

At-a-glance

Corporate responsibility

Sustainability strategies

Greening our own organization

A call for action

The imperative for response to climate change has come from four distinct perspectives.

Revenue generation

- ▶ Businesses are seizing the opportunity to grow their topline by introducing eco-friendly products, services and business models.

Cost reduction

- ▶ Organizations are identifying ways to reduce energy costs (direct and indirect), improve efficiency and reduce waste.

Legislation/regulation

- ▶ New environmental laws, federal and state programs, and international guidelines are driving many organizations to set their own strategies for reducing emissions.

Stakeholder expectations

- ▶ Employees, consumers, shareholders and communities are calling for a heightened focus on environmental sustainability.

It's a business imperative

Awareness of climate change has moved steadily from research and academia to government and policy circles and now to the boardroom. Business leaders around the world now understand they face the responsibility of measuring and reducing their organization's carbon footprint and reducing energy use and material waste wherever possible. There is ample reason to take these issues seriously. Whether because of increased government restrictions, market-based incentives, or simple customer demands, no business can afford to stay on the sidelines. In fact, the *2009 Ernst & Young Business Risk Report* ranked the threat of climate change as the No. 4 business risk.

At Ernst & Young, we believe we are responsible to our people, our clients and our communities for reducing our impact on the environment. We are implementing measurable actions to reduce our waste, increase energy efficiency in our offices, reduce the impact of business travel and work within our communities to promote responsible treatment of the environment.

We also believe that climate change is a business imperative, and our clients around the world need us to guide them through significant challenges related to climate change, whether it's by transforming business processes, changing purchasing patterns, recognizing incentives for greater responsibility, or responding to policy risk. Our professionals in Climate Change and Sustainability Services bring a business-based perspective to the challenges our clients face. Across industries, we believe we all must do our part.

And that starts with us. With more than 144,000 people globally providing services in more than 140 countries, everything we do will help. But we are not content merely to focus on our own operations. And together, we believe that this effort will make us a stronger organization, operating in stronger communities, on a healthier and cleaner planet.

Doing our part – spotlight on the Americas

Our own efforts to reduce our carbon footprint start in our offices. As a professional services organization, nearly all of our carbon output comes from two sources: energy consumption and business travel. Accordingly, we have:

In the US:

- ▶ Reduced overall air miles by 18% (>70 million miles) in one year and invested in high-definition video conferencing capabilities
- ▶ Promoted more aggressive use of office hoteling, cutting the need for occupied office space by 351,000 square feet since 2004; increased LEED certified space to more than 10% of our footprint in two years
- ▶ Reduced paper purchases by 19% in two years (saving 70 million sheets of paper) and expanded recycling – today, 85% of our offices collect aluminum cans, 82% collect glass and 80% collect plastic

In Canada:

- ▶ Reduced overall travel by 27% (approximately 10 million miles) and invested in high-definition video conferencing capabilities in one year
- ▶ Introduced higher reimbursement rates for those who carpool instead of driving alone

In South America:

- ▶ Eliminated disposable cups in several offices; expanded employee awareness and involvement in recycling efforts as well as environment-oriented community engagement

In Mexico and Central America:

- ▶ Switched to doublesided printing as the default setting for all printers; engaged employees in a reforestation project near Mexico City

In Israel:

- ▶ Reduced energy consumption in offices through more energy-efficient cooling and heating systems

Turning our people into green thinkers and doers

We also believe lasting change comes when we adjust daily habits to be more environmentally responsible and extend that value into our communities. We call this **embedding sustainability in our culture**:

- ▶ Our EcoCare Network of more than 1,000 volunteers helps our people to get involved in community education about the environment and to lead sustainability initiatives in these offices.
- ▶ We began a tailored program with Earthwatch Institute which has sent more than 25 Ernst & Young volunteers to Costa Rica to promote and support economically and environmentally sustainable farming practices.
- ▶ We helped fund the US Green Building Council's Green Schools program, which aims to "green" America's 130,000 schools within a generation.

Greening our operations around the globe

Ernst & Young's Operations Executive Committee (OEC) – led by the Area CFOs and COOs – has adopted five global environmental initiatives:

1. Measuring our own carbon footprint, by collecting and analyzing data on business travel and energy consumption in our offices
2. Setting operational goals and key performance indicators that measurably reduce our environmental footprint and promote sustainable business practices
3. Putting in place an environmentally responsible travel policy
4. Establishing guidelines for waste management
5. Making our meetings more environmentally friendly, whether they take place in Seoul, São Paulo or San Francisco

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