

Quality policy

Ernst & Young Consulting Ltd.



**Building a better
working world**

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Message from our leader

Welcome to the Quality Policy of Ernst & Young Consulting Ltd.

The top quality objective of Ernst & Young Consulting Ltd. is executing high-quality consulting services to fulfill the obligation of our clients and employees.

We are focused on creating high-performing, diverse and inclusive teams, and investing in tools to improve the quality of what we do, building trust and confidence through the consulting services we perform.

Ernst & Young Consulting Ltd.'s reputation is based on and grounded in providing high-quality professional services, objectively and ethically, to all of our clients.

The purpose of the Quality Policy of Ernst & Young Consulting Ltd. is to regulate the measures taken. to meet the requirements of the ISO 9001:2015 standard.

Ernst & Young Consulting Ltd. is committed to meet the requirements of the ISO 9001:2015 standard derived from its mission, vision and strategic objectives.

At Ernst & Young Consulting Ltd. the commitment to quality resides in our people. Hiring and retention of top talents are key, but we also invest in our employees' development. A learning attitude is an essential condition for achieving and maintaining high quality results in the work we do.

We believe that our continuous investment in technology may serve dual purpose as in addition to ensuring a continuous improvement of quality and value-added consulting service it can also support our top talent retention goals too by way of making our consulting practice more attractive for the young generation.

Ernst & Young Consulting Ltd. is proud of its legacy as a leading global professional services organization. The world is changing, and we have to adapt to continue to thrive and achieve our full potential, while we address the needs of all of our stakeholders.

Budapest, 3 July 2023.



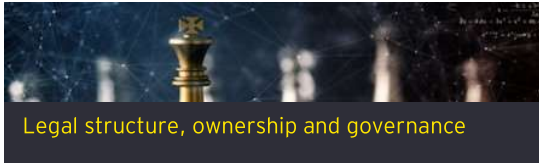
Tamás Vékási

Country Managing Partner

Ernst & Young Consulting Ltd.



About us



Legal structure, ownership and governance

In Hungary, Ernst & Young Consulting Limited Liability Company (hereinafter: "Ernst & Young Consulting Ltd".) is a limited liability company organized in Budapest and is a member firm of Ernst & Young Global Limited, (hereinafter: "EYG"). In this Quality Policy, we refer to ourselves so for Ernst & Young Consulting Ltd. as "our organization"

Details regarding the ownership of our organization . is available in the public registry of companies in Hungary (www.e-cegjegyzek.hu).

- ▶ The EYG member firms besides our organization in Hungary are the following: Ernst & Young Audit Kft.
- ▶ EY GDS (CS) Hungary Kft.
- ▶ EY Training Center Kft.
- ▶ NCOA Kereskedelmi és Szolgáltató Kft.
- ▶ Vámosi-Nagy Ernst & Young Ügyvédi Iroda

Various partners are charged with management functions for EYG member firms, thus Ernst & Young Consulting Ltd. These partners are responsible for all day to day management activity and for the application of global and area level policy at the country level.

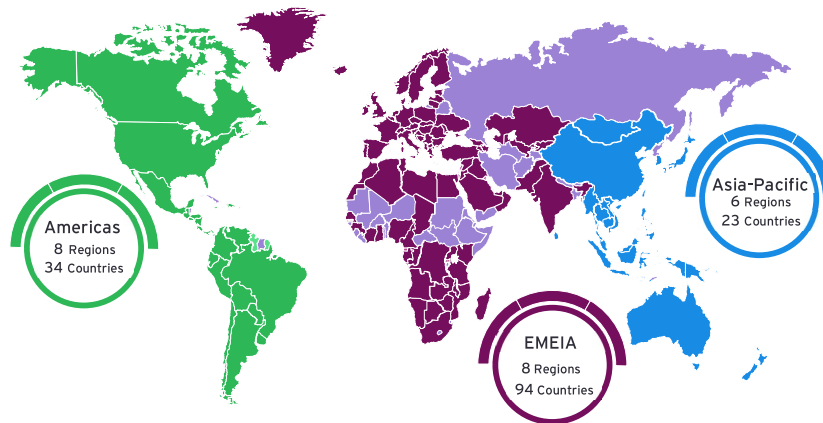
EYG member firms are grouped into three geographic Areas:

- ▶ Americas;
- ▶ Asia-Pacific; and
- ▶ Europe, Middle East, India and Africa (hereinafter: EMEIA).

The Areas comprise multiple Regions. Regions are groupings of member firms along geographical lines with the exception of the Financial Services Organization Regions, which comprise the financial services activities of the relevant member firms within an Area.

Our organization is part of the EMEIA Area, which comprises EYG member firms in 94 countries. Within the EMEIA Area, there are eight Regions. Our organization is part of the Central, Eastern and Southeastern Europe and Central Asia region.

EY Areas and Countries*



*Figures reflect the completion of the separation of the Russian and Belarus EY member firms from the EY global organization



EYG is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, over 350,000 people in member firms in more than 150 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional integrity. In today's global market, the integrated EY approach is particularly important in the delivery of high-quality multinational audits and consulting services, which can span nearly every country in the world.

This integrated approach enables EYG member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits and consulting services.

EYG coordinates the various activities of the 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 member firms worldwide. Each member firm is a separate legal entity. Each 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 EYG, as a global organization, has a common shared strategy.

At the same time, the network operates on a Regional level within the Areas. This operating model permitting member firms to build stronger relationships with clients and other relevant interested parties in each country, and be more responsive to local needs.

EYG member firms

Under the regulations of EYG, member firms commit themselves to pursue EYG 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 quality and risk management, independence, knowledge sharing, talent and technology.

Above all, EYG 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.

Member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as quality and risk management, independence, consulting methodology and Human Resources (hereinafter:HR). Member firms unable to meet quality commitments and other EYG membership requirements may be subject to termination from the EY organization.



Our organization, believes sustainability is everyone's business. EYG, as an organization, is effecting change at scale by building important relationships and forging collaboration. EYG continues to focus on creating, protecting and measuring long-term values across all four dimensions of EYG's global [NextWave strategy](#) (hereinafter: "NextWave")– value for people (EY employees), value for clients, value for society and value from a financial aspect. It is by integrating all of these dimensions that EYG 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, our organization's 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 (hereinafter: "UNGC") since 2009, EYG is committed to integrating the UNGC Ten Principles and the UN Sustainable Development Goals (hereinafter: "SDGs") into EYG strategy, culture and operations.

commitment focuses on the rights of all EY employees, the impact of client engagements, stakeholders in EY supply chains, and active inclusiveness.



Commitment to
Sustainable
Consulting Quality



Quality in the EY service lines

NextWave is the EYG strategy and ambition to deliver long-term value to clients, EYG member firm employees and society, in a financially sustainable way. It has put EYG in a strong position to adapt and innovate, while the EYG purpose of *building a better working world* continues to inspire EYG member firm employees not only to serve clients, but also to use our knowledge, skills and experiences to support the communities in which we live and work. The quality services EYG member firms deliver help enhance trust in business and the capital markets in support of sustainable, long-term value creation.

, The NextWave strategy is informed by a recognition that markets are being reshaped profoundly by data and technology disruptions, climate change, demographics shifts and globalization, creating urgency for EYG member firms to respond to increasing demand for trust and confidence.

In response, EYG continues to harness the inherent strengths of its member firms' greatest asset in delivering quality and building trust: EYG member firm employees and their strength. By enhancing their skills and experiences while also transforming the way EYG member firm teams work to put data and technology at the center of the assurance services they provide, they better deliver on the EYG purpose of achieving client satisfaction.

EYG member firms and their service lines are accountable for delivering high-quality engagements. EYG member firms' service lines manage the overall process for quality reviews of completed engagements and input for the quality of in-process engagements, which helps achieve compliance with professional standards and EYG policies.

Risk Management

Risk Management (hereinafter: "RM") coordinates activities of our organization which are designed to help our employees meet global and local compliance responsibilities and support client-facing teams in delivering quality and exceptional service provision. Responsibility for high-quality service and ownership of the risk assessment associated with quality is placed with their service lines.

Our organization's risk management professionals are appointed to lead risk management initiatives, including coordinating with the service lines on such matters.

Global Confidentiality Policy

Protecting confidential information is ingrained in the everyday activities of our organization. Respect for intellectual capital and all other sensitive and restricted information is required by the EY Global Code of Conduct, which provides a clear set of principles to guide the behaviors expected of all those who works at our organization.. The Global Confidentiality Policy further details this approach to protect information and reflect ever-changing restrictions on the use of data. This policy provides added clarity for our employees and forms the fundamental broader guidance that includes key policies on conflicts of interest, personal data privacy and records retention. Other EYG guidances on data protection:

- ▶ Social media guidance
- ▶ Information-handling requirements

In addition, the global policy on reporting fraud, illegal acts and other noncompliance with laws and regulations, and the EY Global Code of Conduct requires our employees to speak up on observing behavior that is believed to be a violation of a law or regulation, the applicable standard or the EY Global Code of Conduct.

Global personal data protection policy

The global policy on personal data protection supports and builds upon provisions within the EY Global Code of Conduct, regarding respecting and protecting personal information, in accordance with applicable law, regulatory frameworks and professional standards. The principles within this global policy are based on the EU General Data Protection Regulation (hereinafter: "GDPR") and other local regulations across the globe.

Cybersecurity

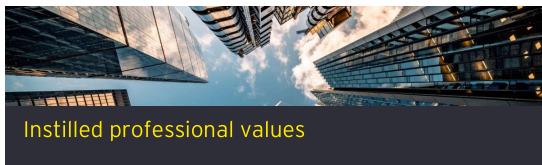
Managing the risk of major and complex cyberattacks is a part of conducting business for all organizations. While no systems are immune from the threat of cyberattacks, Our organization is vigilant in the steps it takes to secure and protect client data.

Our organization's approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimize cybersecurity risks globally. EYG information security and data privacy programs, consistent with industry practices and applicable legal requirements,

are designed to protect against unauthorized access to systems and data.

Beyond technical and process controls, all of our employees are 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 a global policy on the acceptable use of technology.

Our employees receive regular and periodic communications reminding them of their responsibilities outlined in these policies and of general security awareness practice.



Tone at the top

Our organization's leadership is responsible for setting the right strategic tone at the top and demonstrating our commitment to building a better working world through behavior and actions. While the tone at the top is vital, our employees also understand that quality and professional responsibility start with them and that within their teams and communities, they are leaders too. Our shared values, which inspire our employees and guide them to do the right thing, and the our commitment to quality are embedded in who we are and in everything we do.

Our approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies and is embedded in the our culture of consultation, training programs and internal communications. Senior leadership regularly reinforce the importance of performing quality work, complying with professional standards, adhering to our internal policies and leading by example. In addition, our organization's assess the quality of professional services provided as a key metric in evaluating and rewarding our employees.

Our culture strongly supports collaboration and places special emphasis on the importance of consultation with each other and with the relevant interested parties.

Global Code of Conduct

We promote a culture of integrity among our professionals. 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 of our employees. The EY Global Code of Conduct is divided into five categories:

- ▶ Working with one another
- ▶ Working with clients and others
- ▶ Acting with professional integrity
- ▶ Maintaining our objectivity and independence
- ▶ 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 personnel to act responsibly, all of our employees have to confirm in writing that they understand the content of the Global Code of Conduct and they accept for themselves as mandatory on an annual basis.

Whistleblowing

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, anonymous hotline reporting services worldwide.

When a report comes into the EY Ethics Hotline, either by phone or internet, it receives prompt attention. Depending on the content of the report, appropriate individuals from Risk Management, Talent, Legal or other functions are involved in addressing the report. The same procedures are followed for matters that are reported outside of the EY Ethics Hotline.

Diversity, equity and inclusiveness

Our organization has a long-standing commitment to diversity, equity and inclusiveness (hereinafter: "DE&I"). This commitment to building high-performing, diverse, equitable and inclusive teams is especially important in consulting, where diverse perspectives drive professional thinking. Greater diversity, equity and inclusive environments drive better decision-making, stimulate innovation and increase organizational agility.

Our organization has been on a DE&I journey for many years, and while substantial progress has been made, under the global NextWave strategy and ambition our organization has committed to increasing DE&I progress throughout the organization.

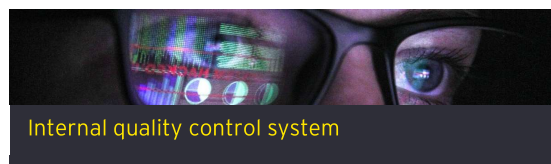
Inclusive organizations maximize the power of all differences. Employees need to feel they are working for an organization that not only values them as individuals, but also sees differences as strengths. Fostering this sense of belonging is critical to helping our organization attract the most talented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

and helping our employees stay motivated and engaged.

Our organization commits to advancing social equity and inclusive growth and standing against injustice, bias, discrimination and racism.

Our values: who we are

<p>1 People who demonstrate integrity, respect, teaming and inclusiveness</p>	<p>2 People with energy, enthusiasm and the courage to lead</p>	<p>3 People who build relationships based on doing the right thing</p>
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Structure

Our organization provides high-quality professional services which are fundamental to our success as consulting professionals.

Our organization brings together qualified teams to provide services, drawing on our broad experience across industry sectors and services. Our organization continually strive to improve quality and risk management processes so that the quality of service is at a consistently high level.

Effectiveness of the quality control system

EYG has designed and implemented a comprehensive set of global audit quality control policies and practices. Our organization has adopted these global policies and procedures and has supplemented them as necessary to comply with local laws and professional guidelines, and to address specific business needs and to comply with the requirements of ISO 9001:2015 standard.



Global policy on client and engagement acceptance

Our organization's global policy on client and engagement acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement, or to continue with a

business relationship with an existing client. These principles are fundamental to maintaining proper service quality, managing risk, protecting our employees and meeting regulatory requirements. The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions to accept or continue clients or engagements
- ▶ Meet applicable independence requirements
- ▶ Identify and deal appropriately with any conflicts of interest
- ▶ Identify and decline clients or engagements that pose excessive risk
- ▶ Require consultation with designated professionals to identify additional risk management procedures for specific high-risk factors
- ▶ Comply with legal, regulatory and professional requirements

In addition, our organization's global policy on conflicts of interest defines the categories of potential conflicts of interest and a process for identifying them. It also includes provisions for mitigating potential conflicts of interest as quickly and efficiently as possible, using appropriate safeguards. Such safeguards may include obtaining client consent to provide service 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.

Our organization's 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.

Putting policy into practice

We use the EY Process for Acceptance of Clients and Engagements (hereinafter: "PACE"), an intranet-based system, for efficiently coordinating client and engagement acceptance and continuance activities in line with global, service line and 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.

As part of this process, we carefully consider the risk characteristics of a prospective client or engagement and the results of due diligence procedures. Before taking on a new engagement or client, we determine whether we can commit sufficient resources to deliver quality service, especially in highly technical areas, and if the services the client wants are appropriate for us to provide.

Formation of consulting teams

The assignment of professionals to a consulting engagement is made under the direction of our Consulting leadership. The factors considered when assigning people to teams include engagement size and complexity; engagement risk ratings; specialized industry knowledge needed for the service 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 expertise is needed to supplement or enhance the engagement team.

In many situations, internal specialists are assigned as part of the consulting engagement team to assist in performing consulting procedures.



Review and consultation

Reviews of consulting work

EYG policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed. Supervisory members of a consulting team perform a detailed review of the consulting documentation for professional accuracy and completeness. Engagement partners perform a second-level review to determine the adequacy of the consulting work.

EYG policies also describe the roles and responsibilities of each engagement team member for managing, directing and supervising the engagement, as well as the requirements for documenting their work and conclusions.

Consulting engagement team resolution process for differences of professional opinion

Our organization has a collaborative culture that encourages and expects people to speak up, if a difference of professional opinion arises or if they are uncomfortable about a matter relating to an engagement. Our organization's policies and procedures are designed to empower members of a consulting engagement team to raise any disagreements relating to significant consulting matters.



Compliance with legal requirements

The EYG Global Code of Conduct provides clear guidance about actions and business conduct expected from our employees. Our organization complies with applicable laws and regulations, and EYG values underpin our commitment to doing the right thing. This important commitment is supported by a number of policies and procedures, explained in the paragraphs below.

Anti-bribery

The EYG Global Anti-bribery Policy provides our employees 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 are sustained to continue to embed anti-bribery measures across our organization.

Insider trading

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

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

Economic and trade sanctions

It is important that we are aware of the ever-changing situation with respect to international economic and trade sanctions. Our organization monitors sanctions issued in multiple geographies both at the point when business relationships are accepted and as they continue. Guidance is provided to our employees on impacted business relationships and activities.

Anti-money laundering (AML)

Our organization is classified as an obliged entity under applicable Anti-money laundering (hereinafter: "AML") regulations. Consistent with the EYG Global guidance on AML, our organization has implemented policies and procedures designed to meet these obligations including Know Your Client procedures,

risk assessments and suspicious activity reporting. our employees are trained on their responsibilities under the regulations and provided guidance on who to consult when they have questions.

Data protection

The EYG global policy on personal data protection sets out the principles to be applied to the collection, use and protection of personal data, including personal data relating to current, past and prospective personnel, clients, suppliers and business associates. This policy is consistent with GDPR, and other applicable laws and regulations concerning data protection and privacy. EY also has binding corporate rules approved by UK and EU regulators in place to facilitate the movement of personal data within the EY network. Furthermore, our organization has a policy to address our specific Hungarian data privacy requirements and business needs.

Document retention

EYG global and related local policies on records and information retention and disposition apply to all engagements and personnel and these policies address document preservation. It also addresses Hungarian legal requirements, applicable to the creation and maintenance of working papers, relevant to the work performed. Furthermore, in accordance with ISO 9001:2015 standard the rules for documented information have been implemented in our organization's Consulting service line.



Independence practices

The EYG Global Independence Policy requires that our organization and our employees comply with the independence standards applicable to specific engagements, e.g., the International Ethics Standard Board for Accountants' (hereinafter: "IESBA") Code of Ethics and Hungarian regulations.

Our organization considers and evaluates independence with regard to various aspects, including the financial relationships; employment relationships; business relationships of our employees; the permissibility of services we provide to audit clients; applicable firm and partner rotation requirements; fee arrangements; audit committee pre-approval, where applicable; and partner remuneration.

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

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

EYG Global Independence Policy

The EYG Global Independence Policy contains the independence requirements for our organization and our employees. 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 EYG Global Independence Policy is readily accessible and easily searchable on the intranet.

Global Independence System (hereinafter: "GIS")

The GIS is an intranet-based tool that helps our employees identify the entities from which independence is required and the independence restrictions that apply. Most often, these are listed audit clients and their affiliates, but they can also be other types of attest or assurance clients. The tool includes family-tree data relating to affiliates of listed audit clients and is updated by client-serving engagement teams. The notations found in GIS indicate the independence rules that apply to each entity, helping our employees determine the type of services that can be provided or other interests or relationships that can be entered into.

Global Monitoring System (hereinafter: "GMS")

The GMS is another important global tool that assists in identifying proscribed securities and other impermissible financial interests. Our employees 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. When a proscribed security is entered or if a security they hold becomes proscribed, 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 annual and quarterly confirmation of compliance with independence policies.

Non-audit services

Our organization monitors compliance with professional standards, laws and regulations governing the provision of non-audit services to audit clients through a variety of mechanisms. These include the use of tools, such as PACE and the Service Offering Reference Tool (hereinafter: "SORT"). Also there is a process in place for the review and approval of certain non-audit services in advance of accepting the engagement.

Global independence learning

Our organization developed and deployed a variety of independence learning programs. All of our employees are required to participate in annual independence learning to help maintain independence from the companies EYG 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 a 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 closely.

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

SORT

SORT includes all of our organization's approved services. We assess and monitor our portfolio of services on an ongoing basis to confirm that 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 our employees with information about our organization's service offerings. It includes guidance on which services can be delivered to audit and non-audit clients, as well as independence and other risk management issues and considerations.

Business Relationships Independence Data Gathering and Evaluation (hereinafter: "BRIDGE")

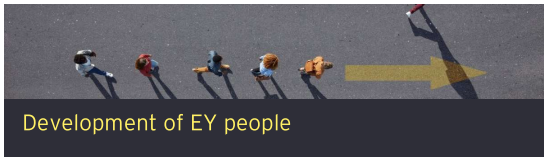
Our employees are required to use BRIDGE in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with an external provider thereby supporting our compliance with independence requirements.

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 our organization's quality review programs, we monitor and test compliance with EYG standards for audit committee communications, as well as the pre-approval of non-audit services, where applicable.



Investing in
exceptional talent
and continuing
education



Our organization's continuing commitment to investing in talent will drive further advances in consulting quality. Even in the unprecedented disruptive circumstances of the COVID-19 outbreak, our organization has spared no time and resources to continue to do everything we can to get best out of our employees.

In addition, our organization has taken action to address emerging risks, through both training and a focus on increasing awareness of these risks. Common themes that teams need to focus on are communicated throughout the organization.

Attracting and recruiting talent

Competition for talented people with the relevant skills and qualification has never been higher and finding the next generation of high-quality consulting professionals is a top priority. Our organization put a great deal of effort into keeping our network of recruiters around the world up to speed with current trends and hot topics in consulting so that they are armed with the information to talk to candidates. We are also exploring several innovations in recruitment that have the potential to make us more attractive to diverse audiences and improve the candidate experience.

In order to recruit people who fit with the organization's culture, it is important to take into account not just 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.

Workforce planning is an important enabler as our organization seeks to understand, anticipate and lead the changes that will impact the profession. Planning tools enable the business to model different assumptions and identify the actions needed on both a short- and long-term basis.

The tools help to connect the different talent initiatives, starting with recruitment - identifying the number of people and the skills required - and then linking to career development. This knowledge enables the our organization to offer meaningful career progression and opportunities.

Retention and focus on wellbeing

Having recruited the talent, retaining it within the business is a key contributor to the delivery of high-quality consulting services. Retention can vary based on several external drivers such as market conditions.

However, there is one factor that is globally consistent: employee expectations.

The issue of work-life balance is becoming increasingly important for our employees. People are now far more focused on getting the balance right between their professional and personal lives. An increasingly important talent priority has therefore been a focus on wellbeing and improving the day-to-day experience of our employees. The better the organization can support people's wellbeing, the more likely it is to provide them with compelling reasons to continue their career journey within the EYG network.

Additionally, new entrants to the world of work are less likely to stay at the same organization for their entire careers. Boosting retention, therefore, now means focusing more on the journey than the destination.

As part of this commitment, there is a stronger focus on experience management, scheduling consulting professionals onto engagements where they can find opportunities to expand their knowledge as part of longer-term career progression.

Personalized careers with diverse experiences

As the workforce becomes more diverse in terms of background, skill sets and education, aspirations also change. With more people with specialized skills entering our organization, EYG member firms are creating a more varied, flexible and agile set of career paths for professionals, that are based on a future-focused service delivery model.

New entrants to the workforce may have different career hopes, so they are being provided with the necessary tools and processes to manage their progression. A more individualized career structure is vital in attracting new talent and in helping to develop and retain the existing workforce.

Promotions focus on people's skills, not the number of years in post, but on their individual skills, knowledge, experience and energy invested, so our employees can shape their own carrier path.

Performance management

Our organization has a performance management framework that connects people's career, development and performance. Through ongoing feedback, counselor insights and development conversations, it aligns individuals with our organization's strategy and enables a focus on the future. Feedback received during an annual cycle is aggregated and used as an input to compensation.

At the center of the framework are conversations between counselee and counselor covering topics such as diverse career journeys, applying emerging technology, experiencing new teams, and learning. 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, and applies to all EYG 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 partners' goals and performance is the cornerstone of the evaluation process. A 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. Our consulting employees want to feel that their employer cares about their progress and job satisfaction. Understanding the ambitions, concerns and pressures faced by our employees makes it possible to provide a better environment in which they can flourish.

Engagement levels are regularly monitored through a variety of channels.

Listening to the views and concerns of our organization's employees is a key element in increasing engagement. The our employees listening strategy gives our people a voice at every step of their experience in our organization, so that we know what they need and what our organization can do to help build exceptional experiences. Understanding the evolving perspectives and experiences of our employees are essential to delivering our employer value proposition - The Exceptional EY Experience. It's Yours To Build.

The EY 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.

We are committed to improving the employee experience in client projects and have launched the Experience Quality Assessment (hereinafter: "EQA") program with this in mind in autumn 2022. EQA is designed to help partners and the service line leader to improve their project management skills and the employee job satisfaction based on anonymous feedback from employees.

Professional development

To encourage the building of new skills, the EY Badges (hereinafter: "Badges") program enables professionals to gain future-focused skills in three distinct pillars: technology; leadership; and business. Subjects covered in the program include analytics, transformative leadership, sustainability, artificial intelligence, blockchain, robotic process automation, innovation, cybersecurity and digital skills, as well as certain sector capabilities that are in high demand.

New badges are added regularly as the program evolves.

Badges are awarded based on globally consistent criteria and act as a digital credential that the recipient can include on their CV, wherever their career may subsequently take them, to demonstrate what they have learned as part of their experience in our organization. Our organization was the first professional services organization to offer such a program, with takeup increasing as more team members recognize the importance of managing their own skills portfolio.

There are also a variety of learning programs that have been developed specifically for member firm partners. These are available to all member firm partners worldwide and cover topics including Transformative Leadership, Disruptive Technology, and Sustainability. These are supplemented by high-touch, immersive programs for select groups of Partners on topics such as Client Leadership and Disruptive Technology.

Our employees in the consulting service line are required to obtain at least 20 hours of continuing professional education each year and at least 120 hours over a three-year period.

Mobility

In an organization that spreads across more than 150 jurisdictions, the opportunities to experience work and life are equally widespread. People join our organization for exceptional experiences, including geographical mobility.

Knowledge and internal communications

In addition to professional development and performance management, we understand the importance of providing consulting teams with up-to-date information to help them perform their professional responsibilities. Our organization invests in knowledge and communication networks to enable the rapid dissemination of information to help people collaborate and share best practices. This has been of increasing importance to address emerging risks arising as a result of the COVID-19 pandemic.