 June 2024 and per 29 June 2024 EY Accountants B.V. holds the audit permit, which also sees to the audit of public interest entities. As holder of the new permit, EY Accountants B.V. has seen to it that EYA (which continues to exist for the settling of its affairs) complies with the obligations with regard to the transparency report, since it was the permit holder during the reporting period. The board of EYA has requested the members of the supervisory board of EY Nederland B.V., who were members of the supervisory board of EYA during the reporting period, to make remarks to this report, which replace the usual report by the supervisory board.

The legal and ownership structure described in this transparency report was accurate during the reporting period. Currently, EY Nederland B.V. holds all shares in EY Accountants B.V., EY Europe Srl. holds the votes (voting shares) in EY Nederland B.V. and the NL-partners - through EY Nederland Coöperatief U.A. - indirectly hold the equity rights (non-voting shares) in EY Nederland B.V. The supervisory board is established with EY Nederland B.V. and also supervises EY Accountants B.V.



Organization

The network of EYA operated from 10 offices in the Netherlands and comprised:

- ▶ Ernst & Young Nederland LLP
- ▶ Ernst & Young Belastingadviseurs LLP - tax services
- ▶ EY Advisory Netherlands LLP - Consulting, Strategy and Transactions
- ▶ Ernst & Young Actuarissen B.V. - actuarial services
- ▶ Ernst & Young CertifyPoint B.V. - independent and impartial certification
- ▶ Ernst & Young Vat Rep B.V. - VAT representation
- ▶ EY-Parthenon B.V. - strategy consulting
- ▶ EY VODW B.V. - strategic marketing, client-focused innovation and digital transformation
- ▶ EY Accountants B.V., EY Belastingadviseurs B.V., EY Adviseurs B.V. and EY Nederland B.V. - not active until 29 June 2024

This network is referred to as EY Netherlands.

Ernst & Young Belastingadviseurs LLP has a strategic alliance with HVG Law LLP (thans HVG Law B.V.). HVG Law LLP is not part of the network of EYA.

EY Netherlands coordinates and facilitates EY's activities in the Netherlands, but does not provide services to external clients. The economic profits of EYA are distributed together with the profits of EY Advisory Netherlands and Ernst & Young Belastingadviseurs among the partners through Ernst & Young Nederland LLP.



Organizational Structure

EYA comprises the Assurance service line, which includes the sub-service lines Audit, Technology Risk, ACR and CCaSS. In principle, services from our firm therefore almost exclusively concern ISQM1 engagements. In addition, to a limited extent consultancy services are being performed by the ACR, CCaSS and Technology Risk sub-service lines. We are not responsible for any other services performed by other (inter)national network firms even if these services would include elements of assurance or have characteristics of NVKS engagements. However, we will act if we are aware that another network firm seems to violate the NVKS.

Our practice is divided into five regions (Randstad North, Randstad South, South, Central-North East and Financial Services) as well as three sub-service lines (Technology Risk, CCaSS and ACR). Each region is governed by a regional team. Generally, each

regional team consists of a Regional chair, an Operations leader, a Talent & Experience leader and a Quality Leader. In some regions the operations role and the quality role are combined. The three sub-service lines are equally organized as the regions.

The regional chair is fully responsible within his region for the implementation of policies set up by the board and has periodic consultations with the board. In addition, there are regular consultations between the regional portfolio holders (Markets Leader, Operations Leader, Talent & Experience Leader and Quality Leader) with the board members responsible for these portfolios. The members of the regional team are appointed by the board. The regional chair manages the other members of the regional team and monitors the effectiveness of their role.

It is good to mention that on 1 July 2024 also Financial Accounting Advisory Services (FAAS) and Forensic Investigation Services (FIS) became part of the Assurance service line and ACR became part of Tax service line.



Governance in the Netherlands

EY Netherlands is governed by a Board of Directors appointed by EY Europe following a binding nomination of the Supervisory Board. During the fiscal year 2023/2024, Jeroen Davidson (Chair, Country Managing Partner in the Netherlands), Patrick Gabriëls (Chair of EYA), Danny Oosterhoff (Chair of Ernst & Young Belastingadviseurs LLP), Stephan Lauers (Chair of EY Advisory Netherlands LLP) and Saskia van der Zande (Talent Leader & CBS Leader) were Board members.

On 30 October 2024, Patrick Gabriëls (Chair, Country Managing Partner in the Netherlands), Tom de Kuijper (Chair of EYA/EY Accountants B.V.), Danny Oosterhoff (Chair of Ernst & Young Belastingadviseurs LLP / EY Belastingadviseurs B.V.), Stephan Lauers (Chair of EY Advisory Netherlands LLP / EY Adviseurs B.V.) and Saskia van der Zande (Talent Leader & CBS Board Member) form the Board of Directors of Ernst & Young Nederland LLP and EY Nederland B.V..



Governance of the Audit Firm

The Board of Directors of EYA is responsible for the reputational, financial and commercial standing of our firm as cornerstones of its sustainable success. Appointment procedures, time in office and other relevant personal details of members of the Board are published on our website.

The Board manages our firm's operational and financial effectiveness, its compliance with laws, local and international professional standards and audit regulations, the implementation of our assurance strategy, methodology and tools, and the sufficiency of our resources.

The members of the Board of Directors of EYA were appointed by EY Netherlands following a binding nomination of the Supervisory Board (EYA). During the reporting year 2023/2024 Patrick Gabriëls (Chair), Auke de Bos (Professional Practice Director), Tom de Kuijper (Operations & Innovation), Hanneke Overbeek (Talent) and André Wijnsma (Markets) were Board members.

On 30 October 2024, Tom de Kuijper (Chair), Auke de Bos (Professional Practice Director), Marita de Hair (Operations), Hanneke Overbeek (Talent) and André Wijnsma (Markets) are Board members of EYA and EY Accountants B.V..



Policyholders and Co-Policyholders

During the reporting year, the following persons were the policyholders and co-policyholders (*beleidsbepalers* and *medebeleidsbepalers*) at EYA.

Policyholders:

- ▶ The five members of the Board of EYA mentioned above
- ▶ Jeroen Davidson, Chair of the Board of Directors of Ernst & Young Nederland LLP
- ▶ Stephan Lauers, member of the Board of Directors of Ernst & Young Nederland LLP
- ▶ Danny Oosterhoff, member of the Board of Directors of Ernst & Young Nederland LLP
- ▶ Saskia van der Zande, member of the Board of Directors of Ernst & Young Nederland LLP

Co-policyholders:

- ▶ Julie Teigland, EY's Managing Partner Europe
- ▶ Bernard Heller, Professional Practice Director Europe
- ▶ Marcel van Loo, Regional Managing Partner Europe West
- ▶ Hermann Sidhu (as of 27 November 2023), Assurance Leader Europe
- ▶ Jean Roch Varon, Assurance Leader Europe West
- ▶ Peter Wollmert (until 1 November 2023), EMEIA Assurance Leader
- ▶ The five members of the former Supervisory Board mentioned below



Our former Supervisory Board in the Netherlands

The task and responsibility of the Supervisory Board of EYA (“SB EYA”) was to supervise (the policy of) the day-to-day policymakers and the general course of affairs concerning EYA and its associated entities and the system of quality management of EYA. In the performance of its duties, the SB EYA shall be guided by the interests of EYA, its associated professional practice and the public interest in safeguarding the quality of statutory audits. The SB EYA’s Charter described its duties and powers.

During the fiscal year 2023/2024, the SB EYA consisted of four external, independent members and one non-independent member. Richard van Zwol is the chair of the SB EYA. On 20 March 2024, Richard van Zwol was appointed as *informateur* in the context of the cabinet formation following the Dutch elections of November 2023. During his obligations as *informateur*, upon his own request he was temporarily suspended as chair and member of the SB EYA. Tanja Nagel, the vice-chair of the SB EYA, acted as chair during that period. Lineke Sneller and Yasemin Tümer are the other two independent members of the SB EYA. The non-independent member is Patrick Rottiers.

During the fiscal year 2023/2024, the former members of SB EYA and the supervisory board of EY Netherlands have formed a personal union, implying that the composition of the SB EY Netherlands is identical to that of the SB EYA. The former supervisory board of EY Netherlands reports on its activities during the fiscal year 2023/2024 in the Annual Report 2023/2024 of EY Netherlands and makes remarks in this Transparency Report.



Network arrangements

EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, nearly 400,000 EY people in over 145 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional skepticism. In today’s global market, the seamless integrated EY approach is particularly important in providing high-quality multinational audits, which can span nearly every country in the world.

This seamless integrated approach supports EY member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits.

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

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

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



Global Governance Council

The Global Governance Council (GGC) is a key governance body of EYG. It comprises one or more representative(s) from each Region, other at-large representatives from any member firm and independent non-executives (INEs). The Regional representatives, who otherwise do not hold senior management roles, are elected by their RPFs for a three-year term, with the ability to be reappointed for one additional three-year term. Since 1 July 2024, though, the GGC representatives of EY US are members of its elected Governing Board. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, in some instances upon the recommendation of the Global Executive (GE), certain matters that could affect EY.



Independent Non-Executives

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



Global Executive (GE)

The GE brings together EY leadership functions, service lines and geographies. It is chaired by the Chair and CEO of EYG and includes its Global Managing Partners of Client Service, Business Enablement, Growth & Innovation and Business Administration & Risk; the Area Managing Partners; the global functional leader for Talent; the leaders of the global service lines – Assurance, Consulting, Strategy and Transactions, and Tax.

The GE also includes the Global Vice Chair – Markets, the Global Vice Chair – Strategy, the Chair of the Emerging Markets Committee, as well as a representative from the Emerging Markets.

The GE and the GGC approve nominations for the Chairman and CEO of EYG and appointments of the Global Managing Partners. The GE also ratifies appointments of Global Vice Chairs who are members of the GE. The GGC ratifies the appointments of any Global Vice Chair who serves as a member of the GE.

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

- ▶ Global strategies and plans
- ▶ Common standards, methodologies and policies to be promoted within EY member firms
- ▶ People initiatives, including criteria and processes for admission, evaluation, development, and reward and retirement of partners
- ▶ Quality improvement and protection programs
- ▶ Proposals regarding regulatory matters and public policy

- ▶ Policies and guidance relating to member firms' service of international clients, business development, and markets and branding
- ▶ EY development funds and investment priorities
- ▶ EYG's annual financial reports and budgets
- ▶ GGC recommendations on certain matters

The GE is also updated regularly on priorities related to the System of Quality Management and on issues that may require their attention.

The GE also has the power to mediate and adjudicate disputes between EY member firms.



Global Practice Group

The Global Practice Group brings together the members of the GE, GE committees, Regional leaders, and sector leaders. It seeks to promote a common understanding of EY strategic objectives and helps drive consistency of execution across the organization.



EY member firms

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

Above all, EY member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, and all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values (see page 30).

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

EY member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, risk management, audit methodology and talent. EY member firms unable to meet quality commitments

and other EYG membership requirements may be subject to termination from the EY organization.



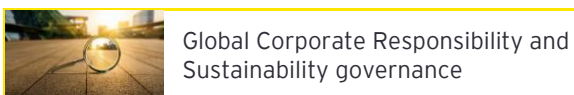
Faced with the urgent and interconnected challenges of climate change and social inequality, we believe businesses must go further, faster, to build a better working world – to accelerate the transition to a new economy – one where business, people and planet thrive. This new economy will be socially just, economically inclusive and environmentally regenerative by design.

EY, as an organization, is effecting change at scale by building alliances, forging collaboration and rallying everyone and every part of the business to take part. EY continues to focus on creating, protecting and measuring long-term value for EY people, EY clients, and society. It is by integrating all of these dimensions that EY fulfils its purpose of building a better working world.

From advising governments on how to build more sustainable and inclusive economies, to encouraging businesses to focus and report on their creation of long-term value for all stakeholders, EY services already play a vital role in this. However, more can and must be done as all stakeholders define their roles in this journey.

As a proud participant in the United Nations Global Compact (UNGC) since 2009, EY is committed to integrating the UNGC Ten Principles and the UN Sustainable Development Goals (SDGs) into EY strategy, culture and operations. As the regulatory reporting landscape evolves, EY is preparing for sustainability reporting requirements such as those required by the EU Corporate Sustainability Reporting Directive (CSRD) and the standards of International Sustainability Standards Board (ISSB).

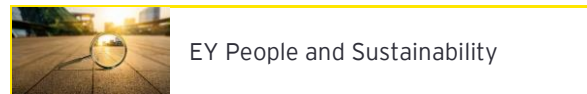
Among other things, this commitment to long-term value is reflected in:



The Corporate Responsibility Governance Council (CRGC) includes seven members of the GE and represents a cross-section of EY senior leaders across geographies. The CRGC coordinates the EY Global Corporate Responsibility function, which operationalizes the EY Ripples program (an EY corporate responsibility program, which is anchored in a long-term goal for EY to positively impact 1

billion lives by 2030 through: supporting the next-generation workforce, working with impact entrepreneurs, accelerating environmental sustainability), drives greater transparency by coordinating nonfinancial reporting and progresses leading practices toward other sustainability programs. The EY Global Corporate Responsibility function is led by the EY Global Corporate Responsibility Leader, who reports to a GE member and sits on the EY Global Sustainability Executive.

The EY Global Sustainability Executive includes leaders across EY service lines, sectors, industry, and geographies, who are responsible for setting the strategy around EY value-led sustainability offerings which are provided by member firms to EY clients. It is chaired by the EY Global Vice Chair – Sustainability, with representatives from across the global EY organization including the EY Global Climate Change and Sustainability Services Leader.



Through training, engagement, and investment in technology tools, EY infuses sustainability across all areas of the organization. Opportunities to engage, learn and develop are core to the EY talent proposition and vital for EY to develop and evolve services to emerging issues in ESG. The EY goal is to build expertise and sustainability fluency, while engaging and enabling EY people.

In FY24, EY accelerated sustainability learning across the global organization: over 3,477 Sustainability Badges were awarded to Assurance professionals – equating to over 53,129 learning hours – on the EY free to access, structured learning courses on sustainability including learning on climate change, the circular economy, and sustainable finance. A dedicated Sustainability and ESG learning series that targeted member firm Partners, Principals and Director employee level Assurance professionals attracted over 7,217 learners. Key to infusing sustainability across wider EY, over 21,855 EY Assurance professionals have completed the EY sustainability literacy program including Sustainability Now and 4,189 have completed Sustainable Finance Now explainer courses. The EY Sustainability Masters program is unique and free to access for EY people. A second cohort of 8 EY Assurance professionals completed the Masters in 2024. In addition, we have extensively invested in CSRD learnings to prepare our people for their role in the upcoming implementation of CSRD.

The EY culture embeds opportunities to learn, challenge and engage across the full spectrum of issues. Sustainability @ EY – an internal community

of action has more than 5,000 members.

A new internal Sustainability Leaders network engages with over 900 leaders on a monthly and quarterly basis to brief them on key developments for EY capabilities and in the wider sustainability agenda and enables EY to share regional and local perspectives on how sustainability is influencing client and policy agendas. An employee led, ground up community of over 3,700 represent the eco-innovators of the EY organization, opening up new avenues to challenge EY and for EY people to learn and exchange experiences on sustainability's impact on people and EY businesses.



The EY social impact ambition

Through [EY Ripples](#), EY people are devoting their time to Sustainable Development Goals (SDGs) focused projects, bringing together the combined skills, knowledge and experience of the global EY network in pursuit of one shared vision: to positively impact 1 billion lives by 2030. In FY24 more than 168,000 EY people globally shared their time and skills on EY Ripples projects, positively impacting 64 million lives. Since EY Ripples launched in 2018, EY has positively impacted more than 192 million lives. So far in 2024, EY has made cash investments in the sum of US\$102 million into projects dedicated to strengthening communities, and EY people contributed 934,000 hours to a variety of initiatives and in-kind projects.

Through EY Ripples, EY collaborates with clients and shared purpose organizations on social impact initiatives on a pro-bono basis, to synergistically drive action towards the UN SDGs.

TRANSFORM, one of the flagship initiatives of EY, embodies this ethos. Led by Unilever, EY and the UK Foreign, Commonwealth and Development (FCDO), TRANSFORM unites corporates, donors, investors, and academics to help scale visionary impact enterprises across Africa, Asia and beyond. To date, TRANSFORM has funded c.125 projects in enterprises, across 17 countries, and over 150 EY people have volunteered to support enterprises TRANSFORM's network.

In 2024, EY formally incorporated Disaster Response into the organization's strategic priorities. This enhanced the EY methodology for assessing the Disaster Response impact to encompass all forms of aid, including volunteer efforts, donations and in-kind contributions.

As part of an ongoing [social impact alliance with Microsoft](#), EY continues to roll out the [Green Skills Passport](#) to unemployed youth, who are not in education or training. Pilots show that 61% of those completing the course plan to apply for green jobs

and 43% plan to enroll in a university degree in sustainability or take more related classes. The Green Skills Passport is now available in ten countries, achieving 41,000+ course completions.

Impact entrepreneurs use innovative business models to bring about life-changing initiatives in local communities, but they frequently need support to deliver their programs at scale. In FY24, EY hosted events at global forums to help forge and strengthen SDG-aligned partnerships between large companies, impact entrepreneurs and NGOs. At ChangeNOW, EY hosted an artificial intelligence (AI) for Social Innovation event exploring the role of the private sector in unlocking AI for social innovation. EY also signed the Schwab Foundation for [Social Entrepreneurship Rise Ahead Pledge](#), committing to increase the EY investment in social innovation.

The equitable use of AI offers tremendous potential to create positive social change. EY is a [Building Partner with data.org](#), working with a global community of practitioners to advance the use of data in the social impact community. EY are also an active member of the [TeachAI community](#), joining Microsoft on the Advisory Board and supporting key initiatives. With Teach For All, EY have developed capacity building for a network of 15,000 teachers, providing generative AI (GenAI) curriculum. As part of the [Technovation AI Forward Alliance](#), EY teams are providing mentoring and coaching to empower 25 million girls and young women through AI, coding and entrepreneurship education.



The EY decarbonization ambition

EY remains on track to deliver on the existing decarbonization targets, set in 2021. EY will reduce absolute emissions by 40% across Scopes 1, 2 and 3 by 2025, against an FY19 baseline, consistent with the EY 1.5C Science Based Target. [A seven-point plan](#) outlined how EY would focus action by:

- ▶ Reducing business travel emissions, with a target to achieve a 35% reduction by 2025 against the FY19 baseline
- ▶ Reducing overall office electricity usage, and procuring 100% renewable energy for remaining needs, earning RE100 membership by 2025
- ▶ Structuring electricity Power Purchase Agreements (PPAs) to introduce more renewable electricity than EY consumes into national grids
- ▶ Using nature-based solutions and carbon-reduction technologies to remove from the atmosphere or offset more carbon than emitted, every year
- ▶ Providing engagement 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

- ▶ Requiring 75% of EY suppliers, by spend, to set science-based targets by no later than FY25
- ▶ Investing in EY services and solutions that help clients decarbonize their businesses and provide solutions to other sustainability challenges and opportunities

The EY refreshed environmental strategy will expand the existing decarbonization targets and nature positive practices to meet evolving market expectations and science-based standards. EY remains committed to a “net zero” target and are currently working on the next phase the EY science-based decarbonization plan. Please refer to the [EY Environment Report](#) for more details.



Working with clients on sustainability

For over 20 years, EY has a proven track record of evolving its skills, services and solutions to meet client needs, and the evolving understanding of the science, and its implications for society. EY’s sustainability services are designed to challenge and support EY clients in seeing the bigger picture: managing risk, reducing cost and complexity, spurring innovation, building trust and achieving measurable results.

EY combines deep sustainability and sector knowledge at a global scale, with regional and geographically relevant teams. Increasingly EY services are examining the systems level change needed to help enable EY clients create grounded plans for the near and long term.

EY teams serve clients in many ways:

- ▶ Specialist sustainability skills led services, including nature and biodiversity, sustainability tax, financing and incentives and climate risk
- ▶ Regulatory and reporting services to support the complex and evolving requirements across multiple jurisdictions
- ▶ Strategy and transformation focused on multi-disciplinary and sector specific sustainability led transformation, spanning strategy, operations, risk, technology, data, talent and finance
- ▶ Sustainability infused services, where the EY wider end-to-end portfolio can respond to sustainability triggers and pathways for clients
- ▶ Climate-related reporting, including development of programs to support nonfinancial reporting and disclosures of their performance in alignment with regulatory reporting requirements (e.g., CSRD, California Climate Corporate Data Accountability Act (CCDAA)) and voluntary reporting frameworks (e.g., TCFD, ISSB, CDP, GRI)

Helping EY clients set ambitious goals and rigorously plan, invest and track their delivery is where EY can

have the greatest impact on the transformation needed to respond to the climate and nature crises. EY sustainability services are provided to clients both through a dedicated teams for core ESG and sustainability challenges and through the entire range of traditional EY services.

EY services also includes informing and supporting stakeholders in the development of standards including supporting the ISSB, European Financial Reporting Advisory Group (EFRAG), Taskforce on Nature-related Financial Disclosures (TNFD) and Taskforce on Climate-related Financial Disclosures.



System of Quality Management

System of Quality Management

In 2023, the implementation of International Standard on Quality Management 1 (ISQM 1) in EY was finalized and for the first time, EY member firms evaluated their System of Quality Management and concluded on its effectiveness. ISQM 1 facilitated the implementation of a formalized system of quality management from the prior system of quality controls.

This year, a Global System of Quality Management Operational Leader and Global System of Quality Management Monitoring and Analysis Leader were appointed, capitalizing on the implementation of ISQM 1 to help EY member firms improve quality. The Global System of Quality Management Operational Leader is focused on further developing a robust and consistent System of Quality Management for all EY member firms to adopt with the ability for EY member firms to customize based on local considerations. The Global System of Quality Management Monitoring and Analysis Leader is focused on understanding themes and learnings from monitoring activities to help EY member firms proactively address risks and continuously improve their System of Quality Management and audit quality.

The System of Quality Management presented here also meets the requirements of the International Standards on Quality Control (ISQC 1), issued by the International Auditing and Assurance Standards Board (IAASB). In the context of ISQM 1 and the annual evaluation of our System of Quality Management, EYA refers to Ernst & Young Accountants LLP as EY member firm performing audits or reviews of financial statements, or other assurance or related services engagements (we also refer to Restructuring on page 16).



Our role as auditors

Stakeholders need confidence in the capital markets to make important decisions that drive economic growth. Auditors play a critical role in building this confidence through their ability to validate and interpret data objectively and independently, providing the appropriate level of challenge. In this way, audit quality plays a crucial role in creating long-term value for all stakeholders.

Providing high-quality audits has never been more important than in today's environment, due to increased global complexity, characterized by continuing globalization, rapid movement of capital and the impact of technological changes. EYA's reputation for providing high-quality professional

audit services independently and objectively is fundamental to our success as independent auditors. We continue to invest in our System of Quality Management and to promote enhanced objectivity, independence, and professional skepticism. These are fundamental to the execution of high-quality audits. Designing, implementing and operating an effective System of Quality Management is essential to these efforts.

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

While the market and stakeholders continue to demand high-quality audits, they also demand an increasingly effective and efficient way to deliver audit services. EY continues to look for ways to improve the effectiveness and efficiency of its audit methodology and processes, while improving audit quality.

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



Designing, implementing and operating a System of Quality Management

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

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

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

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

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

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

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

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



System of Quality Management roles

To enable the design, implementation, and operation of EYA's System of Quality Management, individuals are assigned to System of Quality Management roles. The individuals in these roles have the appropriate experience, knowledge, influence and authority, and sufficient time to fulfill their System of Quality Management roles and are accountable for fulfilling their responsibilities.

System of Quality Management roles and

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

Key roles within the System of Quality Management include:

Ultimate responsibility and accountability: The ultimate responsibility and accountability for the System of Quality Management is assigned to the Country Managing Partner and to the Country Assurance Managing Partner.

Operational responsibility for the System of Quality Management: The operational responsibility and accountability for the System of Quality Management is assigned to the System of Quality Management Operational Committee, which is formed by the board of EYA, the Country Managing Partner of EY Netherlands, the Quality Enablement Leader, the Independence Leader and the SQM operational leader. The System of Quality Management Operational Committee fulfils its System of Quality Management -related responsibilities as set out in the EYG System of Quality Management Policies, oversees the remediation process and recommends the System of Quality Management annual evaluation conclusion of EYA to the Country Managing Partner and Country Assurance Managing Partner in their ultimate responsibility role.

Operational responsibility for compliance with independence requirements: The NL Independence Leader is assigned operational responsibility for compliance with independence requirements for the System of Quality Management within EYA.

Operational responsibility for monitoring the System of Quality Management: Operational responsibility for monitoring the System of Quality Management is assigned to the System of Quality Management Oversight Committee, which is chaired by the PPD and comprising the Compliance Leader, the Quality Enablement Leader, the deputy PPD, the NL Independence Leader and the NL QCRM Leader.



Effectiveness: Annual evaluation conclusion as of 28 June 2024

The Country Managing Partner and Country Assurance Managing partner, on behalf of EYA, are required to evaluate the System of Quality Management on an annual basis, as of 28 June, and conclude on its effectiveness. The evaluation process is executed annually based on the Global System of Quality Management Annual Evaluation policy.

This evaluation is based on whether EYA's System of Quality Management provides reasonable assurance that:

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

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

- ▶ Tests of System of Quality Management key controls.
- ▶ Internal and external engagement inspections.
- ▶ Other monitoring activities (e.g., tests of EYA and its people's compliance with ethical requirements related to independence, evaluation of quality criticisms made by external regulators relevant to the System of Quality Management, issues reported through the Ethics hotline).

Based on our tests of key controls we determined some findings. These findings did not have impact on our positive conclusions. We learn from these findings and urge our control owners to further improve the design and precision of the execution of our System of Quality Management. One finding relating our client acceptance system resulted in a pervasive, but not severe deficiency. In the meantime, appropriate remedial actions had been taken.

Our internal and external inspections did not lead to any findings. Other monitoring activities resulted in some findings for which we determined that appropriate actions were taken.

Professional judgment is used in evaluating the results of monitoring activities, including in determining whether findings, individually or in combination with other findings, rise to the level of a deficiency. Any deficiencies identified require a root

cause analysis to be performed and a quality improvement plan to be developed. Further, deficiencies are evaluated to determine the severity and pervasiveness of the deficiency. If a severe deficiency was identified, a member firm would need to assess whether the effect of the deficiency was corrected, and the actions taken by 28 June 2024 were effective, in determining its System of Quality Management annual evaluation conclusion.



System of Quality Management annual evaluation conclusion as of 28 June 2024

The annual evaluation conclusion for EYA as of 28 June 2024 is that the System of Quality Management provides reasonable assurance that the objectives of the System of Quality Management are being achieved.



Components of our System of Quality Management

Components of our System of Quality Management

In the following sections, we describe the components of the System of Quality Management, which EYA follows:

- ▶ System of Quality Management risk assessment process
- ▶ Governance and leadership
- ▶ Relevant ethical and legal requirements
- ▶ Client and engagement acceptance and continuance
- ▶ Engagement performance
- ▶ Resources
- ▶ Information and communication
- ▶ System of Quality Management Monitoring and Remediation process



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

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

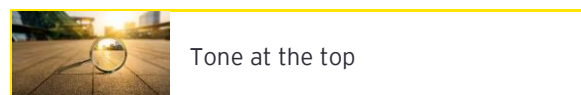
- ▶ System of Quality Management baseline Quality Objectives
- ▶ System of Quality Management baseline Quality Risks
- ▶ System of Quality Management baseline Responses
 - ▶ System of Quality Management baseline Resources (e.g., Global policies or technologies that mitigate an EY System of Quality Management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

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

- ▶ Accepted or rejected the Global baseline Resources and Key Controls after appropriate analysis of our facts and circumstances. In the case of a rejection of Global baseline Resources and Key Controls, a preliminary discussion with the Area System of Quality Management Leadership is required.
- ▶ Together with the Area System of Quality Management Leadership, identified the level of execution of Global baseline Key Controls.
- ▶ Customized accepted Global, Area and Region baseline Key Controls.

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

In addition to reviewing the Global System of Quality Management baselines, EYA determined if additional quality objectives, quality risks or responses were necessary. Based on the review of these baselines EYA adheres to the EYG SQM baseline quality objectives, risks and responses to drive consistency.



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

EY commitment to quality are embedded in who we are and in everything we do.

The EY culture strongly supports collaboration and places special emphasis on the importance of consultation in dealing with complex or subjective accounting, auditing, reporting, regulatory and independence matters. We believe it is important to determine that engagement teams and the entities they audit follow consultation advice, and we emphasize this when necessary.

The consistent stance of EYA has been that no client or external relationship is more important than the ethics, integrity and reputation of EY.

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

To measure the quality culture across EY member firms and provide EYA with valuable insights into the perceptions of the culture of quality, including tone at the top, collaboration, and workload management and ethical behavior, a Global Quality Survey was first launched in April 2023. The results of the 2024 Quality Survey were used to identify areas where EYA was doing well and where more actions may be required. The 2024 Quality Survey results indicate that EY people recognize that the tone at the top set by leadership demonstrates commitment to quality and that EYA recognizes and values contributions to quality. The recognition of our strong culture of consultation, coaching and continuous quality improvement is also reflected in the results of the Quality Survey. Yet, the results also indicate that more still needs to be done to improve our culture around workload management.



Global Code of Conduct

We promote a culture of integrity among EY professionals as well as those working with EY. The EY Global Code of Conduct provides a clear set of principles that guide our actions and our business conduct and are to be followed by all EY people. The

EY Global Code of Conduct is divided into five categories:

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

Through our procedures to support compliance with the EY Global Code of Conduct and through frequent communications, we strive to create an environment that encourages all EY people to act responsibly, including reporting misconduct without fear of retaliation. Overall, the results of the March 2024 employee listening survey [People Pulse Survey] indicated that participants felt they could meet expectations while maintaining ethics and integrity and believe decisions made by leaders are consistent with the EY values and Code of Conduct.



Accountability frameworks

The accountability frameworks of EY are a set of policies and frameworks that put quality into action and outline how EY Partners, Principals, Associate Partners, Executive Directors, Managing Directors, Directors and leaders will be held accountable for their System of Quality Management related responsibilities as well as other quality focused activities and how the responsibilities link to their performance ratings.

The global accountability framework is applicable to all EY Partners, Principals, Associate Partners, Executive Directors, Managing Directors, Directors no matter their role, service line or location. There is an Assurance specific framework which supplements the global accountability framework, referenced above. In addition, two incremental accountability frameworks cover individuals in leadership roles at the member firm and regional levels, which are applicable for all service lines and functional leadership roles.

All the accountability frameworks set clear expectations for quality to maintain the confidence that external stakeholders place in EY. The frameworks outline criteria for ensuring an individual's quality rating is appropriately considered in their performance rating.



Relevant ethical and legal requirements



Compliance with the Global Code of Conduct

The EY Global Code of Conduct provides guidance about EY actions and business conduct. EYA complies with applicable laws and regulations, including the Dutch Verordening gedrags- en beroepsregels, and EY values underpin our commitment to doing the right thing. This important commitment is supported by several policies and procedures, explained in the paragraphs below.



Independence

Compliance with relevant ethical requirements, including independence, is a key element of the System of Quality Management. It involves determining that we are independent in fact, as well as appearance. The ethical requirements relevant to EY audits and professional services are included in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code). We also comply with local ethical requirements or codes in the jurisdiction of EY audits and professional services such as Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014 (EU 537/2014) and the Dutch Audit Firms Supervision Act, the Dutch Decree on Audit Firms Supervision, the Dutch Code of Ethics for Professional Accountants, a regulation with respect to independence, and Dutch rules on auditors' independence (e.g. the Regulation regarding the Independence of Accountants performing Assurance engagements' (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten*)). Refer to the Independence Practices section for information on policies, tools and processes relating to maintaining independence.



Non-compliance with laws and regulations

In accordance with the NV Noclar of the NBA (The Royal Netherlands Institute of Chartered Accountants), EY has adopted a policy designed to meet its obligations with respect to non-compliance with laws and regulations (NOCLAR). The policy

covers obligations with respect to non-compliant activity by clients or EY people, as relevant to their respective business activities.

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



Reports regarding conduct & behavior

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

When a report comes into the EY Ethics Hotline, either by phone or internet, it receives prompt attention by the member firm's ethics team. Depending on the content of the report, appropriate individuals from Risk Management, Talent or other functions are also involved in addressing the report.

In the fiscal year 2023/2024, EYA received four reports about conduct & behavior (previous year: seven reports). Some of these reports have been submitted via the EY/Ethics Hotline. EYA treats these reports seriously and investigates all of them.

Three reports are still under investigation. The fourth report has been investigated and has been found partially substantiated. Appropriate measures have been taken.



Academic integrity

EY highly values integrity, including academic integrity. Examples of not acting with academic integrity are:

- ▶ Sharing questions or answers from training courses and exams;
- ▶ Fast forwarding training courses without reading or listening to the training material;
- ▶ Taking assessments and/or exams for someone else;
- ▶ Registering participation in a training course that has not been attended;
- ▶ Not reporting unethical behavior.

Governance of the investigation

Since 2023, EY, like the other Dutch OOB offices, has been investigating possible violations of academic integrity, the underlying causes and the best way to eliminate them. The Supervisory Board is the client for this investigation and checks its progress. Responsibility for the direction and policy of the investigation lies with the 'Academic Integrity Steering Committee' (AISC). This committee consists of directors and support services such as the Legal department and is advised by external lawyers. The project team, which mainly consists of forensic investigators, is responsible for conducting the investigation. The AISC meets regularly and reports to a temporary committee of the Supervisory Board, the 'Board Oversight Group Academic Integrity'. The ongoing investigation is closely watched by our regulators, the AFM and PCAOB. The Internal Audit department handles assessing the quality of the investigation and reports on this to the AISC and the Board Oversight Group Academic Integrity.

Conducting the investigation

The investigation team consists of dozens of people and tens of thousands of hours have been spent so far. The investigation focuses on the years 2018 to 2023 and concerns all employees and partners who worked at EY during this period. Substantial amounts of data from those years are being examined. Due to the impact that the investigation has on our people, the organization and social trust, we take the greatest possible care and accuracy in conducting the investigation. This has resulted in the investigation taking longer than we initially estimated. We aim to complete the investigation in the fiscal year 2024/2025.

Preliminary findings

The preliminary findings show that violations of academic integrity occurred. This concerns the sharing of answers from e-learnings and the failure to report (speak-up) possible violations regarding shared answers.

Follow-up findings

We regret that our learners have not always showed the academic integrity that we expect at EY. This does not fit in with our culture and the values that we stand for as an organization. We address colleagues about inappropriate behavior and take proper disciplinary measures where necessary. These disciplinary measures are imposed based on a sanction matrix, which has been coordinated with the Supervisory Board and shared with the external supervisors. Measures have already been taken at organizational level in the past that help to prevent behavior that is not in line with academic integrity. This includes randomization of test questions and answers and a mandatory confirmation that a learner is completing the learning independently. In addition,

we focused on further embedding culture and behavior including the responsibility to 'speak up'.

All measures taken internally to create a quality-oriented culture and promote ethical behavior have contributed to increased awareness of academic integrity in recent years. We will continue to emphasize and check the desired culture and continue to act in case of non-ethical behavior.



Anti-bribery

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



Insider trading

Securities trading is governed by many laws and regulations, and EY people are obliged to comply with applicable laws and regulations regarding insider trading. This means EY people are prohibited from trading in securities while in possession of material non-public information.

The EY *Insider Trading Global Policy* reaffirms the obligation of EY people not to trade in securities when in possession of insider information, provides detail on what constitutes insider information and identifies with whom EY people should consult if they have questions regarding their responsibilities.



Economic and Trade Sanctions

It is important that EY member firms and EY people comply with the ever-changing rules with respect to international Economic and Trade Sanctions. EY monitors Sanctions issued in multiple geographies both prior to business relationships being accepted and as they continue. Guidance is provided to EY people on impacted relationships and activities.



Anti-money laundering

EYA is classified as an obliged entity under applicable anti-money laundering (AML) regulations. Consistent with the EY global guidance on AML, EYA has

implemented policies and procedures designed to meet these obligations, including Know Your Client (KYC) procedures, risk assessments and suspicious activity reporting. EY people are trained on their responsibilities under the regulations and provided guidance on who to consult when they have questions.

In accordance with the Dutch 'Money Laundering and Terrorist Financing (Prevention) Act' (Wet ter voorkoming van witwassen en financieren van terrorisme, Wwft), specific institutions have a legal duty to report unusual transactions to the Dutch Financial Intelligence Unit (FIU - the Netherlands). The objective of the Act is to maintain the integrity of the financial system by preventing unacceptable financial practices such as money laundering and financing of terrorism.

In accordance with the Wwft, EYA is obliged to execute a client due diligence and report unusual transactions of the client. These requirements have been implemented in our Anti-Money Laundering and Countering Terrorist Financing (AML/CTF) policy. EY Netherlands established a centralized Wwft compliance function (the AML Office) in order to advise and support the Dutch EY engagement teams in connection with the Wwft and AML/CTF policy compliance. EY people are trained on their responsibilities under the regulations and provided guidance on who to consult when they have questions. During the fiscal year 2023/2024, EYA made 101 reports of unusual transactions to the FIU (compared with 89 in the fiscal year 2022/2023).



Data protection and confidentiality

The EY Binding Corporate Rules Program and related EY policies sets out principles and minimum standards to be applied to the collection, use and protection of all information that EY has responsibility for, including personal data relating to current, past and prospective EY professionals, clients, suppliers and business associates, as well as other information considered confidential to clients, third parties or the EY organization. This policy is consistent with the requirements of the European Union's General Data Protection Regulation (GDPR), and other applicable laws and regulations concerning data protection and privacy in addition to relevant professional standards providing a framework for confidentiality. EY member firms, through local policy may further strengthen applicable protections due under local law. The EY Binding Corporate Rules are approved by UK and EU regulators, and further provide a legal mechanism facilitating the movement of personal data within the EY network.

Furthermore, we have a policy to address our specific Dutch data privacy requirements and business needs.

We keep a register of all data incidents to assess whether an incident must be reported to the Dutch Data Protection Authority as a data breach. This register includes incidents like lost or stolen laptops, smart devices, secure ID cards, hard copy files, emails sent to the wrong person, et cetera. No data breaches were reported to the Dutch Data Protection Authority by EYA in the fiscal year 2023/2024 (2022/2023: also none).



Rotation and long association

EYA complies with the audit partner rotation requirements of the IESBA Code, Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014 (EU 537/2014), and the Dutch Audit Firms Supervision Act, the Dutch Decree on Audit Firms Supervision, the Dutch Code of Ethics for Professional Accountants, as well as the U.S. Securities and Exchange Commission (SEC), where required. EYA supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining experience and knowledge of the business. Audit partner rotation, combined with independence requirements and independent audit oversight, helps strengthen independence and objectivity, and is an important safeguard of audit quality.

Article 17 of the EU Audit Regulation No. 537/2014 requires for public interest entities the rotation of the lead engagement partner and their engagement quality reviewer after five years. Following rotation, the lead audit engagement partner and engagement quality reviewer may not resume the lead partner or engagement quality reviewer role until at least three years have elapsed.

For PIEs, the EY Global Independence Policy requires the lead engagement partner, the engagement quality reviewer and other audit partners who make key decisions or judgments on matters significant to the audit, (together, the key audit partners), to be rotated after seven years. For a new PIE, (including a newly listed company), key audit partners may remain in place for an additional two years before rotating off the team if they have served the company for six or more years prior to the listing.

Upon completing the maximum service period for rotation, a key audit partner may not lead or coordinate professional services to the PIE company we audit until after completing a cooling-off period. This period is five years for a lead audit engagement

partner, three years for an engagement quality reviewer and two years for other partners subject to rotation.

Where the required cooling-off period for the lead audit engagement partner established by the local legislative body or regulator is less than five years, the higher of that cooling-off period or three years may be substituted for the otherwise required five-year cooling-off period. This jurisdictional exception for the lead audit engagement partner may only be applied for audit periods beginning prior to 15 December 2023.

In addition to the key audit partner rotation requirements applicable to PIE companies we audit, EY has established a long association safeguards framework. This is consistent with the requirements of the IESBA Code as well as gradual rotation under Article 17 of 537/2014, and includes consideration of the threats to independence created by the involvement of EY professionals over a long period of time and a safeguards framework to address such threats.

We employ processes to effectively monitor compliance with internal rotation, and requirements for audit partners and other EY professionals who have had a long association with the audited entity as well as gradual rotation.



External rotation

For public interest entities, we comply with the external audit firm rotation requirements of Article 17 (1) of the EU Audit Regulation.



Disciplinary proceedings

On July 1, 2023, three disciplinary proceedings were pending. Two of these proceedings are still pending. The third matter related to a complaint against a statutory auditor in his role as engagement quality reviewer of an audit when he worked with another audit firm. The auditor resigned from EYA as per 30 June 2023 and therefore these proceedings will no longer be included in our Transparency Report. During the fiscal year 2023/2024, no new disciplinary complaints were filed. As a result, on 28 June, 2024, two disciplinary proceedings were pending.

These two disciplinary proceedings are connected. In the fiscal year 2021/2022, a former partner of EY Advisory Netherlands LLP filed a disciplinary complaint against one of the board members of EYA for not addressing his alleged whistleblower complaints adequately. The same former partner also

filed a disciplinary complaint in this respect against one of the former board members of EY Netherlands. On March 10, 2023, the Disciplinary Council rejected the complaint against both the EYA board member and the former board member of EY Netherlands. The former partner of EY Advisory Netherlands LLP appealed these decisions. These proceedings are currently pending before the Trade and Industry Appeals Tribunal.



Claims under civil law relating to professional conduct

In cases involving litigation, there will always be tension between the duty (and indeed the desire) to be transparent in the public interest about lessons learned, on the one hand, and the need to be prudent from a legal point of view and not undermine our position in existing litigation or provoke new litigation, on the other. In many of these cases, legal and contractual restrictions will affect our transparency. We acknowledge this dilemma and we aim to focus on the essential question: how can we align our transparency with the public interest?

We believe that from the perspective of the public interest, it is more important for us to be transparent about the lessons learned from recent or current inspections and controversies than to provide information regarding, for example, the amount for which we have settled a civil case related to an audit performed many years ago.

A demand letter is a letter including a notice of liability (*aansprakelijkstelling*). Demand letters may lead to an acknowledgement or a refutation of liability. We received three demand letters in the fiscal year 2023/2024 (2022/2023: three).

Civil law proceedings

On July 1, 2023, six civil law proceedings regarding our professional services were pending. In one matter, the claimants withdrew their appeal against a decision of the District Court, in which their claims were rejected. In another matter, a settlement with claimants has been reached and the legal proceedings have been terminated. In the fiscal year 2023/2024, no civil law proceedings were initiated against our firm. Therefore, on 28 June, 2024, four civil law proceedings are pending. Of these proceedings one, although formally still pending, is inactive.



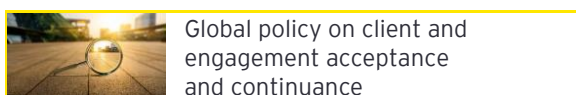
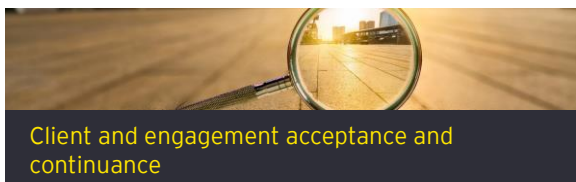
Reports & complaints relating to professional services

Occasionally, we receive reports and complaints in relation to our professional services via various channels, such as the EY/Ethics Hotline and

klachten.meldingen@nl.ey.com. During fiscal year 2023/2024 our firm had a Whistleblowers' Regulation and a Complaints Regulation in place. If a report or complaint falls within the scope of the Whistleblowers' Regulation or the Complaints Regulation, the Complaints Committee assesses and if necessary, investigates these reports and complaints.

No internal or external reports relating to professional services were received in the fiscal year 2023/2024 (2022/2023: one internal and one external)

Our firm occasionally receives comments, questions or complaints from clients, liquidators or other stakeholders. Issues raised include different expectations regarding the assurance or services delivered and our timeliness in the delivery of our services. Most issues are dealt with satisfactorily at the operational level, i.e., by the teams involved. More substantial comments, questions and complaints are always dealt with at a higher level in the organization and are assessed and discussed on a case-by-case basis. In the fiscal year 2023/2024, we received four complaints relating to EYA in addition to the reports mentioned above (2022/2023: five). This number does not include the demand letters referred to in the section above.



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

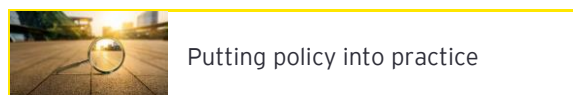
The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions on whether to accept or continue clients or engagements

- ▶ Meet applicable independence requirements
- ▶ Identify and deal appropriately with any conflicts of interest
- ▶ Identify clients or engagements that pose heightened risk
- ▶ Highlight clients or engagements that are inconsistent with EY values
- ▶ Require consultation with designated EY professionals to identify additional risk management procedures for specific high-risk factors
- ▶ Comply with legal, regulatory and professional requirements
- ▶ Determine that the intended engagement is within the EY Service Framework and does not involve a prohibited service

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

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



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

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

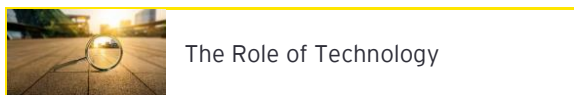
As part of this process, we consider the risk characteristics of a prospective client or engagement, and the results of due diligence procedures. Before taking on a new client or engagement, we also determine whether we can commit sufficient and appropriate resources to provide quality services, especially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

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

As a result of this evaluation, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit relationships are discontinued. As with the client and engagement acceptance process, our regional or local PPD and AMP are involved in the continuance process and should agree for the continuance to occur.



There is EY investment of more than US\$1b in next-generation Assurance technology as part of the continued EY commitment to EY member firms providing high-quality audits. This investment reflects the EY commitment to building trust and confidence in the capital markets, and in economies the world over.



The EY investment in technology is building on the strength of the existing leading-edge audit technology suite – integrating advanced technologies under one seamless platform while driving transformation by harnessing:

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

In 2024, the global EY organization released a further 25 new Assurance technology capabilities, supported by an expanded alliance with Microsoft, bringing the total to 45 releases during the first half of this four-year program. These releases are deployed across EY and include globally scaled artificial intelligence (AI). These AI-enabled capabilities – leveraging publicly available and EY-generated data – are directly, seamlessly integrated with EY Canvas to support EY Assurance professionals in assessing risk. EY is also introducing new AI-enabled capabilities in predictive analytics; content search and summarization; and document intelligence, including financial statement tie-out procedures.

Spotlight on driving quality through technology

Next-generation data-access capabilities and advanced analytics

Advanced data capabilities help to drive quality by supporting the analysis of entire data populations – supporting data-driven auditing that is embedded into methodology. The EY Helix global analytics suite (EY Helix) already supports the use of mature analytics throughout the audit – allowing EY teams to drill down on the right data at the right time and better understand the audited company and its risk landscape. By further integrating advanced analytics directly into the workflow of EY Canvas, EY sets a strong foundation to expand the use of AI at scale and significantly elevates user experience. Enhancing data capture and analysis capabilities helps to provide further confidence in a high-quality audit by widening the range of data used to obtain audit evidence, including both disaggregated and nonfinancial data.

AI at scale

AI at scale and other intelligent capabilities help to drive quality by standardizing processes and leveraging data to provide risk guidance and relevant recommendations to EY teams. Existing smart automation capabilities, such as EY Intelligent Checklists and EY Financial Statement Tie-out, automate and enhance routine audit activities, which helps efforts to be refocused on higher-risk areas. Looking ahead, guided workflow and other enhancements will take this to the next level, using the knowledge and learnings of other EY teams to support deeper risk focus and continued confidence in a high-quality audit.

An elevated user experience

A leading-class experience helps to drive quality by facilitating highly integrated and consistently executed audits worldwide. EY Canvas sits at the

center of the audit experience today, supporting effective coordination, consistent documentation and easier collaboration between EY teams and companies around the world. Integrating a guided workflow, data and knowledge under a single platform empowers EY teams to access all the capabilities involved in providing high-quality audits while also empowering company users with new features to better understand the status of the audit.

Quality at the core of technology development

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

New Assurance technology concepts are presented to a global committee of these stakeholders for evaluation based on several benefit criteria including quality, value for EY professionals and value for EY clients. If the committee believes that a concept lacks sufficient attributes under these and other criteria, the concept is rejected or adjustments are made, and the concept is re-presented to the committee.

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

Technology-enabled methodology

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

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

Addressing the risk of technology over-reliance

EY has procedures, policies, and enablement in place to encourage the responsible use of audit tools and technology, including AI-enabled technologies, and to mitigate the risk of over-reliance by the audit professional. In addition, the EY Global Audit Methodology emphasizes applying appropriate professional skepticism in the execution of audit procedures. The design of EY audit tools and technology, including AI-enabled technology, is intended to provide support for the audit team's procedures to address risks of material misstatement, but not replace the important role of the professional in applying their experience and judgment to reach a conclusion.



Emerging risks

Both traditional and emerging risks can have an impact on financial statements, and the auditor's approach should continuously evolve to address both types of risks. Emerging risks include changing macroeconomic and geopolitical conditions, evolving client use of technology (such as AI), cybersecurity risks, climate risks and event-specific client developments. The Risk Center of Excellence continues to develop tools to enhance the ability to monitor and address emerging risks in the audit portfolio. Audit teams may also involve specialists to address areas of emerging risk, including specialists in ESG, cybersecurity or AI.



Fraud

As organizations become increasingly complex and more digital dependent, there is a need to enhance the auditor's efforts to identify and respond to risks of material misstatement due to fraud, as well as the auditor's response to identified or suspected fraud. EY is committed to addressing stakeholders' questions about the auditor's responsibilities with respect to fraud.

EY sees new opportunities to leverage data to identify and respond to the risk of fraudulent financial reporting. For example, auditors increasingly use data analytics to identify unusual transactions and their patterns that could indicate a heightened risk of fraud. There are EY tools and processes being developed that help EY teams identify and respond to the risk of fraud. These include:

- ▶ **Document Authenticity Tool**, which tests for alterations to selected electronic documents using a variety of techniques and helps to identify when a document provided as audit evidence may have been altered, tampered with or modified.
- ▶ **Journal Entry Fraud Risk Analyzer (JEFRA)**, which tests each journal entry selected for characteristics associated with an elevated risk of management override and identifies entries for incremental consideration.
- ▶ **Short seller report alert process**, which monitors and distributes reports globally to audit teams and leadership.
- ▶ **Adverse media searches**, which identify articles indicative of fraud or non-compliance risk. Selected articles are distributed internally for further consideration.
- ▶ **Enhanced forensics metrics**, which use data to identify indicators of elevated risk of fraud based on application of machine learning techniques to historical financial statement data sets, providing audit teams with the ability to enhance their assessment of fraud risks through specific account-level focus.

- ▶ Extent of consultation employed

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



Reviews of audit work

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

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

- ▶ Risk, materiality, subjectivity and complexity of the subject matter
- ▶ Ability and experience of audit engagement team members preparing the audit documentation
- ▶ Level of the reviewer's direct participation in the audit work



Consultation requirements

EY consultation policies are built upon a culture of collaboration, whereby EY audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. In the 2024 Quality Survey, 86% of respondents said the EY culture of collaboration encourages them to seek advice and support.

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

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

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

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



Engagement quality reviews

EY engagement quality review policies, which are in accordance with ISQM 2, *Engagement Quality Reviews*, address the audits that are subject to engagement quality reviews and the qualifications of engagement quality reviewers, with training and enablement supporting the execution of the engagement quality review. Engagement quality reviewers are experienced EY professionals with

significant subject-matter knowledge. They are independent of the engagement team and provide an objective evaluation of the significant judgments the engagement team made, and the conclusions reached thereon. The performance of an engagement quality review, however, does not reduce the responsibilities of the PIC for the engagement and its performance. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

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

Engagement quality reviews are performed by audit partners in compliance with professional standards for Public Interest Entities (PIEs) pursuant to Dutch Law (*Organisaties van Openbaar Belang (OOBs)*), other listed entities and those considered to need close monitoring. Also the review of interim financial statements with a wide circulation of those entities are subject to an EQR. Our policy is that each of our statutory auditors is subject to at least one EQR annually on their (statutory) engagements. In addition, if the statutory auditor does not have two EQRs based on other criteria, one pre-issuance review is added. The board of EYA approves all the required audit engagement quality review assignments.



Organisaties van openbaar belang (Public Interest Entities or PIEs)

In the Netherlands, EQRs are mandatory for PIEs. EY's global definition of a PIE is similar to, but not exactly the same as the Dutch definition of an OOB (Dutch wording for a PIE). Other EQRs were held at specific groups of non-OOB clients, including high-risk clients, and various state-owned entities.

During the fiscal year 2023/2024, we performed 322 EQRs (2022/2023: 300 EQRs). One client may have more than one EQR reference, for example due to the review of interim financial statements.

For additional quantitative information for the fiscal year 2023/2024 on (the time spent on) our quality reviews, such as EQRs, we refer to KPIs 15, 16, 17 and 18 in Appendix 3. In accordance with the importance we attach to EQRs, we also monitor qualitative aspects, e.g., whether remarks by the EQR reviewer were followed up appropriately by the

audit team. This helps us to further improve our EQR processes.

In addition, we coached all EQR partners in the implementation and documentation of the EQR.



Engagement team resolution process for differences of professional opinion

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

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

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

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

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



Records retention

The Records and Information Retention and Disposition Global Policy supports and builds upon provisions within the EY Global Code of Conduct regarding acting with professional integrity in terms of documenting work and respecting intellectual capital. This policy and the Global Retention Schedule (GRS) establish records and information management (RIM) requirements for the management of records and information and documents ("records and information") throughout their life cycle including the requirement to securely discard or delete records for which the retention period has expired, unless special and acceptable circumstances apply. This policy, the GRS and RIM requirements are in accordance with

applicable professional standards and are based on regulatory, legal, and business requirements and obligations, and they apply to all engagements and EY people and addresses Dutch legal requirements, applicable to the creation and maintenance of working papers, relevant to the work performed.



Resources

There is continued EY investment in resources. Resources defined by ISQM1 includes intellectual, technological and human resources.



Audit methodology

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

When relevant data is available and extracted from the entity into EY Helix global analytics suite, the embedded data-driven approach of EY GAM focuses on simplifying tasks and improving connection from one audit procedure to the next by leveraging full populations of entity data. The ability to analyze disaggregated data using EY Helix enhances audit teams' understanding of the entity's business and helps teams focus on the identification of entity-specific risks, key transactions and trends and anomalies that may be indicators of misstatement or fraud. Audit procedures, including risk assessment and substantive procedures start with a data-first mindset, by analyzing relevant financial and nonfinancial data and supplementing this with traditional audit techniques such as inquiries, observations and inspection.

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

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

EY continues to develop the methodology to address changes and revisions in auditing and other professional standards and changes within entities' financial reporting processes, and to enhance guidance related to matters that are important to entities' stakeholders, such as climate-related risks, cybersecurity risk and the entity's use of emerging technologies within their operations or financial reporting processes (e.g., automation, AI, blockchain). EY audit engagement teams are provided methodology, guidance and resources to identify and respond to unique risks arising from macroeconomic and geopolitical conditions, climate-related matters, cybersecurity risk and technology disruption.

Other enhancements have been made to address implementation experiences and external and internal inspection results.

Recently, EY GAM was updated for the requirements of ISA 600 (Revised), Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors) and revisions to the International Ethics Standards Board for Accountants' Code of Ethics to address independence considerations in a group audit. A suite of enablement to implement the revised requirements was issued.

In addition, current and emerging developments are monitored, and timely audit planning and execution communications are issued. These communications emphasize areas noted during inspections as well as other key topics of interest to local audit regulators and the International Forum of Independent Audit Regulators (IFIAR).



Nonfinancial reporting

EY member firms provide assurance services on a wide range of nonfinancial information and reporting-related information. The EY Sustainability Assurance

Methodology (EY SAM) provides a global framework for the application of a consistent approach to all assurance engagements on sustainability information (ESG). EY SAM provides for the delivery of high-quality assurance services through the consistent application of thought processes, judgments and procedures in all engagements, regardless of the level of assurance required. EY SAM is also adaptable to the nature of both the ESG reporting, and the criteria applied by the reporting entity in producing that report.

The methodology emphasizes applying appropriate professional skepticism in the execution of procedures inclusive of the changing landscape in ESG reporting and criteria. EY SAM is based on the International Standards on Assurance Engagements (ISAEs) and is supplemented in The Netherlands to comply with local assurance standards and regulatory or statutory requirements.

As part of our and other EY member firms' obligation for high-quality assurance services related to nonfinancial reporting, EY has developed guidance, training and monitoring programs and processes used by EY member firm professionals to execute such services consistently and effectively. This includes the EY Climate Change and Sustainability Services – a dedicated team of sustainability professionals.

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

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

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

EY provides input to a number of public and private initiatives to improve the quality, comparability and consistency of nonfinancial reporting, including

climate risk. These activities take place at a global, regional and national level.



Certification of technology

EY has a robust certification process to help ensure technology used in audit engagements is fit-for-purpose (i.e., that the solution meets its objectives, is appropriate for use in the audit circumstances and that EY people have the appropriate competencies to use the solution).

Certification addresses a range of aspects, including that the solution has a clear audit evidence objective, has been appropriately tested, that methodology, enablement and learning are available to support its application and relevant legal and regulatory requirements have been managed (e.g., data privacy).



Diversity, equity and inclusiveness

The EY long-standing commitment to building high-performing, diverse, equitable and inclusive teams is especially important in audit, where diverse perspectives drive professional skepticism and critical thinking. A more diverse, equitable and inclusive environment helps drive better decision-making, stimulates innovation, and increases organizational agility.

The EY DE&I (Diversity, Equity, and Inclusiveness) journey has been ongoing for many years. While substantial progress has been made under the global strategy, EY remains focused on DE&I throughout the organization. The Global Executive (GE) has made a commitment to EY people and the market to accelerate DE&I through signing the [GE DE&I Statement](#). This reinforces that DE&I is a key business lever, and holds EY member firms accountable for progress, starting with the tone at the top.

There has been a particular focus on promoting gender diversity over recent years. Thirty-seven percent of new audit EY member firm partners around the globe, promoted on 1 July 2024 were women and a strong pipeline of female leadership has been built, supported by 52.8% of all audit hires by EY member firms across the globe in 2024 being female.

Inclusive organizations maximize the power of all differences. Employees need to feel they are working for an organization that not only values them as individuals and their contributions, but also sees differences as strengths. Fostering this sense of belonging is critical to help attract the most talented individuals and helping EY professionals stay

motivated and engaged. In the March 2024 employee listening survey (People Pulse Survey), 82% of EY auditors said the EY organization provides a work environment where they feel free to be themselves.

Leaders across EY make DE&I a priority and it is a key metric across all the organization's talent management programs. To enable greater accountability, the Global DE&I Progress Report is a key tool used to drive consistent actions and reporting across EY, in support of EY's ambition and strategy of EY. We continue to see collective progress across the organization, as well as see areas where we can focus efforts and close gaps to ensure EY people have access to inclusive, equitable experiences.

As a global organization, EY has an opportunity to address the impact of inequities and injustice and push for progress within EY and beyond. The creation of the EY Global Social Equity Task Force (GSET) heightened the commitment to an elevated and ongoing focus on social equity, which is about clearing obstacles, building more inclusive environments, and enabling access to resources and opportunities. Social equity means that we aim for each person at EYA to have access to the resources and opportunities they need, given different starting points. It also means removing barriers to opportunities and inclusive experiences, that may lead to inequitable outcomes. EY believes businesses have direct influence to address these gaps and build a better working world, through teaming, inclusive behavior, and the equitable assignment of work, as well as how performance evaluation, advancement and appointment decisions are made.

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

Our values: who we are

- | | | |
|--|--|---|
| 1 People who demonstrate integrity, respect, teaming and inclusiveness | 2 People with energy, enthusiasm and the courage to lead | 3 People who build relationships based on doing the right thing |
|--|--|---|



Employee value proposition

The EY employee value proposition (EVP) is the promise we make to our employees in return for working at EYA. The EY workforce is changing continually, and we are in a dynamic and competitive

talent market, where EY people now want different things from their workplace. What we promise in an EVP matters more than ever.

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

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



Attracting and recruiting talent

In a world with a decreasing talent pipeline in accounting and audit, where the number of students graduating with a relevant degree continues to drop, competition for talent with the optimal skill set has never been higher. Finding the next generation of high-quality auditors remains a top priority of EY. This is also a top priority for several professional accounting bodies, highlighting this is a factor the profession as a whole needs to work together to address.

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

For example, work is being done to develop an audit virtual work experience program, with the support of an external vendor. This program is designed primarily for university and college students who are at early stages of their studies and are looking to explore future career paths. The purpose of this program is to connect with students and showcase the work EY teams do in audit across the globe, in a direct and informal way, with the aim to build a network with our future talent from the early stages in their academic journey. Students taking this virtual job simulation are more likely to apply, have an interview and be successful in securing an opportunity in EY audit teams.

EY has now embedded AI to source and identify talent, enabling candidates to upload their CV and help them find potential opportunities across EY. AI is used to help screen CVs, enabling recruiters to accelerate the review and interview process offering an overall better candidate experience, and better-quality candidates to fill the vacancies faster.

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



Retention and focus on wellbeing

Having recruited the talent, retaining it within the organization is a key contributor in providing high-quality audits. Retention can vary based on external drivers, such as market conditions, but at 78% in June 2024, the global audit retention rate is at a higher level than before the COVID-19 pandemic.

EY people have always wanted to achieve the right balance between their professional and personal lives, but the younger workforce generations are much quicker to take action if their desired level of flexibility or wellbeing is not met. Currently, 36% of EY auditors now work remotely two or more days per week, a figure that is stabilizing as a working norm.

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

In practice, this also includes equitably balancing work allocations and breaking down barriers that have previously prevented EY professionals from setting and adhering to healthy boundaries. There is a stronger focus on experience management, scheduling auditors onto engagements, where they can find opportunities to expand their knowledge as part of longer-term career progression. 71% of EY auditors agree that work experiences needed for career progression are assigned equitably, according to the March 2024 employee listening survey [People Pulse Survey].

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



The Audit Academy

Changing environments mean that investments in exceptional talent need to be agile. Audit teams already bring together an increasingly diverse set of skills and this trend will only accelerate as new technologies are adopted and the role of the audit professional continues to evolve. Skill sets will need to be further enhanced to encompass new competencies, such as coding and data visualization, and new areas, such as the analysis of nonfinancial information (for example, rapidly changing ESG standards).

EY audit professionals also need to understand and assess the risks and considerations associated with these technologies, particularly as companies implement new systems and generate new data that impact financial reporting, such as business models dealing with cryptocurrencies.

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

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

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

EY Netherlands requires audit professionals to obtain at least 20 hours of continuing professional education each year and at least 120 hours over a

three-year period. Of these hours, 40% [(eight hours each year and 48 hours over a three-year period)] must cover technical subjects related to accounting and auditing. In addition, Dutch regulation on Permanent Education requires professionals to document their learning needs and the planned learning activities in a learning plan. Consequently, professionals confirm that the plan is carried out as documented.

In total, during the financial year to 28 June 2024, EY audit professionals globally undertook 9.1m hours of learning (compared with 8.8m hours for the previous year), averaging 89.7 hours each, well in excess of the minimum requirements. The average hours of learning in our firm in the Netherlands (EYA) is 163 hours (we refer to KPI 6 in Appendix 3). Whilst some of these incremental hours relate to technical accounting and auditing subject matter, others support the development of broader skills, such as those described in the next section. In the 2024 Quality Survey, 84% of respondents said they received sufficient training and development to enable them to provide quality audits or other assurance engagements, up 5% from 2023.



EY Badges and Partner Learning

In addition to audit specific learning, EY provides a broad curriculum of content. That covers legal, ethical and compliance related topics (such as Independence, Values and Information Security) as well as other skills such as Wellbeing, Coaching, Counseling, Teaming, and Business Development. To encourage the building of new skills, the EY Badges program enables EY professionals to gain future-focused skills including robotic process automation, teaming, innovation and cybersecurity, as well as other capabilities that are in high demand, such as artificial intelligence and sustainability. EY Badges is a self-directed learning initiative that supplements a substantial program of core structured training for auditors.

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

As of 28 June 2024, over 53,500 EY Badges had been awarded globally to current EY audit professionals, including 15,500 in analytics and data strategy alone. In addition, more than 31,000 EY Badges have been awarded to people who have since left EY.

There are also a variety of learning programs that have been developed specifically for EY member firm partners. These are available to all EY member firm partners worldwide and cover topics including Artificial Intelligence, Inspirational Leadership, Disruptive Technology, and Sustainability. These are supplemented by high-touch, immersive programs for selected groups of partners on topics such as Client Leadership and Disruptive Technology, and there are also regular learning programs on audit-specific topics such as risk assessment and fraud.



Personalized careers with diverse experiences

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

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

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

Recognizing, however, that individuals often have different career expectations, EY people are provided the necessary tools and processes to manage their own progression their way. As evidence, in the 2024 Quality Survey, 90% of participants said that any relevant learning is encouraged as part of their career development to enable them to provide quality audits and other assurance services, up 2% from 2023.



Mobility

One of the most powerful experiences EY member firms can offer their people is to work across cultures and borders. We know that people join EY for exceptional and diverse experiences, with 89% of EY member firms' new hires in EY Assurance being motivated by joining a highly globally integrated organization.

EY member firms provide a variety of on-demand mobility solutions and programs. The global mobility platform, Mobility4U, provides EY professionals with a single point of entry to undertake opportunities worldwide that provide a developmental experience and facilitate the sharing of specific knowledge and

skills. In parallel there is a focus on strategic mobility programs for member firm partners and future leaders, which support key business imperatives.

In addition to geographic mobility, EY member firms are increasingly able to offer virtual mobility experiences. These provide the benefits of working cross-border with new teams and enable EY people to expand their global mindset and networks.

A recent mobility return on investment analysis showed that international experience increased retention (+15%) and positively impacted career opportunities. Ninety-five percent of mobility assignees reported a positive impact on career one year post assignment, 93% of assignees said their international assignment experience was exceptional and 97% would recommend an EY mobility assignment.



Performance management

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

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

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

across six metrics, the most important one being quality.



Engagement

Employee engagement is a vital sign of success in building the right culture. EY audit professionals want to feel that their employer cares about their progress and job satisfaction. Understanding the ambitions, concerns and pressures faced by EY people makes it possible to provide a better environment in which they can flourish.

Engagement levels are regularly monitored through a variety of channels, and the March 2024 EY employee listening survey (People Pulse Survey) showed that 75% of audit professionals had a favorable attitude in terms of engagement.

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

The employee listening survey [People Pulse Survey] is run three times per year to gather feedback on key elements that drive engagement and retention. Each survey focuses on different strategic drivers (e.g., Careers, Learning and skills, etc.) and includes other relevant topics.

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

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



Knowledge and internal communications

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

- ▶ EY Atlas, which includes local and international accounting and auditing standards, as well as interpretive guidance
- ▶ Publications such as International GAAP, IFRS developments and illustrative financial statements
- ▶ Global Accounting and Auditing News – a weekly update covering assurance and independence policies, developments from standard-setters and regulators, as well as internal commentary thereon
- ▶ Practice alerts and webcasts, covering a range of global and country-specific matters, designed for continuous improvement in EY member firms’ Assurance practices

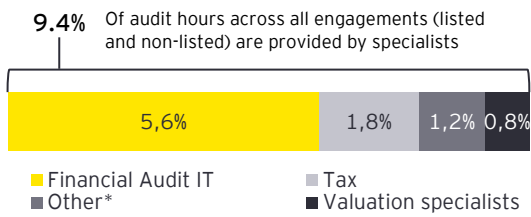


Formation of audit engagement teams

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

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

Audit hours provided by specialists



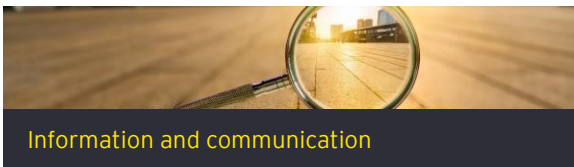
*Included within Other are actuaries and forensics specialists.

EYA’s policies require the approval of the assignment of individuals to specific audit roles by the EYA Board of directors. This is carried out, among other things, to make sure that the EY professionals leading audits possess the appropriate competencies (e.g., the knowledge, skills, abilities) and licenses to fulfil their engagement responsibilities, and, when applicable, are in compliance with auditor rotation regulations.



Service delivery centers

Global Delivery Services (GDS) is an integrated network of EY service delivery centers that provide services to support EY member firms. In an era of unprecedented change, GDS continues to develop flexible business models and innovative ways to support other EY member firms and their evolving needs. Across all disciplines, GDS teams combine broad technical knowledge with a focus on innovation, automation and process improvement to create hundreds of customized and scalable services that provide greater value for the EY organization. As part of its audit transformation journey, EY Assurance services plan to increase their use of specialized teams to drive higher-quality outcomes, including GDS.



Information and communication

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

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

Effective two-way communication is essential to the operation of the System of Quality Management and

the performance of audit engagements. The Global System of Quality Management policy provides the requirements for EY member firms to communicate internally and externally about the EY member firm’s System of Quality Management. EY has culture that encourages and expects EY people to communicate relevant and reliable information to the EY member firms to enable the System of Quality Management



System of Quality Management monitoring and remediation

The System of Quality Management monitoring and remediation process is the cornerstone of the EY process to monitor the System of Quality Management, including audit quality. The objective of EYA’s System of Quality Management monitoring and remediation process is to:

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

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

System of Quality Management monitoring activities include evaluating:

- ▶ Tests of System of Quality Management key controls
- ▶ Internal and external engagement inspections
- ▶ Other monitoring activities, for example and not exhaustive:
 - ▶ Tests of EYA and its people’s compliance with ethical requirements related to independence
 - ▶ Quality criticisms made by external regulators relevant to the System of Quality Management
 - ▶ Issues referred from the Ethics hotline

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



Tests of System of Quality Management key controls

System of Quality Management key controls have been designed and implemented to mitigate quality risks. The objective of performing tests of System of Quality Management key controls within the EYA's System of Quality Management includes determining whether the System of Quality Management key controls:

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

Individuals testing System of Quality Management key controls are competent, objective and independent of the control owners and control operators. Individuals testing System of Quality Management key controls operate under the direction of the Country PPD.

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

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

The approach to testing of controls at the Region, Area and Global level follows the same requirements and guidance set forth in the Global System of Quality Management Monitoring and Remediation policy. Prior to testing starting, information is provided to the EY member firms which includes an overview of the controls to be tested, the approach to testing, and information about who will be performing testing, including how to allow an EY member firm to assess their competence and objectivity. For example, testing performed over

Global controls is performed by individuals independent of the control owners and operators under the supervision of the Global System of Quality Management Monitoring and Analysis Leader.

Information about the results of testing is also shared with the EY member firms through Results of Monitoring Activities memos and through other information about the design, implementation, and operation of Global key controls. EYA obtains and evaluates the results of testing provided by the Region, Area or Global, as relevant, including evaluating whether there are findings relevant to the System of Quality Management.



Audit quality reviews (AQR)

EYA executes the Global AQR program, reports results and develops responsive action plans. The Global AQR program involves inspection of completed audit engagements. It is a monitoring activity complying with the requirements and guidelines in the ISQM 1 and is supplemented, where necessary, to comply with Dutch professional standards and regulatory requirements. It also aids EYA's ongoing efforts to identify areas where we can improve our performance or enhance our policies and procedures.

Audit quality reviews include the inspection of at least one completed engagement for each partner in charge, including others functioning as PIC on a cyclical basis every 3 years, including elements of unpredictability. The engagements reviewed each year are selected on a risk-based approach covering a cross-section of EYA's auditing practice. The Global AQR program includes detailed risk-focused file reviews covering a sample of listed and non-listed audit engagements, and public interest entities and non-public interest entities, to measure compliance with internal policies and procedures; EY GAM requirements; and relevant local professional standards and regulatory requirements. It also includes reviews of a sample of non-audit assurance engagements performed by audit teams. These measure compliance with the relevant professional standards, and internal policies and procedures that should be applied in executing non-audit assurance services.

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

AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, and their industry specialization. Audit reviewers are supported by other specialists, such as FAIT (IT audit), TARAS (tax), Forensics or Digital or other technical (e.g.,

sector or subject matter) for the review team to possess sufficient relevant knowledge and experience to conduct an effective AQR. Team leaders and reviewers are independent of the engagements and teams they are reviewing and are normally assigned to inspections outside of their home location.

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

The review team in the Netherlands is headed by an international team leader in several cases assisted by a Dutch deputy team leader; the team executing the AQRs consisted of international reviewers, ensuring that the AQR is performed in accordance with our international quality standards and allowing for a comparison of results over time and between countries.

In the last AQR cycles, we took various measures to further improve the process. These measures have been evaluated by the quality leaders of the Dutch regions. For the 2023/2024 AQR cycle, we repeated the following measures:

- ▶ We engaged experienced local Deputy Team Leaders, as they are more familiar with our internal Dutch requirements as well as with the standards set by our supervision oversight body the AFM.
- ▶ We involved the Quality Leader Group (QEG) and our Professional Practice Group (PPG) during the review to monitor the process and support the reviewers and engagement teams where required and to follow up on findings.

Each audit partner is subject to a regular AQR at least once every three years. In addition, partners can also be selected for an AQR inspection based on risk analyses. These risk analyses take into account any signals that might indicate potential quality issues. Also unpredictability is part of the process. Both risk and unpredictability result in an additional random sample of partners (five) being reviewed. These partners were informed about this selection shortly before the AQR inspection.

The primary goal of an AQR is to assess the quality of past cycle audits and to thus drive continuous learning and improvement. Major AQR findings are analyzed for root causes and lessons learned are embedded in internal training and guidance. In the following year, improvement is measured in these areas, also as a means to assess effectiveness of improvement efforts.

The secondary goal is to assess the quality performance of our external auditors and their teams. Besides general improvement as mentioned

above, professionals leverage this feedback to drive their personal development. It also gives leadership insight into whether professionals are able to keep up with the increasingly stringent requirements, which sometimes results in professionals moving to other service lines or even exiting the firm.

AQR ratings for a reviewed engagement are:

- ▶ '1' for engagements with no or minor findings
- ▶ '2 without significant no' for engagements that did not receive a 'no' to one of the significant quality questions
- ▶ '2 with significant no' for engagements that did receive a 'no' to one of the significant quality questions
- ▶ '3' for material findings

As part of the remediation the audit team obtains additional audit evidence or improves existing audit evidence in order to ensure a sufficient appropriate basis exists for the report and the appropriate reports are issued. Therefore a 'significant no' does not imply that the financial statements are materially misstated or an inappropriate report has been issued. For the 2 rated and 3 rated files the objective is to learn from detected shortcomings to prevent quality issues going forward. The audit partners with an engagement in which one or more significant findings were recorded are required to prepare a Remedial Action Plan (RAP) in which they have to include relevant actions aimed at improving the audit file and to stimulate learning from these findings. Furthermore, these files could also be subject to a Root Cause Analysis (RCA) to foster collective learning from findings, aligned to the primary goal of AQR.

The AQR outcome is taken into account when determining a partner's quality rating. The root cause of the significant finding driving the 3 rating and quality behavior are also important when determining a partner's quality rating. Depending on the nature and root cause of the significant finding, a 2 rating may have the same result as a 3 rating.

Soft inputs such as the learning mindset of the partner are also taken into account when determining the quality rating.

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

Within Assurance we refined our KPI and include both rating 1's and ratings 2a without significant findings. The rate of AQRs with the outcome sufficient 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. In the year under review, 94.5% of reviewed engagements (2022/2023: 98.9%) 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.



External quality assurance reviews

Our audit practice and our registered statutory auditors are subject to various inspections by the AFM, the PCAOB (the US Public Company Accounting Oversight Board), our Dutch professional association NBA (Nederlandse Beroepsorganisatie van Accountants) and several governmental institutions. As part of its inspections, the AFM and PCAOB evaluate quality control systems and review selected engagements. These regulators are a member of IFIAR and accordingly, the inspection results are submitted for inclusion in the annual IFIAR survey. We refer to KPIs 27, 28, 29 and 32 in Appendix 3 for information on these inspections.

We respect and benefit from the regulators' inspection processes. We thoroughly evaluate the points raised during the inspection to identify areas where we can improve audit quality and the relevance to the System of Quality Management. Engagements with significant findings and certain other engagements are subject to root cause analysis (see next section). Together with the AQR process, external inspections provide valuable insights into the quality of EY audits. These insights help us to effectively execute high-quality audits.

AFM

We experience our relationship with the AFM as open and constructive. During the year 2023/2024 the AFM performed a theme investigation into the EQR process. The internal quality system around EQR and four audit files including the role of the EQR were investigated, all with a positive outcome.

In 2022, the AFM initiated a dialogue on data-driven oversight for the 'OOB' licensed audit firms. In 2023/2024 this dialogue continued with a focus on the availability and quality of data.

In April 2024 the AFM announced an investigation on the quality of audit procedures that address identified fraud risks. For this investigation, the AFM will look at four individually selected statutory audit

files. The investigation will be conducted from June to October 2024 and includes an on-site visit.

In January 2023 we started our own investigation into academic integrity. We've set up a team to perform this investigation and established our governance concerning this project. We hope to finalize this investigation in the financial year 2024/2025.

Dutch law requires audit firms to manage their business in a sound and integer way. Consequently, we are required inform the AFM immediately of any incident that has serious consequences for the integrity of our operations. Two incidents were reported to the AFM during the fiscal year 2023/2024, compared to one incident in the fiscal year 2022/2023 (see KPI 35 in Appendix 3 of this Transparency Report). The incident investigation that the AFM announced in 2021 is still ongoing.

PCAOB

Public companies, whether located in the US or elsewhere, access US capital markets by complying with certain US legal requirements, including the requirement to periodically file audited financial statements with the US Securities and Exchange Commission (SEC). Under the Sarbanes-Oxley Act, the auditor of these financial statements - whether a US or a non-US auditor - must be registered with the PCAOB, and the PCAOB must regularly inspect the firm to assess its compliance with US laws and professional standards in connection with those audits. Our firm is registered with the PCAOB. We expect that the PCAOB will visit us in 2025.

Other external reviews

In addition to inspections by the AFM and the PCAOB, the Dutch National Government (performed by the Dutch National Government Audit Services (Auditdienst Rijk) or ministries) and the Inspectorate of Education also conducted inspections. The five engagement reviews by the Dutch National Government regarding the audit of public institutions, as well as the three engagement reviews by the Inspectorate of Education regarding the audits of educational institutions, were assessed as 'sufficient' (the previous year all were also assessed as 'sufficient').

Dutch municipalities and provinces are subject to SISA (Single Information, Single Audit) reporting requirements to the Dutch Ministry of the Interior and Kingdom Relations regarding specific contributions that they receive from the central government. SISA includes the attachment of a detailed annex to municipalities' financial statements. This annex is subject to external audit. The Dutch National Government Audit Service did not perform a

SISA inspection in 2023/2024 (2022/2023: one with conclusion 'sufficient').

In September 2023, the Dutch Healthcare Authority (Nederlandse Zorgautoriteit) conducted a review on one engagement related to the Long Term Care Act (Wet Langdurige Zorg). The Dutch Healthcare Authority informed us that their conclusion was 'sufficient' (in previous year all three inspected files were assessed as 'sufficient').

The Royal Netherlands Institute of Chartered Accountants, the professional organization of IT Auditors (NOREA) and the Dutch Media Authority (Commissariaat voor de Media) did not perform any quality reviews in the past years.



Engagement-level root cause analysis and action plans

Engagement-level root cause analysis is a central part of the EYA's System of Quality Management, providing an in-depth assessment of the root causes that underlie an engagement's negative inspection outcome. The findings of each root cause are analyzed in detail. Analyzing this research enables a better understanding of the drivers behind both positive and negative outcomes. It also allows us to focus on key behaviors that drive positive and high-quality results, a process that is fundamental to continuous improvement.

In conjunction with the performance of engagement-level root cause, EY member firms are responsible for assessing whether the matters are indicative of pervasive issues in their System of Quality Management and developing responsive action plans for remediation.



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

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

If any deficiencies are identified, a root cause process is executed to determine the root cause, to assess the

severity and pervasiveness of the deficiency, and to develop responsive actions.

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



System of Quality Management Quality Improvement Plans

For any identified deficiencies, EYA quality improvement plans are developed, which includes:

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

Quality improvement plans are developed by the System of Quality Management Operational Committee and are reviewed by the System of Quality Management Oversight Committee to help ensure the appropriateness of the actions designed.



Infrastructure supporting quality

Infrastructure supporting quality



Strategy

All in is the EY global strategy and ambition to shape the future with confidence and drive purposeful growth, together. The world's organizations and EY clients face more complex and inter-connected issues than ever before, and through All in, EY is helping EY stakeholders anticipate and navigate these challenges and opportunities – so they can shape the world, not be shaped by it. The global strategy will create new value for EY stakeholders and cement the EY organization's position as a leader in professional services. Meanwhile, the EY purpose of Building a better working world continues to inspire EY people to use EY knowledge, skills and experiences to support the communities in which they live and work.

EY Assurance services has also embarked on a multi-year journey of bold changes across audit teams, processes and technology. Through this transformation, EY continues to harness the inherent strengths of its EY member firms' greatest asset in providing exceptional client service and building trust – EY people. By enhancing their skills and experiences, while also transforming the way EY teams work (guided by intuitive methodology and tailored enablement and putting data and technology at the center of the assurance services they provide), they better deliver on the EY purpose of serving the public interest.

There is EY investment of more than US\$1b in next-generation Assurance technology as part of its continued commitment to providing high-quality audits. This investment is building on the strength of the existing leading-edge audit technology suite while also harnessing next-generation data-access capabilities and advanced analytics, AI at scale and an elevated user experience. Through a data-driven approach, enabled by the transformation and integration of digital technology capabilities, EY teams will continue to provide high-quality audits with independence, integrity, objectivity and professional skepticism.

AI at scale and other intelligent capabilities will help to drive quality by standardizing processes and leveraging data to provide risk guidance and relevant recommendations to EY teams. EY member firms remain future-focused as they transform, including ever-more sophisticated data analytics and efficiently delivering greater insight in support of the high-quality audits that are valued by the entities that EY

member firms audit and the capital markets. By applying leading-edge technologies, EY Assurance services teams will contribute meaningfully to the overall EY purpose of building a better working world.



Global Assurance Quality Network

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

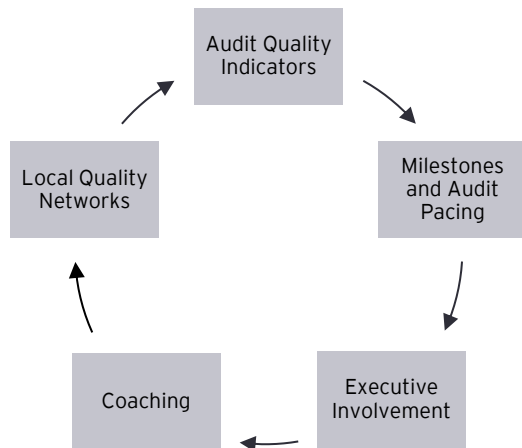
- ▶ The Global System of Quality Management network
- ▶ Quality leaders within the non-Assurance service lines

The EY Global Assurance Quality Network is a group of senior Assurance leaders around the world who support EY member firm engagement teams and practice leaders in the execution of high-quality audits.

The Global Assurance Quality Network (the Network) is instrumental in serving as:

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

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



Monitoring Audit Quality Indicators (AQIs)

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

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

Examples of EY AQIs include:

- ▶ Internal and external inspection results
- ▶ Adherence to engagement pacing milestones and executive involvement
- ▶ Actual vs. planned headcount
- ▶ Completeness of longer-term workforce planning/audit scheduling

The global AQI dashboard helps to inform the leadership at all levels of the EY organization about whether actions are having the intended effect, and provides an early warning where intervention is warranted, helping improve audit quality.

The Dutch legislative proposal 'Wijzigingswet accountancysector' contains, amongst other audit quality improvement measures, a reporting obligation for a new set of audit quality indicators.

Monitoring adherence to pacing milestone

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

Milestones set completion due dates for important phases of the audit, and when used effectively, Milestones help to avoid time compression during the peak busy season. A well-paced, well-organized audit can result in a less stressful work environment. Teams that work collaboratively to set a manageable pace for the audit by tackling issues and clearing review notes in real time report higher morale overall, as well as a sense of personal ownership and accomplishment for the individual auditor.

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

Usage of EY Canvas Client Portal requests

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

Designing and providing in-flight coaching

More than 1,500 engagements a year receive some form of coaching under a globally provided program. This coaching is principally directed at those areas where there have been more pervasive inspection findings as well as those areas impacted by new or revised auditing standards.

Coaching can be directed at audit teams utilizing new technology and automated tools and techniques to evaluate the proficiency with which the engagement teams are utilizing the technology. In the 2024 Quality Survey, 80% of respondents said they receive timely on-the-job coaching and feedback.

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

Designing and deploying enablement for new technology

Working with technology product owners and the GPPG, the Global Assurance Quality Network designs and deploys enablement to assist audit teams in utilizing the automated tools and techniques as designed. This enablement is deployed to engagement teams and supported in local practices by the respective representatives of the quality network.

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

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

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

Over the past year, significant focus was placed on implementing ISA 600 (Revised) Audits of Group Financial Statements (Including the Work of Component Auditors) and changes made to the EY engagement risk assessment process. For these

initiatives, specific classroom learning was developed and deployed, and enhanced functionality was built into EY Canvas to facilitate a guided workflow for executing an engagement risk assessment and local methodology networks activated to support engagement teams on the ground.



Professional Practice

The GPPG is a worldwide network of dedicated technical subject-matter professionals in corporate reporting and assurance standards who consult on accounting, auditing and financial and nonfinancial reporting matters. They also perform various quality management oversight and monitoring roles, and risk management activities.

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

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

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

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

Additional resources often augment the GPPG, including professionals focused on:

- ▶ Internal-control reporting and related aspects of the EY Global Audit Methodology
- ▶ Accounting, auditing and risk issues for specific topics, industries and sectors

- General engagement matters and how to work effectively with those charged with governance

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



Risk Management

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

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

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

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

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

Additionally, Global Risk Management continues to focus on business resiliency in business continuity

planning efforts in the EY organization. A key component of this approach is the recognition that many crises do not just “happen”; there are usually indicators of escalating factors as a crisis unfolds. This approach allows EY member firms to begin addressing mitigation of risks while continuing to carry on “business as usual” at the very early stages of a potential business impact situation. The creation of “escalation matrixes” around several ongoing and high-chance geopolitical events allow EY member firm and Region Risk Management crisis management teams to respond more rapidly and more effectively as events escalate. Additionally, these escalation matrixes and subsequent action item checklists go beyond traditional workforce life and safety issues by delving into factors that could impact a member firm’s ability to effectively conduct business.

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

The Global Data Protection and Confidentiality Policy sets out requirements when handling sensitive and restricted information, including personal data. EY member firms have a continuing responsibility to communicate local changes in law or regulation, reflecting the ever-changing landscape of restrictions on the use of data. The Global Data Protection and Confidentiality Policy was developed in accordance with applicable law, regulatory frameworks (such as the GDPR), and relevant professional standards. The policy provides clarity for EY member firms and their employees and connects to related policies and guidance on information security, records retention, social media utilization, and other data protection-related topics.



Three lines model

We find it helpful to think in terms of a so-called three lines model to structure our organization. We mirror our EY Global model as our guiding principle, enabling us to align with international practice and benefit from it. Naturally, we customize it to suit local conditions where necessary.

This results in the following structure:

- **First line:** Our professionals performing engagements and the primary processes Talent, Operations (including Innovation) and Markets (including Rotation) with the departments responsible for coordinating, supporting and/or implementing the respective processes. Our professionals are responsible on an engagement level and line management on a department or

process level. The first line focuses on our professionals, our services and our clients.

- ▶ **Second line:** Departments which support, advise and monitor the first line. These include departments focusing on professional practice, compliance, independence, anti-money laundering, data privacy, corporate law, and risk. The authority of these departments can also include approvals in their area of expertise, whereby the first line remains primarily responsible and the approvals by the second line secure, in segregation of duties, that the applicable criteria have been met and/or that assessments have been made adequately. Recognizing the second line incorporates many departments, multiple information and coordination lines are set up between them.
- ▶ **Third line:** Internal audit, headed by the “Wta Officer”, which department is not concerned with management tasks and focuses on observing the operations of the primary and support processes.

responsibilities outlined in these policies and of general security awareness practices.



Cybersecurity

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

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

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

EY people receive regular and periodic communications, reminding them of their



Independence practices

Independence practices

The EY Global Independence Policy requires EYA and our people to comply with the independence standards applicable to specific engagements, (e.g., the IESBA Code and Dutch rules on auditors' independence (e.g. the Regulation regarding the Independence of Accountants performing Assurance engagements' (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten*)).

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

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

EYA has implemented EY global applications, tools and processes to support us, our professionals and other employees in complying with independence policies.



EY Global Independence Policy

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

The EY Global Independence Policy is an Intellectual resource provided by a Global Function to drive consistency in the System of Quality Management



Global Independence System

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

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



Global Monitoring System

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

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



Independence compliance

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

Independence confirmation

Annually, EYA is included in an Area-wide process to confirm compliance with the EY Global Independence Policy and process requirements, and to report identified exceptions, if any.

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

Independence compliance reviews

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

Personal independence compliance testing

Each year, the EY Global Independence team establishes a program for personal independence compliance testing (PICT), which is an audit of an individual's compliance with the requirement to report financial interests in GMS. As part of the PICT, the selected individuals will provide account statements and other documentation of their financial interests, which are then compared to information reported in GMS as of the relevant period being tested to determine if there are unreported interests and relationships. Any unreported interests or relationships are evaluated with consequences assigned as deemed appropriate. For the 2024 testing cycle, EY Netherlands tested more than 180 partners and other professionals.



Non-audit services

EY enables and monitors compliance with professional standards, laws and regulations

governing the provision of non-audit services to audited entities through a variety of mechanisms. The enablement includes the use of tools, such as PACE (see page 34), GIS (see page 58), and the Service Offering Reference Tool (SORT) (see below), and training. The monitoring includes required procedures completed during the performance of audits and internal inspection processes, such as the Global Compliance Engagement Testing. There is also a process in place for the review and approval by Independence professionals of certain non-audit services in advance of accepting the engagement.



Global independence learning

EY develops and deploys independence learning programs for EY people. All EY client-facing professionals, and certain other professionals based on role or function, are required to participate in annual independence learning to help maintain independence from the companies EY member firms' audit.

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

The annual independence learning program covers independence requirements, focusing on recent changes to policy, as well as recurring themes and topics of importance. Timely completion of annual independence learning is required and is monitored.

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

The annual independence learning program is an intellectual resource provided by a Global Function to drive consistency in the System of Quality Management.



Service Offering Reference Tool (SORT)

Service Offering Reference Tool (SORT) serves as the master list of approved EY services. We assess and monitor our portfolio of services on an ongoing basis to determine whether they are permitted by professional standards, laws and regulations, and to make sure that we have the right methodologies,

procedures and processes in place as new service offerings are developed. We restrict services from being provided that could present undue independence or other risks.

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

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



Business Relationships Independence Data Gathering and Evaluation (BRIDGE)

EY people are required to use Business Relationships Independence Data Gathering and Evaluation (BRIDGE) in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with an audit client, thereby supporting compliance of EY with independence requirements.

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



Audit committees and oversight of independence

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



Safeguarding independence in the Netherlands

We further intensified our efforts to ensure compliance within EY Netherlands with all applicable

independence rules. The EY Netherlands Independence Desk, whose area of responsibility covers all EY professionals and service lines in the Netherlands, consists of 13.6 FTEs (see KPI 13 in Appendix 3 in this Transparency Report for detailed figures per rank). This size allows the Independence Desk to plan and operate pro-actively in all relevant independence-related areas. It is able to look deeply into situations in areas where independence rules may be at risk of being breached. If and when breaches of independence rules are discovered, the circumstances are evaluated and assessed as to whether further process improvements are necessary.

We benefit from these improvements. In parallel we continued our campaign in the Netherlands to stress to all our professionals the importance of full compliance with all applicable independence rules. This campaign is reinforced by a personal independence partner sanction framework as well as a personal independence executive sanction framework from the level of manager and up. For the total number of internally reported or identified independence violations at EY in the Netherlands during the fiscal year 2023/2024, we refer to KPI 24 in Appendix 3.

Both EU regulations and the more restrictive Dutch 'Regulation regarding the Independence of Accountants performing Assurance engagements' prohibit auditors of a PIE client to provide non-audit services to this client, with very few exceptions. No cases of non-compliance were identified during the fiscal year 2023/2024.



Personal independence in the Netherlands²

Our professionals have to comply with internal and external rules on personal independence. We monitor, for example, the compliance of our professionals with rules regarding directorships they are not allowed to accept. Professionals ranked as manager and above are required to enter details about all securities they hold, or those held by their immediate family, into the GMS. Compliance with the GMS requirements is monitored through our PICT program. Our sample sizes vary from year to year; we aim to ensure that all partners are tested at least once every five years,

² Figures in this paragraph relate to EY Netherlands and not only EYA in the Netherlands as non assurance partners and employees may cause independence violations related to assurance engagements.

with certain partners in managerial roles being selected more frequently.

58 partners (equity) were tested in the period covered (1 April 2023 to 31 March 2024). These tests did not identify any independence breaches and identified three administrative violations. For one partner this resulted in a financial penalty and for two other partners in a non-financial sanction (2022/2023: 58 tests, zero breaches, seven administrative violations, for which one partner received a financial penalty and five partners a non-financial sanction).

Furthermore, 126 executives (including non-equity partners) were tested in the period which resulted in no breaches and fifteen administrative violations. For all fifteen executives this resulted in non-financial performance consequences (2022/2023: 105 tests, one breach, fifteen administrative violations, for which fourteen executives received a non-financial performance consequence).

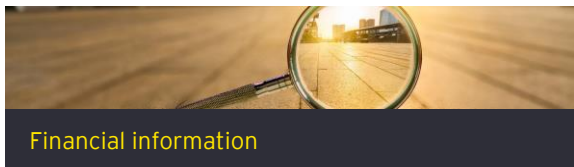
The overall non-compliance rate for partners and executives is 10% (prior period: 11%).

In July 2023 we were notified that on behalf of a partner, qualifying as chain of command of our firm, a prohibited investment was made in an EU-PIE client of our Dutch firm resulting in a breach of the IESBA Code of Ethics. The investments were immediately disposed. Given the senior position of the partner the regulator was notified of this breach.



Revenue and remuneration

Revenue and remuneration



Revenue represents combined, not consolidated, revenues (excluding HVG Law LLP), and includes expenses billed to clients, and revenues related to billings to other EYG member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients.

The revenue of Ernst & Young Nederland LLP is specified in the table below:

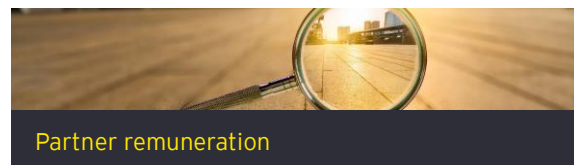
Ernst & Young Netherlands LLP (€000,000)	2023/2024		2022/2023	
	€	%	€	%
Statutory audit services	311	70%	287	67%
Other assurance services	82	18%	88	21%
Assurance services	393	88%	375	88%
Assurance-related services (including compilation)	25	5%	24	6%
Other services	25	6%	25	6%
Rendering services Ernst & Young Accountants LLP	443	99%	424	100%
Other income Ernst & Young Accountants LLP	3	1%	2	0%
Ernst & Young Accountants LLP	446	100%	426	100%
Ernst & Young Belastingadviseurs LLP	319		305	
EY Advisory Netherlands LLP	294		304	
Ernst & Young Netherlands LLP and subsidiaries	57		70	
Intercompany eliminations	-74		-75	
Ernst & Young Netherlands LLP	1,042		1,030	

This breakdown can also be stated in accordance with Article 13 (2) (k) of the EU Regulation 537/2014:

Ernst & Young Accountants LLP 2023/2024 (€000,000)	Statutory audit services	Other assurance services	Assurance- related services	Other Services	Total
NL based EU-PIE clients and their subsidiaries	96	9	1	-	106
	31%	11%	4%	0%	24%
NL based subsidiaries of EU-PIE's based in other EU countries	13	1	-	-	14
	4%	1%	0%	0%	3%
Dutch PIE clients (non EU-PIE)	4	-	-	-	4
	1%	0%	0%	0%	1%
Other (non EU-PIE) statutory audit services clients	198	18	3	1	220
	64%	22%	12%	4%	50%
Other assurance services clients		54	3	1	58
		66%	12%	4%	13%
Other assurance related services clients			18	3	21
			72%	12%	5%
Other services clients				20	20
				80%	3%
Total revenue for rendering services Ernst & Young Accountants LLP	311	82	25	25	443

In the tables above, revenues from statutory audit services are presented in line with the definition of a statutory audit in Article 1 of the Dutch Audit Firms Supervision Act, including attachments. This definition differs from the definition of a statutory audit in Article 13 (2) (k) of the EU Regulation 537/2014.

In the tables above, revenues from statutory audits at entities belonging to a group of undertakings of which the parent is a public interest entity (the subsidiaries of a PIE), are limited to those entities of which the parent company (the PIE) is audited by EYA or by a member firm of the international EY network.



Quality is at the center of the EY strategy and is a key component of EY performance management systems. Our partners³ are evaluated and compensated based on criteria that include specific quality and risk management indicators. Equally, when our partners do not adhere to quality standards, remedial actions are taken. These may include performance monitoring, compensation adjustment, additional training, additional supervision or reassignment – or, in instances of repeated or particularly serious non-compliance, separation from EY.

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

³ The term 'partners' in this chapter refers to partners equity and non equity. In case of a distinction between partners equity and partners non equity this is made explicit in the main text.

EY policies prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-audit services to companies they audit. This reinforces to EY partners their professional obligation to maintain independence and objectivity. For audits conducted in accordance with the requirements of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, EY prohibits evaluating and compensating any partner or professional involved in, or able to influence the carrying out of, an audit engagement based on the sale of non-audit services to their audit clients. This reinforces that professionals are obligated to maintain independence and objectivity.”

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

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

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

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

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

- ▶ Experience
- ▶ Role and responsibility
- ▶ Long-term potential

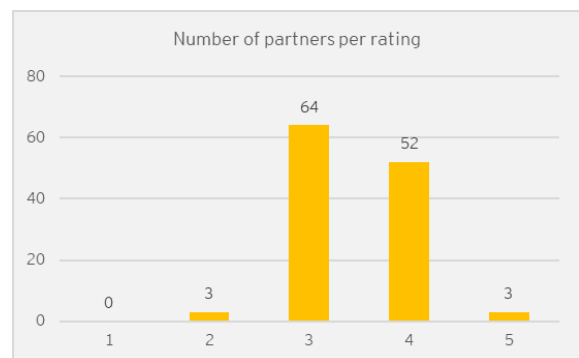
LEAD for partners, principals, executive directors and directors (PPEDDs) applies to all partners. LEAD for PPEDDs reinforces the global business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and performance review, and is tied to partners’ recognition and reward. Documenting partners’ goals and performance is the cornerstone of the evaluation process. A partner’s goals are required to reflect various global priorities, one of which is quality.

Within the LEAD framework, each partner is assigned to one of four categories:

- ▶ Need to progress
- ▶ Progressing
- ▶ Differentiating
- ▶ Strategic Impact

The category to which a partner is assigned is an important factor in determining the partner’s equity remuneration and its annual growth, but leaves margins for individual upward or downward yearly adjustments, according to the performance of the partner equity during the relevant year, in comparison with peers. The remuneration of partners non equity is based on the evaluation outcome, whereas a performance award is also based on the LEAD category.

Quality is an important input for the overall evaluation and is measured using an indicator with a numerical 5-point scale, where 1 is the lowest score and 5 the highest. For the Q&ERM year 2024 (period from 1 April 2023 to 31 March 2024), the rating of our external auditors at EYA (a group that includes most, but not all of our partners) on the 5-point quality scale (5 is the highest score) was as follows:





Appendix 1: List of PIE audit clients

Appendix 1: List of PIE audit clients

In the fiscal year that ended on 28 June 2024, Ernst & Young Accountants LLP performed audits of the following PIEs (public interest entities under Dutch law (OOBs)):

ABN AMRO Bank N.V.	Douro Finance B.V.
ABN AMRO Captive N.V.	Ebusco Holding N.V.
ABN AMRO Clearing Bank N.V.	Enexis Holding N.V.
ABN AMRO Groenbank B.V.	Enexis Netbeheer B.V.
ABN AMRO Hypotheken Groep B.V.	Essity Capital B.V.
Achmea B.V.	Euronext N.V.
Achmea Bank N.V.	FBTO Zorgverzekeringen N.V.
Achmea Pensioen- en Levensverzekeringen N.V.	Ferrovial SE
Achmea Reinsurance Company N.V.	Fugro N.V.
Achmea Schadeverzekeringen N.V.	GarantiBank International N.V.
Achmea Zorgverzekeringen N.V.	Gasunie Transport Services B.V.
ad pepper media International N.V.	Heimstaden Bostad Treasury B.V.
Airbus SE	Holcim Sterling Finance (Netherlands) B.V.
Akelius Residential Property Financing B.V.	Hydratec Industries N.V.
Algarve International B.V.	Interbank N.V.
Ariston Holding N.V.	International Card Services B.V.
ASN Beleggingsfondsen AIF N.V.	Interpolis Zorgverzekeringen N.V.
ASN Beleggingsfondsen UCITS N.V.	ISS Finance B.V.
ASN Biodiversiteitsfonds N.V.	Klaverblad Schadeverzekeringsmaatschappij N.V.
Asset Repackaging Trust Five B.V.	Koninklijke BAM Groep N.V.
Asset Repackaging Trust Six B.V.	Koninklijke Heijmans N.V.
Athora Netherlands N.V.	Koninklijke KPN N.V.
Atlanteo Capital B.V.	Koninklijke Philips N.V.
Banijay Group N.V.	Lemonade Insurance N.V.
Basic-Fit N.V.	Magoi B.V.
BBVA Global Markets B.V.	Mizuho Bank Europe N.V.
BE Semiconductor Industries N.V.	N.V. Hagelunie
BNP Paribas Fund III N.V.	N.V. Nederlandse Gasunie
Boiro Finance B.V.	N.V. Noordhollandsche van 1816, Levensverzekeringsmaatschappij
Brunel International N.V.	N.V. Noordhollandsche van 1816, Schadeverzekeringsmaatschappij
DAS Nederlandse Rechtsbijstand Verzekeringmaatschappij N.V.	N.V. Schadeverzekering Metaal en Technische Bedrijfstacken
Davide Campari-Milano N.V.	N.V. Schadeverzekering-Maatschappij Bovemij
De Friesland Zorgverzekeraar N.V.	NatWest Markets N.V.
de Volksbank N.V.	

NE Property B.V.

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Nederlandse organisatie voor wetenschappelijk onderzoek (NWO)

Nederlandse Waterschapsbank N.V.

NEPI ROCKCASTLE N.V.

NIBC Bank N.V.

NS Insurance N.V.

OBAM N.V.

Onderlinge Waarborgmaatschappij Centramed B.A.

ONVZ Aanvullende Verzekering N.V.

ONVZ Ziektekostenverzekeraar N.V.

ONWARD Medical N.V.

Palomboen Cultuur Maatschappij Mopoli (Palmeriaes De Mopoli) N.V.

PB Holding N.V.

PEARL Mortgage Backed Securities 1 B.V.

Proteq Levensverzekeringen N.V.

Reis- en Rechtshulp N.V.

REN Finance B.V.

Sagax EURO MTN NL B.V.

SCILDON N.V.

Securitised Residential Mortgage Portfolio I B.V.

Securitised Residential Mortgage Portfolio II B.V.

Siemens Financieringsmaatschappij N.V.

Sif Holding N.V.

Signify N.V.

SRLEV N.V.

Stellantis N.V.

Stichting Antares Woonservice

STICHTING ARCADE mensen en wonen

Stichting Bedrijfstakpensioenfondsen voor de Bouwnijverheid

Stichting BPL Pensioen

Stichting Casade

Stichting De Huismeesters

Stichting L'Escaut Woonservice

Stichting Parteon

Stichting Pensioenfondsen ING

Stichting Pensioenfondsen Medisch Specialisten

Stichting Pensioenfondsen Rail & Openbaar Vervoer

Stichting Pensioenfondsen voor de Woningcorporaties

Stichting Pensioenfondsen Werk- en (re)Integratie

Stichting Philips Pensioenfondsen

Stichting PME pensioenfondsen

Stichting Portaal

Stichting Rabobank Pensioenfondsen

Stichting Shell Pensioenfondsen

Stichting Volkshuisvesting Arnhem

Stichting Weller Wonen

Stichting WonenBreburch

Stichting WoonFriesland

Stichting Woonged Middelburg

Stichting Woonpartners

Stichting ZOWonen

STMicroelectronics N.V.

TKH Group N.V.

TomTom N.V.

Tulip Mortgage Funding 2019-1 B.V.

Tulip Mortgage Funding 2020-1 B.V.

Universal Music Group N.V.

UVM Verzekeringsmaatschappij N.V.

VanEck ETFs N.V.

Vastned Retail N.V.

VCL Master Netherlands B.V.

Volkswagen Financial Services N.V.

Volkswagen International Finance N.V.

Waard Leven N.V.

Waard Schade N.V.

Woonpartners Midden-Holland, Stichting voor Bouwen en Beheren

Wurth Finance International B.V.

ZF Europe Finance B.V.

Zilveren Kruis Zorgverzekeringen N.V.



Appendix 2: Approved EY member firms

Appendix 2: Approved EY member firms



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

As of 28 June 2024, the following EY member firms are approved to carry out statutory audits in an EU or EEA member state:

Member State	Statutory auditor or audit firm
Austria	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Belgium	EY Assurance Services SRL
	EY Bedrijfsrevisoren SRL
	EY Europe SRL
Bulgaria	Ernst & Young Audit OOD
Croatia	Ernst & Young d.o.o.
Cyprus	Ernst & Young Cyprus Limited
	Ernst & Young CEA (South) Services Ltd
	Ernst & Young CEA (South) Holdings Plc
Czech Republic	Ernst & Young Audit, s.r.o.
Denmark	EY Godkendt Revisionspartnerselskab
	EY Grønland Godkendt Revisionsanpartsselskab
Estonia	Ernst & Young Baltic AS
	Baltic Network OU
Finland	Ernst & Young Oy
France	Auditex
	Ernst & Young Audit
	Ernst & Young et Autres
	EY & Associés
	EY Audit & Conseil
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young Heilbronner Treuhand-GmbH Wirtschaftsprüfungsgesellschaft
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	TS GmbH Wirtschaftsprüfungsgesellschaft
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	EY Deutschland GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
	EY Verwaltungs-GmbH Wirtschaftsprüfungsgesellschaft
	EY-Parthenon GmbH Wirtschaftsprüfungsgesellschaft
	TS Beteiligungs-GmbH Wirtschaftsprüfungsgesellschaft

Member State	Statutory auditor or audit firm
Greece	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság
Ireland	Ernst & Young Chartered Accountants
Italy	EY S.p.A.
Latvia	Ernst & Young Baltic SIA
Liechtenstein	Ernst & Young AG, Basel
	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany
	Ernst & Young AG, Vaduz
Lithuania	Ernst & Young Baltic UAB
Luxembourg	Ernst & Young Luxembourg
	EYL Luxembourg
	Ernst & Young
Malta	Ernst & Young Malta Limited
Netherlands	Ernst & Young Accountants LLP (until and including 28 June 2024)
	EY Accountants B.V. (as of 29 June 2024)
Norway	Ernst & Young AS
Poland	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością
	Ernst & Young Usługi Finansowe Audyt spółka z ograniczoną odpowiedzialnością
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Doradztwo Podatkowe spółka komandytowa
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Finance spółka komandytowa
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa
Portugal	Ernst & Young Audit & Associados–SROC, S.A.
Romania	Ernst & Young Assurance Services SRL
	Ernst & Young Support Services SRL
Slovakia	Ernst & Young Slovakia, spol. s r.o.
Slovenia	Ernst & Young d.o.o.
Spain	ATD Auditores Sector Público, S.L.U
	Ernst & Young S.L.
Sweden	Ernst & Young AB

Total turnover for the year ended on 30 June 2024 for these EY member firms, resulting from statutory audits of annual and consolidated financial statements was approximately EUR 2.8 billion.



Appendix 3: Audit quality indicators

Appendix 3: Audit quality indicators

On September, 25 2014, the working group “Toekomst accountantsberoep” of our professional association NBA published the report “In het publiek belang” (“In the public interest”). Among other important proposals to increase the quality of services provided by Dutch audit firms, this report contained a set of key performance indicators (KPIs) which Dutch Audit firms with an OOB license should report on regularly. This proposal by the working group was endorsed by the NBA. On 4 March 2016, the NBA published a guidance document on a standard set of KPIs to be published in the Transparency Report of OOB licensed audit firms. In this Appendix, we provide the information regarding these KPIs for our firm. Where a KPI coincides with an internal EY KPI included in this Transparency Report, we provide a reference. If we cannot give a score for a KPI, we indicate why.

Teaming general

1. Number of partners, (senior) managers and other team members (based on FTE). Total numbers per group and numbers as a percentage of total headcount. These figures include FTEs at supporting services within our service line Assurance.

	2023 - 2024		FY 2022-2023	
	FTE	%	FTE	%
Partners	167	8.1	166	8.0
(Sr.) Manager	499	24.1	519	24.9
Other	1,401	67.8	1,396	67.1
Total	2,067	100.0	2,081	100.0

2. Average number of years of experience, split between partners, (senior) managers and other team members. Only the years of employment/partnership at EY are registered and included for the score of this KPI.

	2023 - 2024	2022 - 2023
Partner	20.4	20.1
(Sr.) Manager	9.9	9.6
Other	3.2	3.2
Total	6.2	6.1

3. Hours spent on audit engagements (split between OOBs and non-OOBs), other engagements and internal projects by partners, (senior) managers and other team members (excluding specialist hours). Total number of hours and number of hours as a percentage of all hours spent by each group.

	2023 - 2024				2022 - 2023			
	Partner	(Sr.) Manager	Other	Total	Partner	(Sr.) Manager	Other	Total
Financial audit (OOB)	42,089	121,807	318,104	482,000	40,444	121,026	310,847	472,317
Percentage of total	11.3	11.3	9.5	10.0	11.1	11.5	9.5	10.1
Financial audit (Non-OOB)	84,806	317,962	1,099,067	1,501,835	97,312	334,898	1,175,978	1,608,188
Percentage of total	22.7	29.5	32.7	31.2	26.7	31.7	35.9	34.3
Other engagements	38,255	133,147	536,739	708,141	27,409	107,254	437,580	572,243
Percentage of total	10.2	12.3	16.0	14.7	7.5	10.2	13.4	12.2
Indirect hours	208,936	506,008	1,408,377	2,123,321	199,618	492,400	1,349,529	2,041,547
Percentage of total	55.9	46.9	41.9	44.1	54.7	46.6	41.2	43.4
Total	374,086	1,078,924	3,362,287	4,815,297	364,783	1,055,578	3,273,934	4,694,295

4. Overtime hours as a percentage of total available contract hours.

% of total available contract hours	2023 - 2024	2022 - 2023
Percentage of overtime	4.9	5.1

Training and coaching

5. Training hours of partners / employees per group (internal and external training). Total hours spent by each group and average per FTE.

	Total hours		Hours per group member	
	2023 - 2024	2022 - 2023	2023 - 2024	2022 - 2023
Partners	10,227	8,836	61	53
(Sr.) Managers	45,124	50,361	90	97
Other	280,958	288,411	201	207
Total	336,309	347,608	163	167

6. Average investment (cash out in euros) in training and education per employee.

In the absence of an unambiguous definition of this KPI, we cannot provide a score.

7. Number of internal hours spent on preparation and provision of training/teaching courses.

	2023 - 2024	2022 - 2023
Preparation time	12,319	12,608
Delivery time	8,098	7,883
Total	20,417	20,491

8. Average number of hours spent on an audit by partners, (senior) managers and other team members, split between OOB and non-OOB audit engagements. Hours per group as a percentage of the total number of hours spent by all groups together ('leverage').

	2023 - 2024		2022 - 2023	
	Financial audit OOB	Financial audit non-OOB	Financial audit OOB	Financial audit non-OOB
Partners	8.7%	5.6%	8.6%	6.1%
(Sr.) Manager	25.3%	21.2%	25.6%	20.8%
Other	66.0%	73.2%	65.8%	73.1%
Total	100.0%	100.0%	100.0%	100.0%

9. Number and ratio of engagements for which the benchmark for KPI 9 is not met.

The benchmark has not yet been defined.

10. People survey results relating to coaching and audit quality topics.

% employees that agree	2023 - 2024	2022 - 2023
Overall outcome: people who have an exceptional EY experience	80%	77%

Quality measures

11. Audit hours spent per stage of the audit before and after financial year-end.

We cannot provide a score for this KPI, as our current systems do not include the required information with this level of detail.

12. Number of FTEs working for PPG (Vaktechniek), other quality-related support functions and the Independence Desk, split between partners, (senior) managers and other team members.

FTE	2023-2024				2022-2023			
	Partner	(Sr.) Manager	Other	Total	Partner	(Sr.) Manager	Other	Total
Assurance support	5.0	9.2	0.6	14.8	4.4	9.6	0.6	14.6
Accounting support	5.7	13.0	1.4	20.1	4.9	14.0	1.4	20.3
Quality Monitoring & Development	3.7	15.3	10.5	29.5	3.7	18.0	12.0	33.7
Internal Audit	1.8	3.6	2.0	7.4	1.8	3.8	2.0	7.6
Independence	2.0	5.6	6.0	13.6	2.0	5.7	6.2	13.9
Total	18.2	46.7	20.5	85.4	16.8	51.1	22.2	90.1

13. Number of consultations relating to audit and accounting topics.

	2023 - 2024	2022 - 2023
Accounting	43	48
Auditing	769	647
Total	812	695

14. Number of annual report reviews (Accounting Review, ARs) conducted by experts outside the audit team before issuance of the audit opinion (including annual report reviews as part of the OKB process. OKB is the term used within EY in the Netherlands for EQRs i.e. Engagement Quality Reviews).

	2023- 2024	2022- 2023
Number of annual report reviews (ARs) conducted by experts outside the audit team before issuance of the audit opinion	170	168

15. Number of EQRs (OKBs) performed - total number and number as a percentage of the number of statutory audits (wettelijke controleopdrachten, WeCos) performed.

	2023 - 2024		2022 - 2023	
	Weco	non-Weco	Weco	non-Weco
Number of OKBs performed	322	22	300	27
Percentage of audits on which an OKB was performed	17.7%	2.5%	16.8%	3.7%

16. Number of hours spent on OKBs (total and average per OKB performed) split between partners, (senior) managers and others.

FTE	2023 - 2024			2022 - 2023		
	Partner	(Sr.) Manager	Total	Partner	(Sr.) Manager	Total
Number of hours spent on OKBs	5,862	5,956	11,818	6,026	4,775	10,801
Average hours per OKB performed	17.9	18.2	36.1	18.4	14.6	33.0

17. Hours spent on OKBs: total number of hours spent on audit engagements on which an OKB is performed (1), total number of hours spent on OKBs (2), and (2) as a percentage of (1).

	2023 - 2024	2022 - 2023
Number of hours on audit engagements on which an OKB is performed	915,004	866,039
Number of hours performed on OKBs	11,818	10,801
Average hours performed on OKB as a percentage of the hours performed on the audit engagement	1.3%	1.2%

18. Hours spent by IT specialists as part of audit engagements (split between OOBs and non-OOBs): total number of hours and number of hours spent by IT specialists on audits as a percentage of the total number of hours spent on audits.

	2023 - 2024			2022 - 2023		
	OOB	non-OOB	Total	OOB	non-OOB	Total
Hours IT specialists	66,080	71,096	137,176	60,351	106,640	166,991
Hours IT specialists as a percentage of total hours	10.7%	3.9%	6.7%	10.2%	5.6%	6.7%

19. Number and ratio of engagements for which the defined benchmark for KPI 19 is not met.

The benchmark has not yet been defined.

20. Hours spent by other specialists as part of audit engagements (OOBs and non-OOBs): total number of hours and number of hours as a percentage of all hours spent on all audits.

	2023 - 2024			2022 - 2023		
	OOB	non-OOB	Total	OOB	non-OOB	Total
Hours Actuary	13,636	3,027	16,663	13,964	4,158	18,122
Hours Actuary as a percentage of total hours	2.2%	0.2%	0.7%	2.4%	0.2%	0.7%
Hours Tax	12,113	32,803	44,916	11,752	32,677	44,429
Hours Tax as a percentage of total hours	2.0%	1.8%	1.8%	2.0%	1.7%	1.8%
Hours Valuation	4,659	15,482	20,141	6,691	24,679	31,370
Hours Valuation as a percentage of total hours	0.8%	0.8%	0.8%	1.1%	1.3%	1.3%
Hours Fraud	7,348	5,444	12,792	8,160	7,752	15,912
Hours Fraud as a percentage of total hours	1.2%	0.3%	0.5%	1.4%	0.4%	0.6%
Total hours financial audit	615,432	1,845,098	2,460,530	590,573	1,902,395	2,492,968

21. Number of hours spent on activities to improve the accounting profession (NBA, university, publishing etc.).

	2023- 2024	2022- 2023
Teaching at university	5,700	5,500
Technical committee work	3,900	3,650

No data is available regarding the number of hours spent on NBA and publishing.

22. Number of issued audit opinions as part of statutory audits (WeCos, split between PIEs and non-PIEs).

	2023 - 2024	2022 - 2023
Statutory audits - PIE	192	193
Statutory audits - non-PIE	1,623	1,590
Total Statutory audits	1,815	1,783

23. Number of internally reported or identified independence violations - total and as a percentage of total headcount of EY Netherlands (not only Assurance).

	2023 - 2024			2022 - 2023		
	Independence	Administrative requirements	Total	Independence	Administrative requirements	Total
Total breaches / violations	14	69	83	14	99	113
% of total number of employees	0.3%	1.5%	1.9%	0.3%	2.2%	2.5%

24. Number of internal warnings for independence violations - total and as a percentage of total headcount.

We refer to KPI 24. EY does not differentiate between violations resulting or not resulting in warnings; all violations are followed up.

25. Number of audit files that have been subject to a quality review (other than OKB).

	2023 - 2024	2022 - 2023
Number of audit files that have been subject to a quality review (other than OKB)	41	38

These quality reviews relate to our Audit Quality Review process.

26. Number of audit files that have been subject to a quality inspection performed by an external oversight institution.

	2023 - 2024	2022 - 2023
Number of audit files that have been subject to a quality review performed by an external oversight institution	13	20

27. Conclusions of the accounting firm based on additional review and/or remediation procedures performed as a result of the findings reported by external regulators.

We refer to the section on External Quality Assurance Review in this Transparency Report.

28. Number of fines (including amounts) imposed on the firm by external regulators.

	2023 - 2024	2022 - 2023
Number of penalties received from external oversight institutions	0	0

29. Number of partners that have been deregistrations from the auditor register - total and as a percentage of the total number of partners.

	2023 - 2024	2022 - 2023
Number of partners that have been deregistered from AFM Auditors register	9	4
As a percentage of the total number of partners	5%	2%

These deregistrations are the result of leaving EY, another role at EY, or retirement.

30. Number of annual report adjustments made relating to fundamental and / or material errors (both Dutch GAAP and IFRS) relating to companies for which EY was also the auditor in the prior financial year - total and as a percentage compared to the total number of audit opinions issued.

	2023 - 2024	2022 - 2023
Annual report adjustments	55	48
As a percentage of the total number of audit opinions (legally and not legally required)	2.0%	1.9%

The number of fundamental errors in 2023 - 2024 is 1 (2022 - 2023: 3)

31. Number of adjustments made relating to material errors at audit clients based on the outcome of reviews performed by external regulators - total and as a percentage of total issued audit opinions.

	2023 - 2024	2022 - 2023
Number of adjustments made relating to material errors at audit clients based on the outcome of reviews performed by external regulators	0	0
As a percentage of the total number of audit opinions	0%	0%

32. Number of audit engagements terminated early

At the initiative of	2023-2024			2022-2023		
	OOB	non-OOB	Total	OOB	non-OOB	Total
EY	0	0	0	0	5	5
Client	0	5	5	0	2	2
Both	0	1	1	0	6	6
Total	0	6	6	0	13	13

33. Number of claims received including status and expected outcome assessment.

We refer to the paragraphs on Litigation in the section 'Relevant ethical and legal requirements' of this Transparency Report.

34. Number of incidents reported to external oversight institutions.

	2023 - 2024	2022 - 2023
Number of incidents reported to external oversight institutions	2	1

35. Number of proceedings with the Disciplinary Council (Accountantskamer) including outcome.

We refer to the paragraphs on Litigation in the section on 'Relevant ethical and legal requirements' of this Transparency Report.




36. Number of EY/Ethics Hotline complaints including outcome of complaint resolution process.



We refer to the paragraphs on Whistleblowing in the section on 'Relevant ethical and legal requirements' of this Transparency Report.

Appendix 4: Biographies



Members of the board of directors of EY Accountants BV as at 30 October 2024



	<p>Tom (T.) de Kuijper (1978, Dutch) Policymaker since 1 June 2018.</p> <p>Tom joined EY in 2001 and became partner in 2013. During his career at EY, Tom worked with (large) international clients and held various management positions over the years in the areas of talent, operations and quality. This has a focus on financial institutions either as auditor or as advisor. Tom has worked for EY Netherlands as well as EY Australia.</p> <p>Since 1 August 2024, Tom is the chair of the board of EYA and EY Accountants B.V.. In addition, he is a member of the board of EY Nederland B.V. since that date.</p> <p>Former positions and activities:</p> <ul style="list-style-type: none"> ▶ Talent leader of the EY Financial Services The Netherlands ▶ Change / Implementation within the Assurance Board of EYA ▶ Member of the EYA board, responsible for Operations and innovation
	<p>Auke (A.) de Bos (1965, Dutch) Policymaker since 1 February 2018.</p> <p>Auke joined EY in 1996 and became partner in 2005. Since 2005, he has worked within the Professional Practice Group of our firm, for the most part as Professional Practice Director for the Netherlands. As such, Auke is responsible for the consistent delivery of external and internal auditing and accounting standards to our professionals, including policies, procedures and methodologies. Within the Board of Directors of EYA/EY Accountants B.V., Auke is responsible for subjects related to his role as Professional Practice Director.</p> <p>Auke is editor-in-chief of various in-house EY publications. In addition, he is a part-time professor of Business Economics at Erasmus University (Rotterdam). He focuses his research and teaching on auditing and corporate governance, subjects on which he has published dozens of articles. Auke is currently also a member of the board of the Foundation for Auditing Research in Breukelen and member of the Accountancy Europe Corporate Governance Policy Committee. Additionally, he is participating in various industry committees in the Dutch auditing sector on behalf of EY.</p>
	<p>Marita (M.) de Hair (1974, Dutch) Policymaker of EYA since 1 September 2024.</p> <p>Marita began her career at EY in 1996 and became a partner in 2007. Throughout her professional journey, Marita has built a wealth of experience in auditing (international) companies and complex organizations in both the public and private sector. Since 2019, Marita has steered the EY Entrepreneur Of The Year program and as of September 1, 2024, she is responsible for Operations within the Board of Directors of EYA.</p> <p>Former positions and activities:</p> <ul style="list-style-type: none"> ▶ Member of the Partner Admission Committee from 2011 to 2014 ▶ Market Segment Leader for Government & Public Sector from 2014 till 2021, initially for BeNe and subsequently (2017-2021) for WEM (West Europe and Maghreb) and EMEIA ▶ Founder and chair of EY Society from 2020 till 2022 ▶ Managing Partner of EY Audit region south of the Netherlands from 2021 till 2024

	<p>Hanneke (S.D.J.) Overbeek - Goeseije (1975, Dutch) Policymaker since 1 December 2020.</p> <p>Hanneke joined EY in 1997 and became partner in 2009. During her career she served a combination of private and public, domestic and international companies as auditor or advisor. Over the last years she has been the external auditor of several Dutch multinational listed companies. Hanneke has spent several years in the United States of America and Switzerland, working in their Assurance practice. As a member of the Board of Directors of EYA and EY Accountants B.V., Hanneke is responsible for Talent.</p> <p>Former positions and activities:</p> <ul style="list-style-type: none"> ▶ Leader of EY's Financial Accounting Advisory Service practice for the period 2012 - 2015 ▶ From 1 July 2011 to 30 June 2019 member of the Partner Admission Committee
	<p>André (A.) Wijnsma (1972, Dutch) Policymaker since 1 February 2020.</p> <p>André joined EY in 1996 and became partner in 2008. André has extensive experience as external auditor in serving complex listed entities and PIEs/OOBs. Within the Board of Directors of EYA/EY Accountants B.V. André is responsible for the Assurance markets strategy, client acceptance and continuance and the stakeholder dialogue.</p> <p>Former positions and activities:</p> <ul style="list-style-type: none"> ▶ from 1 July 2012 to 31 December 2016 member of the Partner Admission Committee ▶ from 1 January 2017 till December 2020 Markets Leader for EY The Netherlands, responsible for the overall markets strategy, balanced client portfolio, management of the Business development department ▶ from 1 January 2017 till December 2020 Markets Segment Leader Consumer & Retail Western-Europe



Members of the Supervisory board of EY Nederland B.V. as at 30 October 2024

	<p>Richard (R.) van Zwol (1965, Dutch) Co-policymaker, since 1 February 2021.</p> <p>Richard is a State Councillor, member of the Advisory Division of the Council of State. He studied Legal Management Science at Tilburg University and attended the Higher Professional Programme in Public Finances.</p> <p>He also serves as Chair of Stichting Recht en Overheid. On 20 March 2024, Richard van Zwol was appointed informateur following the elections in the Netherlands. This role continued until 20 June 2024.</p> <p><i>Former positions and activities</i></p> <ul style="list-style-type: none">▶ Chair of the EU Network of Independent Fiscal Institutions▶ Chair of the 'Staatscommissie Demografische ontwikkelingen 2050' (State Commission for Demographic Developments)▶ Secretary-General of the Ministry of the Interior and Kingdom Relations▶ Secretary-General of the Ministry of Finance▶ Secretary-General of the Ministry of General Affairs▶ Sherpa of The Netherlands at the G20 2009/2010▶ Secretary of cabinet formations in 2003 and 2006/2007▶ Adviser to the Prime Minister's Office▶ Director of Financial and Economic Affairs at the Ministry of the Interior and Kingdom Relations▶ Chairman of the board of the Stichting Wetenschappelijk Instituut of political party CDA▶ Member of the curatorium of the Stichting Prinsjesfestival
	<p>Tanja (T.L.) Naqel (1960, Dutch) Co-policymaker, since 1 September 2017.</p> <p>Tanja has an extensive background in the financial services industry. She is chair of the Board of Stichting DSI (Dutch Securities Institute), chair of the supervisory board of Koninklijk Instituut voor de Tropen and a member of the supervisory boards of the Stichting Oncode and the Veerstichting. She is also a lecturer at the Erasmus Governance Institute. Tanja holds a master's degree in Law from Utrecht University.</p> <p><i>Former positions and activities</i></p> <ul style="list-style-type: none">▶ CEO and Chair of the Board of Directors of Theodoor Gilissen▶ Member of the Supervisory Board of PNO Group Holding▶ Member of the Supervisory Board of KAS BANK▶ Member of the Advisory Board of the Frans Hals Museum/De Hallen Haarlem▶ Member of the Supervisory Board of the Stichting Nederlands Scheepvaartmuseum▶ Board member of the Universiteitsfonds Utrecht▶ Several senior management positions including Director Private Banking Nederland at Van Lanschot Bankiers▶ Started her career at AMRO Bank

	<p>Lineke (A.C.W.) Sneller (1965, Dutch) Co-policymaker since 13 April 2023.</p> <p>Lineke Sneller is a professor IT & AI in Governance, Assurance, Audit & Control at the University of Groningen. Lineke earned a master's degree in Econometrics from Erasmus University and is a post-master registered controller. She received her PhD from Nyenrode in 2010 with the thesis "Does ERP add Company Value".</p> <p><i>Former positions and activities</i></p> <ul style="list-style-type: none"> ▶ Professor Administrative Information Management at Nyenrode Business University ▶ Member of the supervisory board of Achmea ▶ Member of the supervisory board of ProRail ▶ Member of the supervisory board of Infomedics Holding ▶ Member of the supervisory board of Van Wijnen ▶ Member of the external audit and advisory committee of UWV ▶ Member of the board of Stichting Berenschot Beheer ▶ Member of the supervisory board of CCV ▶ Non-executive director of the board of Ortec ▶ CIO Vodafone Nederland
	<p>Yasemin (Y.I.) Tümer (1955, Dutch) Co-policymaker since 1 July 2023.</p> <p>Yasemin Tümer is Chair of the Supervisory Board of Hof Wonen and Stimuleringsfonds Creatieve Industrie. She is also a member of the Monitoring Committee Politie Nederland and chair of the Angel Initiative Foundation. She obtained a master's degree in Sociology at the University of Groningen and a master's degree in Philosophy at the University of Utrecht.</p> <p><i>Former positions and activities</i></p> <ul style="list-style-type: none"> ▶ Chair of the supervisory board of Topfonds Gelderland OostNL ▶ Regional Director Eastern Europe at DHV Ingenieurs ▶ Interim managing director of the NPS ▶ Partner at KPMG Consulting ▶ Partner at Atos Origin ▶ Member of the Supervisory Board at UW Re-integratie ▶ Member of the Supervisory Board at Bo-Ex Woningcorporatie ▶ Member of the Supervisory Board at Onderwijsgroep Amarantis ▶ Member of the Supervisory Board at Postcode Loterij Nederland ▶ Member of the Investigative Committee Vuurwerkkramp Enschede



Patrick (P.F.L.) Rottiers (1965, Belgian)

Co-policymaker since 12 November 2018.

Patrick started his career at EY in 1988 as an auditor and was appointed an audit partner in 2000. Patrick holds a master's degree in economics from Brussels University. During his career he fulfilled several roles including that of Assurance Leader as well as Risk Management Leader EY Belgium before his appointment to his current role as Country Managing Partner EY Belgium. He is also member of the Europe West Regional Leadership team. He is a member of the Advisory Council of the Belgium Olympic and Intrafederal Committee (BOIC) as well as the Advisory Council of the Impulscentrum Groeimangement voor Middelgrote Ondernemingen ('iGMO') - Vlerick Business School. Patrick is an alumnus of the Vlaamse Economische Hogeschool Brussel and holds a master's degree in Far Eastern Business from the Economische Hogeschool Sint-Aloysius.

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