

Creating long-term value for EY

# clients





Hear EY people and alumni share personal stories of their socio-economic backgrounds and social mobility.

# Meet Chris

Member firm partner



# Boosting a sense of belonging for everybody

---

We help EY clients seize opportunities to create long-term value and drive growth while, together, shaping the future with confidence.

The EY organization continues to harness the collective power of its expansive business and technology ecosystems and alliances, deep industry insights, and diverse teams that provide innovative concepts, services, offerings and ways of working with the ambition to create long-term value and drive growth for entrepreneurs, companies and governments around the world. Through the four EY [service lines](#) – Assurance, Consulting, Strategy and Transactions, and Tax – and the EY Markets organization, diverse teams provide exceptional client experience through consistent delivery and teaming across EY to help clients transform, grow and operate.

## Building EY AI capabilities to support clients

Today, AI is an integral part of the EY client proposition and woven into the EY organization and processes. We are also aware of EY professionals’ role as trusted advisors, and support the use of value-driven, ethical and [responsible AI](#) in line with the EY purpose of Building a better working world.



Through EY.ai, we support clients to assess ethical risks, security challenges and regulatory compliance, and embed responsible practices in how they utilize AI



## EY investment in AI

In September 2023 we launched the [EY.ai](#) platform following [US\\$1.4 billion of investment](#) which brought all of EY AI innovation and development efforts under a single unified platform.

This has been supplemented by a further US\$300 million of investment into the EY.ai platform in FY24, bringing total investment in EY.ai to US\$1.7 billion. This is in addition to wider investments in AI, ranging from learning to client services.

We began by turning the lens inward and treating the EY organization as the initial client – Client Zero – to pinpoint where the greatest value and returns could be realized. As EY continues to transform itself with AI, we are using our broad and deep experiences to

inspire and support EY clients as they adopt and scale AI.

Through EY.ai, we support clients to assess ethical risks, security challenges and regulatory compliance, and embed responsible practices in how they utilize AI.

To help clients accelerate their journey and create exponential value, we developed the EY.ai Value Accelerator, a test-and-iterate framework that identifies and prioritizes generative AI (GenAI) and AI initiatives across an organization and estimates impact and feasibility. Trust, reliability and safety are becoming even more important for EY clients, with 59% of consumers believing companies are not doing enough to ensure that the decisions

made by AI are fair, transparent and free from bias. The [EY.ai Confidence Index](#) accelerates responsible AI deployment by enabling and enhancing risk management, promoting ethical, transparent and secure AI practices to achieve reliable and trustworthy outcomes for companies.

### 2024 EY Open Science Data Challenge

Congratulations to the winners of the [2024 EY Open Science Data Challenge](#) – an annual competition for university students, early career professionals and EY people to find tangible solutions for global sustainability issues using satellite data, AI and other technologies. This year’s topic focused on developing solutions to help vulnerable coastlines



Winners of the 2024 EY Open Science Data Challenge

battle the effects of climate change. Participants used high-resolution datasets to model coastal vulnerability and assess tropical storm damage. The program is part of the EY organization's broader strategic commitment to innovate using data and AI for good.



### Continuous investment in technology

At the same time, we are redesigning our processes and functions around AI capabilities. The EY organization has built AI and data services over the past years with a global network of nine Centers of Excellence that are highly specialized in data and AI and dedicated to accelerating the development of AI-powered products and solutions.

We can develop these solutions swiftly, securely and at scale, thanks to our award-winning [EY Fabric technology acceleration platform](#), which provides reusable components that leverage next-generation technology. By applying EY technology to engagements and Managed Services we have helped thousands of clients optimize and automate key business activities.

The EY network of AI and Data teams are part of a wider EY network of more than 80,000 technology professionals – mathematicians, statisticians, data scientists, AI engineers, product managers, developers and cloud professionals – who work alongside EY people with backgrounds in strategy, consulting, law, tax, sustainability and auditing.

### Built-in quality and security

Over 2 million people across more than 180 countries use EY technology, and with 270 million daily transactions

supported by technology, data security is critical. Each year, the technology supporting EY engagements completes approximately 1 billion automated security and compliance validations 24-7, 365 days a year. This approach to technology design and development helped us achieve Capability Maturity Model Integration (CMMI®) Development Level 5 certification, the first of the Big Four to achieve this. CMMI is the most recognized industry standard model for software development organizations and recognizes best practices for consistent delivery, reduction of risks and rework, and productivity.

We continue to be recognized in the market for EY technology capabilities:

- ▶ Ranked as a strategic leader on the IDC Artificial Intelligence matrix
- ▶ EY Metaverse Lab ranked No. 1 market leader for metaverse by HFS
- ▶ Sixteen [technology-related awards](#) in FY24, including the Grand Stevie award for EY Fabric

### Equipping EY people with the skills and experiences to make a difference

We not only support clients on their AI journey; we also empower EY people with GenAI tools. EYQ, our own private large language model (LLM), has received more than 68 million prompts since its launch in September 2023. We have since expanded EYQ into

an ecosystem of GenAI capabilities, deploying a Skills Foundry Academy with over 1,000 potential AI skills, such as the ability to prepare legal documents or support negotiating strategies.

As of the end of FY24, the EY organization completed a three-year commitment announced in FY21 to invest US\$10 billion in people, technology and innovation.

### Differentiated investments in the services EY clients need

Technology, and AI in particular, is key to supporting the needs of EY clients today and tomorrow. But we are also making differentiated investments in other areas that are of critical importance to clients, including transformation, managed services and sustainability.

SkiStar is using [experiment-led strategy](#) to change perception from being a winter destination provider to creating an all-year business.

The [EY Managed Services](#) continue to expand into areas that EY is well positioned to support, including sustainability, finance operate, compliance, cybersecurity, risk and data. EY broad domain knowledge and experience, further complemented by technology and data-driven intelligence, continue to be key to growing successes.

# 80,000+

EY technology professionals worldwide





Over the past five years, EY has grown alliance partner revenues at 31% CAGR.

In EY there are 4,000 professionals dedicated to sustainability and climate change around the world. They work across the full range of sustainability issues to help: identify risk, create new products, and respond to policy and regulatory change, and are augmented by wider integration of sustainability within our industry and focused teams including law, tax, and energy. That mix of integrated knowledge and experience is critical because sustainability is no longer solely a commitment or target. It needs to be planned and accounted for and should be viewed as a business imperative that helps build resilient organizations, ones that are calibrated to respond to sustainability risks, changing customer demands and that use innovation to drive growth and differentiation.

The EY Metaverse Lab

The [EY Metaverse Lab](#), comprising 3-D modelers, animators, game developers and AI engineers, facilitates human-centric design and development of GenAI-powered metaverse experiences that clients can leverage in enterprise contexts across their business functions. Working with the EY Americas Talent teams, the lab developed the [EY WeVerse](#), an [award-winning](#) learning and development solution that leverages GenAI technologies to augment employee experiences in the digital age.

Getting to better answers, together, in an ecosystem era

We know that in a complex, fast-changing world, no one organization has all the answers. Over the past decade we have systematically built an ecosystem – a network of more than 100 Alliance partners – with some of the most innovative technology companies in the world to provide the right technology, capabilities and insights to help clients create long-term value and transform at speed and scale.

The [EY Partner Ecosystem](#) is a fundamental part of the EY client proposition, helping EY clients through [award-winning](#) collaboration, co-creation and innovation. In FY24, we formed 20 new alliances, and our ecosystem is ever growing. This growth impact is notable. Over the past five years, EY has grown alliance partner revenues at 31% CAGR.

Clients are transforming – and EY is well positioned to support their broad transformation needs. As orchestrators of opportunity, we help drive the right business outcomes for EY clients, with a view on what technology partners are best suited to take EY clients on those business outcome journeys. With EY capabilities and networks, we are positioned to help EY clients navigate this new ecosystem era.

Leading with clients and industry

There will be no transition to a net-zero regenerative future without business action and investment. For over 20 years, EY sustainability resources have supported clients in tackling emerging and evolving issues linked to climate change and nature. We have evolved our skills, services and offerings (including through our alliance ecosystem) to help meet client needs, linked to the evolving understanding of the science, and its implications for society. EY sustainability advisory services are designed to challenge and support clients in seeing the bigger picture: managing risk, reducing cost and complexity, spurring innovation, building trust and achieving measurable results. It all adds up to building confidence to act now, building a platform for progress and transformation.

EY helps Extreme E turn its ambitions into action

EY is the [Official Sustainability Partner](#) of Extreme E, an international off-road racing series showcasing electric SUVs. The EY organization has supported Extreme E to help drive impact and champion the acceleration of climate action. The EY CCaSS team produces Extreme E’s annual [sustainability report](#) and has developed its social and environmental impact assessment and legacy frameworks. This year, Extreme E collaborated with the EY Foundation on a pilot Sustainable Tech Futures program, which supported 17 young people from low income and underrepresented backgrounds to access paid skills training and work experience in sustainable technology.



Alliance partners



# We have differentiated EY offerings with a broad spectrum of sustainability services from strategy through execution, anchored in science, harnessing technology, data and ecosystem collaboration.

We have differentiated EY offerings with a broad spectrum of sustainability services from strategy through execution, anchored in science, harnessing technology, data and ecosystem collaboration. Dedicated teams of 4,000 professionals around the world were augmented in FY24 with targeted acquisitions that brought a further 200 professionals across climate change and reporting, including from Austrian climate change consulting firm denkstatt.

During FY24, we were named a leader in the 2024 Verdantix Green Quadrant: ESG and Sustainability Consulting report. EY has also been named a leader in both the IDC MarketScape: ESG/Sustainability Consulting Services report and the IDC MarketScape: Worldwide ESG Program Management Services 2023-2024 Vendor Assessment<sup>1</sup> as well as the IDC MarketScape: ESG/Sustainability Strategy Consulting Services 2023 vendor assessment<sup>2</sup>. Through a broad spectrum of sustainability services, EY teams have supported nearly 12,000 clients to drive change at scale through:

- Sustainability skills-led services, including nature and biodiversity, sustainability tax, digital sustainability services, emissions management, nature and biodiversity, financing and incentives, and climate risk



EY people volunteering

- Regulatory and reporting services to support the complex and evolving requirements across multiple jurisdictions
- Strategy and transformation services focused on multidisciplinary and sector-specific sustainability-led transformation, spanning strategy, operations, risk, technology, data, talent and finance services
- Sustainability-infused services, where the wide EY portfolio can help respond to sustainability triggers and pathways for clients

The infrastructure of policies, incentives, regulation and reporting are moving at very different speeds in different jurisdictions, in addition to the level of public appetite, trust and political engagement. Our global network combines national and international experience and knowledge to deliver.

EY teams assist clients with the development of programs to support nonfinancial reporting and disclosures of their performance in alignment with regulatory reporting requirements (e.g., Corporate Sustainability Reporting Directive (CSRD), California Climate Corporate Data Accountability Act (CCDAA)) and voluntary reporting frameworks (e.g., Task Force on Climate-related Financial Disclosures (TCFD), International Sustainability Standards Board (ISSB), CDP, Global Reporting Initiative (GRI)).

<sup>1</sup> Document number #US50608423, Dec 2023

<sup>2</sup> Document number:# US49044922, Feb 2023







# The EY Climate Change and Sustainability Services (CCaSS) teams are also leading the proof-of-concept development of AI-integrated tools supporting clients.

Building for the future is a key part of EY teams’ work. In Ukraine, as part of the World Bank’s commitment to help countries build effective climate policies, EY teams were appointed to support the development of a carbon emission trading system.

Our market-leading sustainability technology solution portfolio is critical to EY teams’ work. Having the right data and being able to access it plays a central role in not just compliance but planning and executing long-term, net-zero strategies. With clients at the center of the development and delivery of EY services, we are enabling reporting, performance management, net-zero transformation planning, sustainable supply chain monitoring and operations. Our sustainability technology portfolio continues to grow, integrating AI, cloud computing, industrial Internet of Things, quantum and SpaceTech. Services are powered by leading-edge technology collaborations with our alliance ecosystem including [IBM](#), [Microsoft](#), [SAP](#), [ServiceNow](#), [Enablon and Wolters Kluwer](#). In 2024, Microsoft named the US member firm as its [Sustainability Changemaker of the Year](#), for its work with over 100 customers on decarbonization strategies and environmental goals. The EY Climate Change and Sustainability Services (CCaSS) teams are also leading the proof-of-concept development of AI-integrated tools supporting clients in regulation analysis, gap assessment, disclosures and risk analysis.

Technology is a powerful enabler but also has a profound impact when considering energy use and waste, ethical considerations with data, the social impact and digital divide, among other issues. EY Green IT and Responsible Compute solutions address a broad strategy for the journey to integrated green IT.

Supporting our progress and that of EY clients, we are committed to expanding industry and societal understanding of the issues and opportunities, and informing solutions and policy responses, including our engagement with the ISSB, TNFD and the annual climate Conference of the Parties (COP) and Convention on Biological Diversity summits (COP 16). [EY New Economy Unit](#) provides research and insights focused on systemic, long-term and transformational shifts needed to help create sustainable, regenerative growth in a new economy, including client workshops to support stress testing their strategies and resilience against mid-/long-term climate scenarios. Regional and national level expert groups support both local and international engagement including [The EY Net Zero Centre \(NZC\)](#) based in Australia bringing together EY intellectual property, strategic insight, know-how and broad knowledge in energy and climate change to help address the big problems ahead as we move towards net zero by 2050. Across Asia, the [EY Center for Sustainable Supply Chains](#) helps companies in southeast Asia accelerate the transition to sustainable supply chain practices to protect and enhance growth, profitability and reputation. In Brazil, the [EY Nature Hub](#) is a pioneering project that aims to develop solutions for companies and governments, which depend on the intensive use of natural resources, and, at the same time, seek to create sustainable development and positive social impact toward the transition to a low-carbon economy.



Hear EY people and alumni share personal stories of their socio-economic backgrounds and social mobility.

# Meet Asemahle

EY senior



# Building confidence in capital markets

The business world relies on confidence. This is especially important when organizations are faced with a range of challenges – from the emerging complexities of AI, to decarbonization, cybercrime, geopolitics and continually shifting demographics.

Against this backdrop, stakeholders are looking to organizations to provide them with guidance to make important decisions with confidence. Auditors can help build this confidence through their proven ability to validate and interpret data objectively and independently, before providing the appropriate level of challenge.

The EY organization is committed to helping its stakeholders make better decisions, both for their own benefit and for the positive impact it has across the broader working world. This is why the EY organization is resolute in its commitment to progressing audit quality as part of its **All In** strategy. This focus on quality also underpins a major, multiyear audit transformation journey that is improving the way in which EY teams perform audit work while driving quality. Since the purpose of the independent audit is to provide confidence in the quality of the financial reports, serving this public interest remains the cornerstone of this transformation journey.

The transformation initiative involves an audit execution model where the lead audit team is supported by dedicated teams in centers of excellence, standardized and clarified audit processes, and technology. Technology not only helps guide teams confidently through the workflow, but also enhances their experience by embedding data analysis and AI in the audit process. It also provides EY people with tools that help them gather better audit evidence by selecting for testing anomalies, outliers or unexpected transactions.

Data and technology continue to transform the audit and support the changing needs of the capital markets.

“Building confidence is at the heart of what we do in Assurance. Serving the public interest is the cornerstone of how we achieve this with our audits and is the driving force behind our audit transformation journey.”



MARIE-LAURE DELARUE  
EY GLOBAL VICE CHAIR – ASSURANCE



# US\$1b

## committed to a next-generation audit technology platform

Aligned to our audit transformation journey, EY has committed to invest US\$1 billion in a next-generation technology platform to help reinforce trust, transparency and transformation and recently announced the launch of more than 25 new Assurance technology capabilities, including embedded AI technologies. This is part of a broader, sustained focus on providing high-quality audits that respond to the changing expectations of regulators, governments, standard setters, audit committees and boards across the financial and nonfinancial reporting agenda. Through the multiyear investment program, the EY organization is integrating technology capabilities into one seamless platform and helping drive transformation through the next generation of data access capabilities and advanced analytics, AI, and an elevated user experience.

### External and internal inspections

The EY organization remains focused on enhancing audit quality and upholding independence, informed by several factors, including the results of external and internal inspections, internally designed audit quality indicators, and the evaluation of the system of quality management at member firms.

The EY organization strives to continuously improve audit quality and significant progress has been made. The EY organization recognizes that there is additional work to be done, and internal and external inspection findings provide valuable information about measures that can be taken to continuously improve audit quality.

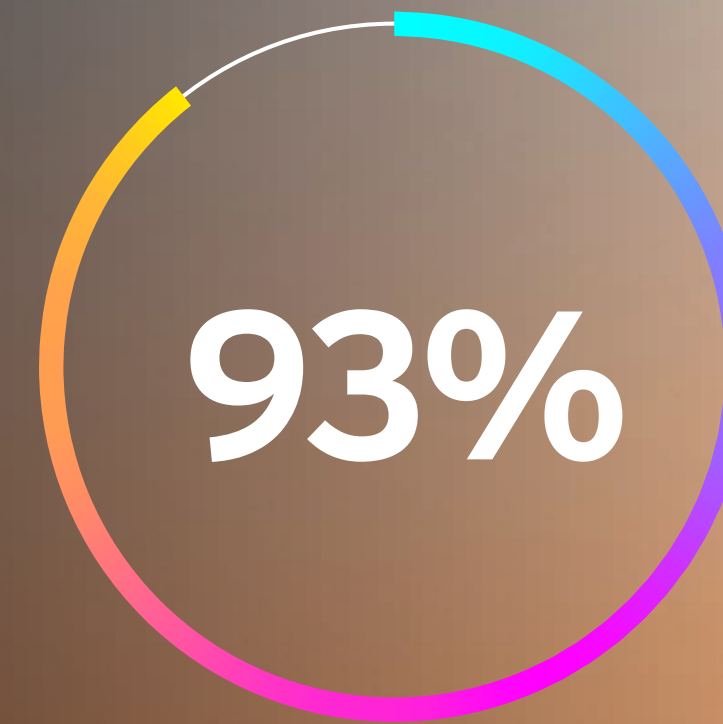
Internal inspections are also performed on selected engagements each year as part of the Audit Quality Review (AQR) program, the results of which are summarized globally (including for Areas and Regions), along with any key areas where the results indicate that continued improvements are required. For 2023, this resulted in 93% of the tested engagements being compliant. While this reflects a deterioration in the percentage of compliant engagements at the global level, there was improvement in the year-over-year results within many geographies.

“

We have a significant opportunity right now to transform how our audits are being executed. So, we continue to make significant investments in an audit experience that is clear and standardized; that has guided workflows and the use of specialized skills — all supported by leading technology.



MIKE VERBECK  
EY GLOBAL DEPUTY VICE CHAIR – ASSURANCE



compliant engagements  
in 2023





# More than 150 audit regulators conduct inspections of audit engagements across member firms.

## Internal inspection results of all engagements

	2022	2023
Compliant engagements with no areas for improvement identified	85%	84%
Compliant engagements with areas for improvement identified*	10%	9%
Total compliant engagements	95%	93%
Deficient engagements**	5%	7%

\* Such findings may result in the need for additional audit procedures or documentation. However, given their nature, these matters would not be expected to have a significant impact to the overall audit conclusion.

\*\* Findings in procedures or documentation that are material to the financial statements or auditor's reports or were not performed in accordance with EY policies.

More than 150 audit regulators conduct inspections of audit engagements across member firms. The EY organization respects and benefits from the external regulator's inspection process. EY professionals with leadership roles in the EY organization thoroughly evaluate the points raised during inspections to identify areas where audit quality can be improved and areas that are relevant to the System of Quality Management. Engagements with significant findings and certain other engagements are subject to root cause analysis. Together with the AQR program, external inspections provide valuable insights into the quality of EY audits. These insights help the member firms to effectively execute high-quality audits.

## International Forum of Independent Audit Regulators (IFIAR) and other non-IFIAR regulators deficiency rates

	2022	2023
Global EY IFIAR survey deficiency rate <sup>(a)</sup>	20%	28%
Global EY all IFIAR PIE deficiency rate <sup>(b)</sup>	26%	23%
Global EY all-in deficiency rate <sup>(c)</sup>	18%	13%

The 2023 deficiency rates include all inspections completed during that calendar year and represents the number of engagements with at least one significant finding divided by the number of engagements inspected.

- <sup>a.</sup> This represents the aggregate EY global result of inspections of listed public interest entities (PIEs) conducted by audit regulators who are members of, and responded to, IFIAR's inspection survey.
- <sup>b.</sup> This represents the aggregate EY global result of inspections of listed and non-listed PIEs conducted by audit regulators who are members of IFIAR.
- <sup>c.</sup> This represents the aggregate EY global result of inspections of all engagement types (PIEs and non-PIEs) conducted by any audit regulator. This rate also includes any inspections by an audit regulator not conducted in their home country (e.g., a UK regulator inspecting an engagement outside the UK).