

**MEMORANDUM OF AGREEMENT BETWEEN THE NEW JERSEY DIVISION
ON CIVIL RIGHTS AND ERNST & YOUNG LLP**

This Memorandum of Agreement is voluntarily entered into between the New Jersey Division on Civil Rights (“DCR”), which is charged with enforcing the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq. (“LAD”), and Ernst & Young LLP (“EY” or “the Firm”).

The New Jersey Legislature created DCR more than seventy-five years ago to enforce the LAD and to “prevent and eliminate discrimination” in the State of New Jersey (N.J.S.A. 10:5-6).

The LAD prohibits discrimination in housing, employment, and places of public accommodation on the basis of race, religion, sex, sexual orientation, gender identity, gender expression, national origin, disability, and other protected characteristics (N.J.S.A. 10:5-12).

EY is a professional services firm registered in Delaware and authorized to do business in the State of New Jersey, with locations in Hoboken, Iselin, and Secaucus.

EY has approximately 55,000 partners, principals, and employees in the United States, including approximately 3,500 personnel in the State of New Jersey, and EY provides professional development training to its personnel, including diversity and inclusiveness (“D&I”) initiatives and programs.

DCR and EY have a mutual interest in ensuring that EY’s professional development trainings comply with the LAD, that they are not based on gender stereotypes, and that they do not encourage differential treatment on the basis of sex, gender identity, gender expression, or any other characteristics protected by the LAD.

EY previously offered the Power-Presence-Purpose Training Program (PPP), a program developed by an outside vendor, specifically designed for some of EY’s high performing, female employees, and offered the course from approximately February 2015 to September 2019. Portions of the course were delivered in New Jersey.

In 2019, EY determined that the PPP course was not consistent with, nor did it reflect, EY’s values or culture. EY acted swiftly to cancel the course when the issues were brought to the attention of Firm Leadership, and the Firm’s relationship with the outside vendor was discontinued. EY then undertook a comprehensive program to make sure its learning programs align with the Firm’s values of diversity, equity, and inclusiveness, and also communicated those values to those who participated in the PPP program.

DCR commenced an investigation that revealed that some of the training materials used for the PPP sessions:

- Were based on gender stereotypes and referenced gender-based “rules” that female employees were encouraged to follow;
- Included purported “science” establishing “differences” between male and female brains, taken almost exclusively from a widely criticized 2006 book entitled “The Female Brain”;
- Included gender-based stereotypes about the skills of women and men in the workplace and expectations of their behavior; and
- Assumed that all individuals identify as either female or male; that a person’s gender identity and expression are based on their assigned sex at birth; and that a person’s gender expression, including the way they act and dress, is in accordance with society’s expectation of that gender identity.

DCR considers the PPP Training Program to be in violation of the LAD’s prohibition on employment discrimination on the basis of sex, gender identity, and gender expression (N.J.S.A. 10:5-12(a)).

EY has taken various actions to ensure that its courses align with EY’s strong commitment to diversity, equity, and inclusiveness, a commitment for which EY has been widely recognized. EY has an extensive program supporting its personnel on issues of gender equity, gender expression, and gender identity.

EY will continue to use its expertise and resources to increase opportunities for groups that have been underrepresented in the accounting and finance industry, including women as well as transgender, non-binary, gender non-conforming, and intersex people.

DCR and EY agree that training that is based on gender stereotyping, emphasizes purported innate differences between the behaviors of women and men, presents different expectations of women’s and men’s behavior in the workplace, and encourages supervisors to manage their employees based on purported gender differences can lead to differential treatment of employees based on their sex, gender identity, and/or gender expression; can limit opportunities for employees; and can stigmatize employees who do not conform to gender stereotypes, including LGBTQ, gender non-conforming, and non-binary employees.

DCR and EY have a mutual interest in assuring opportunities exist in the accounting and finance industry for students from groups that are underrepresented in the accounting and finance industry, including women as well as transgender, non-binary, gender non-conforming, and intersex people.

Accordingly, it is AGREED as follows:

1. ***Postings & Policies (Employee Rights).*** EY has a comprehensive equal employment, non-discrimination, and anti-harassment policy for U.S. personnel. EY agrees that no later than thirty (30) days after the execution of this Agreement, EY shall email DCR’s general LAD fact sheet (annexed hereto as Exhibit A), Gender Discrimination fact sheet (annexed hereto as Exhibit B), and Protections from Discrimination or Harassment in Employment Based on Gender Identity or Expression fact sheet (annexed hereto as Exhibit C) to EY personnel whose assigned office location is in New Jersey or who reside in New Jersey. EY shall provide an electronic copy of this email to DCR. EY shall also confirm the Firm’s compliance with all posting and notice requirements for employers pursuant to N.J.A.C. 13:8-1.2 by displaying DCR’s employment poster in a place visible to employees and potential employees, and by displaying the posting on the internal company website in a location identified for state and local postings for New Jersey. The notices to be displayed pursuant to this paragraph may be obtained on DCR’s website, www.njcivilrights.gov.
2. ***Statement Concerning EY’s Commitment to D&I.*** EY agrees that no later than six months after execution of this Memorandum of Agreement, it shall provide its personnel a written and video statement reiterating EY’s commitment to D&I. EY has also issued an “EY Pledge of Honor” in which personnel will pledge to live EY’s values each day and which will include statements supporting widespread inclusiveness across EY. EY shall share its Pledge with DCR.
3. ***Training Evaluation and Controls.*** Since November 2019, EY has been performing a comprehensive review of its portfolio of learning programs to identify any materials that may be inconsistent with the Firm’s values and has been developing and implementing controls to reduce the risk that EY’s learning programs include materials inconsistent with the Firm’s commitment to D&I. These controls include the training of facilitators by the Firm’s Learning function, and establishing a Learning Quality and Risk Mitigation Team (“LQRMT”), charged with oversight of the controls and process for administering the development and review program and facilitating feedback from personnel who may wish to express concerns relating to program content. EY plans to continue this evaluation program or a similar program for a minimum of three (3) years and EY agrees to retain a record of training programs that were reviewed for at least four (4) years. EY believes that its review program is best-in-class and has provided DCR with information on how the program functions and is executed.
4. ***Gender Equity, Implicit Bias, Anti-discrimination, and Cultural Competency Trainings and Related Internal Communications.*** EY currently provides comprehensive anti-discrimination, implicit bias, diversity and inclusion, and cultural competency trainings. EY maintains more than three dozen courses on these topics and adds new programs each year. For example, as part of its program in FY21, EY launched *Inclusive Leadership for All*, and has developed a new curriculum on *Belonging* that will be available to all personnel in addition to its already existing curriculum on inclusiveness. No later than one (1) year after the execution of this Agreement, and continuing annually for the following three (3) years, EY shall provide a required course, tentatively named *Ethics Respect at Work*, that

is focused on gender equity, implicit bias, anti-discrimination, and cultural competency to all personnel whose assigned office location is in New Jersey or who reside in New Jersey. EY further agrees to offer this course, or similar content, to all New Hires starting in FY22. The Firm further agrees that over the next three (3) years it will issue internal statements on at least a quarterly basis to its personnel directing them to EY's existing portfolio of courses concerning gender equity, implicit bias, anti-discrimination, and cultural competency. Such messaging will include statements that specifically reinforce EY's commitment to support and promote acceptance and opportunities for all women as well as transgender, non-binary, gender non-conforming, and intersex people. No later than one (1) year after the execution of this Agreement, and continuing annually for the following two (2) years, EY shall provide copies of such communications it has issued in the last year to DCR.

5. ***Diversity & Inclusion Initiatives.*** EY employs a U.S. Diversity and Inclusiveness Officer who manages programs and practices that maximize the strength and effectiveness of EY's diverse workforce and oversees a team responsible for diversity, inclusion, equity, and belonging across EY. EY also employs an Americas Director of Inclusiveness Recruiting who develops and implements a recruiting strategy to attract and build diverse and inclusive talent pools. No later than one (1) month after the execution of this Agreement, EY will formally update in writing the job responsibilities of its U.S. Diversity and Inclusiveness Officer to include (a) coordinating and collaboration with EY's learning review program as described in Paragraph 3, and (b) reviewing and revising EY communications required by Paragraph 4. No later than one (1) month after the execution of this Agreement, EY will formally update in writing the job responsibilities of its Americas Director of Inclusiveness Recruiting to include developing and overseeing the scholarship program required in Paragraph 6. EY shall share copies of these job descriptions with DCR once they have been updated.

6. ***Scholarship Program.*** In May 2020, in response to the COVID-19 pandemic and economic conditions, EY created a needs-based tuition scholarship in May 2020 for fall 2020 higher education tuition to help students who interned with EY from fall 2019 through summer 2020 with a household income below \$75,000. EY also provides financial scholarships through EY College MAP (Mentoring for Access and Persistence), a multi-year, group-mentoring program in 35 U.S. cities, to help cover college expenses and provide support for emergency situations. EY agrees that no later than three (3) months after the execution of this Agreement, EY will launch a new scholarship program to create and increase opportunities for employment within the accounting and finance industry for students from groups that are underrepresented in the accounting and finance industry, including women as well as transgender, non-binary, gender non-conforming, and intersex people. Students may have as their academic focus accounting, finance, management consulting, technology, or other areas relevant in the accounting and finance industry. The scholarship program shall run for at least three (3) years, at which point EY shall evaluate the program and determine if it should continue. EY shall make available \$500,000 for scholarships awarded to students in the program. Scholarship recipients shall receive information about applying for internships at EY. Each year, EY shall provide DCR with information on the program, including the number of scholarship recipients and interns

who identify as men, women, non-binary or gender non-conforming, transgender, and/or intersex, to the extent available, and the number of internships provided, and employment offers made and accepted, for each.

7. **Diversity and Inclusion Reporting.** No later than one (1) year after the execution of this Agreement, and continuing annually for the following three (3) years, EY shall provide DCR with data on the gender make-up of EY employees and executives in the United States and New Jersey. To the extent available, this shall include the number of EY employees and executives who self-identify as men, women, transgender, non-binary, gender non-conforming, and intersex. When EY provides this data, the Firm will also provide a summary of EY's past and future initiatives, including but not limited to the scholarship program, aimed at increasing the number of employees from groups who are underrepresented in the accounting and finance industry.
8. **Reporting.** All documents, information, and reports identified in the foregoing paragraphs to be submitted to DCR shall be sent to Deputy Attorney General LaToya L. Barrett, New Jersey Office of the Attorney General, Division of Law, 124 Halsey Street, 5th Floor, P.O. Box 45029, Newark, New Jersey 07101.
9. **Payment.** In furtherance of its commitment to combat gender stereotypes and to support, promote, and facilitate opportunities for all individuals in New Jersey who identify as transgender, non-binary, gender non-conforming, and intersex, EY hereby agrees to remit a payment in the amount of \$100,000, which shall be submitted to DCR within twenty-one (21) days after the execution of this Agreement in the form of a check made payable to "Treasurer, State of New Jersey" and mailed to:

New Jersey Division on Civil Rights Central Regional Office
140 E. Front Street, 6th Floor
P.O. Box 089
Trenton, New Jersey 08625-0089
Attn: Lisa Haws
10. **Anti-Retaliation.** EY maintains a policy that prohibits EY personnel from engaging in any retaliatory conduct against any individual who reports behavior that is believed to be contrary to EY's Global Code of Conduct or Values. This would include any individual who may provide information to DCR concerning compliance with the LAD. EY shall continue to publish and enforce this policy and comply with the LAD and other applicable laws that prohibit retaliation.
11. **Confidentiality.** The parties agree that other than this Agreement, the materials previously provided by EY to DCR are compliance materials and shall be considered part of DCR's investigative file that, pursuant to DCR's Practice and Procedure Regulations, N.J.A.C. § 13:4-13.1, is not subject to disclosure under the New Jersey Open Records Act, N.J.S.A. 47:1A-1 (P.L.2001, c. 404), and shall be kept confidential by DCR.

12. This Agreement shall not be considered an admission of guilt, wrongdoing, or liability by EY but is entered into voluntarily by both parties to resolve this matter. EY expressly denies any violation of any applicable rule, regulation, statute, or duty. No other statement, promise, or agreement, either written or oral, made by any party or agents of any party, that is not contained in this written Agreement shall be enforceable.

ERNST & YOUNG LLP
By Ann M. Cook, Deputy General Counsel

DATE



5/26/2021

NEW JERSEY DIVISION ON CIVIL RIGHTS
By Rosemary DiSavino, Deputy Director

DATE



5/28/2021

EXHIBIT A



5 Things You Should Know About The New Jersey Law Against Discrimination

- 1 The New Jersey Law Against Discrimination (LAD) prohibits discrimination and harassment based on actual or perceived race, religion, national origin, gender, sexual orientation, gender identity or expression, disability, and other protected characteristics. The law applies in employment, housing, and places of public accommodation (generally, places open to the public, including businesses, restaurants, schools, summer camps, medical providers, etc.).
- 2 The anti-discrimination provisions mean that an employer cannot fire someone, pay someone less money, or refuse to hire or promote someone because of their race. Similarly, a housing provider cannot refuse to rent an apartment to a couple because of their sexual orientation. And a place of public accommodation cannot refuse service to someone because of their religion.
- 3 The LAD also prohibits bias-based harassment. That means if someone is being subjected to bias-based harassment that creates a hostile environment, an employer, housing provider, or place of public accommodation must take reasonable steps to stop the harassment if they knew or should have known about it. That includes harassment between coworkers, tenants, or patrons, not just harassment by a landlord or by a supervisor at work. The LAD also prohibits "quid pro quo" sexual harassment—where a person in a position of power demands sex or sexual favors in exchange for favorable treatment, such as continued employment or a promotion.
- 4 The LAD prohibits retaliation against a person for complaining about discrimination or bias-based harassment, or otherwise exercising or attempting to exercise their rights under the law. For example, an employer cannot fire someone for reporting sexual harassment to human resources. And a housing provider cannot evict someone for reporting housing discrimination to DCR.
- 5 The New Jersey Division on Civil Rights (DCR) enforces the LAD and is tasked with preventing and eliminating discrimination and bias-based harassment in New Jersey. Anyone who believes their rights under the LAD have been violated may file a complaint with DCR within 180 days of the incident.

To find out more or to file a complaint, go to [NJCivilRights.gov](https://www.njcivilrights.gov) or call 973-648-2700



NJ Office of the Attorney General

[NJCivilRights.gov](https://www.njcivilrights.gov)

**DIVISION ON
CIVIL RIGHTS**

02/04/20

EXHIBIT B



5 Things You Should Know About Gender Discrimination

- 1 The New Jersey Law Against Discrimination (LAD) prohibits discrimination and harassment in employment, housing, and places of public accommodation (places that are generally open to the public), based on actual or perceived gender.** Gender discrimination includes discrimination based on gender stereotypes, [gender identity or expression](#), or [pregnancy or breastfeeding](#) status. This means that people of all genders—including female, male, intersex, gender non-conforming, or gender non-binary individuals—must be treated equally at work, in housing, and in places open to the public.
- 2 An employer may not make employment decisions** like hiring or firing, promotions, [pay](#), or benefits based on actual or perceived gender or based on gender stereotypes. For example, an employer cannot differentiate between employees of different genders in its provisions for parental leave based on stereotypes about who is primarily responsible for childcare.
- 3 A landlord cannot refuse to lease, charge higher rent, offer different amenities, or refuse repairs based on a tenant’s gender.** And a place of public accommodation cannot refuse service or offer a different degree of service or care based on gender.
- 4 The LAD also prohibits harassment based on gender in a way that creates a hostile environment.** If an employer, housing provider, or place of public accommodation knows or should know about such harassment, they must take action to stop it. Bias-based gender harassment can include unwelcome, offensive conduct because of a person’s gender, such as a coworker constantly making disparaging remarks about women. It can also include [sexual harassment](#)—hostile, demeaning, or intimidating comments; offensive gestures; non-consensual sexual contact; and unwanted sexually-suggestive language.
- 5 An employer, landlord, or place of public accommodation cannot retaliate** against a person for exercising or attempting to exercise these or any other rights under the LAD.

To find out more or to file a complaint, go to [NJCivilRights.gov](https://www.njcivilrights.gov) or call **1.833.NJDCR4U**



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[NJCivilRights.gov](https://www.njcivilrights.gov)



04/09/21

EXHIBIT C



5 Things You Should Know About Protections from Discrimination or Harassment in Employment Based on Gender Identity or Expression

- 1 The New Jersey Law Against Discrimination (LAD) prohibits discrimination and harassment in workplaces based on actual or perceived gender identity or expression, including being or being perceived to be transgender, non-binary, or gender non-conforming.
- 2 It is unlawful for an employer to discriminate based on gender identity or expression in hiring or firing, promotions, and allocating benefits (including healthcare, parental leave, and family leave). For example, an employer cannot deny a person full participation in the company health benefits plan because they are transgender.
- 3 The LAD prohibits employers from allowing employees to be subjected to harassment based on their gender identity or expression in a way that creates a hostile work environment. So management, for example, may not refuse to take action if it knows or should have known that a co-worker subjected an employee to such harassment because they are non-binary.
- 4 The LAD requires that individuals be treated consistent with their gender identity. Among other things, transgender people have the right to follow an employer's dress code and use a bathroom or changing room consistent with their gender identity or expression. They also have the right to be addressed with their chosen name, title, or pronoun. They do not need to show any particular "proof" of gender to exercise these rights. For example, a transgender man cannot be told to wear a skirt, and a supervisor cannot repeatedly call him "her" or "Ms."
- 5 An employer cannot retaliate against a person for exercising or attempting to exercise these or any other rights under the LAD.

To find out more or to file a complaint, go to [NJCivilRights.gov](https://www.njcivilrights.gov) or call 973-648-2700



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