



Building a better  
working world

# Communication on Progress

## UN Global Compact 2015

### When two visions align, how will our country benefit?

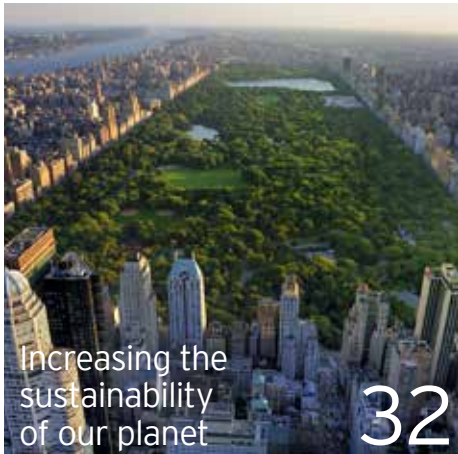
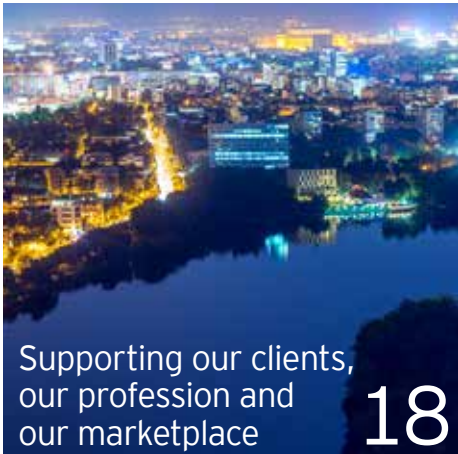
As a founding member of the UN Global Compact Network in Romania, we believe the Ten Principles of the UN Global Compact align closely with our own purpose of building a better working world.

The better the question. The better the answer.  
The better the world works.



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## Our vision, values and impact in Romania

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

Our combined global revenues for the financial year ending 30 June 2015 were US\$28.7 billion. With a total headcount of 211,000 people, EY operates in more than 150 countries around the world. Read our Global Review, which can be found at [www.ey.com/globalreview](http://www.ey.com/globalreview), to learn more about our financial performance and for further information about EY.

Under our Vision 2020 plans we are explicit about our purpose of building a better working world, and this has given us great momentum both inside and outside the organization. It has helped us engage with our clients and guide our successful work on their complex issues; it has also helped us attract, retain and motivate our people. We are proud of this year's results, which saw fast-paced growth across all of our service lines and in each geographic area.

In Romania, EY has been a leader on the professional services market since its set up in 1992. Over 650 employees in Romania provide seamless assurance, tax, transactions, and advisory services to clients ranging from multinationals to local companies. Our offices are based in Bucharest, Cluj-Napoca, Timisoara, Iasi and Chisinau.

You can read more about our commitments in our Global Review ([www.ey.com/globalreview](http://www.ey.com/globalreview)), Global Transparency Report ([www.ey.com/transparencyreport](http://www.ey.com/transparencyreport)) and EY Global Code of Conduct ([www.ey.com/codeconduct](http://www.ey.com/codeconduct)).



This Communication on Progress provides brief highlights of actions that EY is taking in Romania to address United Nations Global Compact (UNGC) principles on human rights, labor, the environment and anti-corruption. The 10 principles are listed below, and throughout the report you will see how EY upholds them.

## Principles

### Human rights

- 1 Businesses should support and respect the protection of internationally proclaimed human rights
- 2 Make sure that they are not complicit in human rights abuses

### Labor

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- 4 The elimination of all forms of forced and compulsory labor
- 5 The effective abolition of child labor
- 6 The elimination of discrimination in respect of employment and occupation

### Environment

- 7 Businesses should support a precautionary approach to environmental challenges
- 8 Undertake initiatives to promote greater environmental responsibility
- 9 Encourage the development and diffusion of environmentally friendly technologies

### Anti-corruption

- 10 Businesses should work against corruption in all its forms, including extortion and bribery

## Introduction



**Bogdan Ion**

Country Managing Partner  
EOY Program Sponsor for România

We're living in times of extraordinary change. We are witnessing the world reshape at a pace faster than ever. The digital transformation has erased boundaries and has opened new uncharted waters of opportunity. It is up to us to flex and harness this immense potential. At EY, we are constantly focusing on understanding change and turning it into valuable insights and directions for our stakeholders.

As a proud founding member of the United Nations Global Compact (UNGC) Romania Network, we believe the 10 principles outlined by the UNGC align closely with our own purpose and values. We share a desire to build a sustainable and inclusive Romanian economy that delivers lasting benefits to people, communities and the entire market.

In 2015, we have done this by coming closer than ever to Romanian entrepreneurs all over the country and supporting them to seize opportunities and grow their local brands into national and regional players. We have delivered insights and quality services that contribute to our clients' success, that support capital markets, regulators, and investors. Moreover, we have created and supported high-performing teams – teams that work across borders and cultures to deliver exceptional client service.

Throughout this report, you can read about how EY is building a better working world in these areas and more, and upholding the UNGC principles in the areas of human rights, labor, anti-corruption and environment.



A group of four business professionals (two men and two women) are seated in a modern office environment with large windows. They are engaged in a discussion, with one man holding a document and gesturing towards it. The setting is bright and contemporary, with large windows in the background and colorful chairs (yellow and white) in the foreground.

# Supporting our people

At EY Romania, our people are our only significant asset and success for us is dependent on the quality and commitment of our people and how they team together. That is why creating the highest-performing teams – attracting, developing and inspiring great people and promoting a culture that supports them in working together – is central to EY’s strategy.

We know that bright, talented people are keen to develop personally and professionally. We work hard to engage and inspire our people, so that they can reach their goals and ensure their time at EY is valuable in terms of what they learn, the experiences they get, and the development of their own personal brand.

To define this commitment, we have developed a unique proposition for our people. We promise that whenever they join EY, however long they stay, the exceptional EY experience lasts a lifetime. To support this promise, we are committed to a valuable recruiting experience, developing future leaders, seeking out and leveraging diversity, promoting learning and development, delivering flexibility and, above all, protecting the safety and well-being of our people.

In this section, you will read about our award-winning culture, how we are developing our people and the ways in which EY is evolving to meet the changing needs of our workforce.

In this section, see how we are addressing the UNGC principles focusing on Human Rights and Labor.



# Creating high-performing teams

We know from experience and research that our best-performing teams are made up of highly engaged individuals from a diverse range of backgrounds. These teams excel by being adaptable and flexible without losing focus and by welcoming diverse views. They consistently use best-in-class approaches, tools and methodologies; undertake learning, experience and coaching; and are always focused on delivering the best results, rather than on where, when or how the work gets done.

- To support these teams, we are committed to:
- Providing our people with training that develops their skills.
  - Delivering challenging client opportunities.
  - Creating a diverse and inclusive workplace.
  - Ensuring flexibility and choice.
  - Building a robust framework to guide our people through their career development.



## The exceptional EY experience

We want the time people spend at EY to be more valuable than time spent with any other employer. And we believe the relationships people make and the experiences they have should start before they join us – and last a lifetime.

Attracting great people and providing them with a best-in-class recruitment experience is vital if we are to be the employer of choice for future global leaders.

We work hard to attract people who are curious and entrepreneurial, who thrive in international teams and who have a global mindset. If, and when, people choose to leave EY, we don't see this as an end to the relationship, just the next stage. Wherever they go on to work, they will be a lifelong member of the EY alumni network.

Above all, we want every interaction that people have with us to be positive so that even if they choose not to join us, or if we don't make them an offer, they will still speak positively about our brand.

# Differences matter

Globalization brings an influx of information from an increasingly diverse workforce. In this fast changing environment, every situation and context brings its own set of challenges. The ability to invite and learn from different perspectives is fundamental to driving innovation, building strong relationships and delivering the best approaches for our clients.

## Diversity and inclusiveness (D&I)

At EY, we have a specific definition of D&I.

**Diversity is about differences:** each of us is different, and at EY we value and respect individual differences. Today, we think broadly about differences – they include background, education, gender, ethnicity, nationality, generation, age, working and thinking styles, religious background, sexual orientation, ability and technical skills. There are also differences according to service line, sector and function.

**Inclusiveness is about leveraging those differences:** it is about creating an environment where all of our people feel, and are, valued, where they are able to bring their differences to work each day, and where they contribute their personal best in every encounter. This ultimately achieves better business results.

## Our journey to change

Our Area and Regional leaders take overall responsibility for D&I within EY. They are accountable for driving this through the business – through hiring, succession planning and promotion – and in leading by example.

We ensure that our leaders communicate the importance of leading inclusively to our people. Specifically, articulating how to turn the diversity of our global organization into competitive advantage and how working inclusively will help our people build vital leadership skills. To support this:

- Our Global Executive sponsored the creation of a roadmap for success. EY's *Winning through diversity and inclusiveness: a roadmap for success* has been shared with our partners around the world to support their D&I activities.
- Our leadership programs across the globe develop the skills of all our people to team and lead inclusively. These programs explore the impact of unconscious bias, develop inclusive behaviors, and inspire our current and future leaders to practice how to value and leverage differences.
- We embed core principles of inclusiveness in all our processes and across our entire organization, so that D&I is a part of everything we do.



Diversity recruitment

EY was the first of the Big Four to assign full-time, partner-level leadership to diversity recruiting. We are committed to embedding D&I into our recruiting practices around the world. In Romania, we focus on gender and on hiring and promoting diverse talent at all ranks. These efforts are duly reflected in the workforce mix illustrated below.



Enabling mobility and cross-border opportunities

Our people undertake transfers or assignments on global mobility programs for certain periods of their working lives in order to fill a business need and to develop their careers.

Welcoming back our boomerangs

We are very proud that a relatively high proportion of our people are what we call “boomerangs” – people who have left EY but have subsequently returned to us.

Tracking progress

To ensure we are tracking progress, each of our geographical areas is looking at its D&I metrics and actively looking at leadership and partner pipelines and promotion processes around the world.

In Central and Southeastern Europe region, where EY Romania is included, we have introduced a gender reporting template, covering a range of metrics including gender, promotions, recruitment, leavers, performance ratings and engagement scores. The data are reviewed on a regular basis with leaders so that trends can be identified and addressed.

More broadly, we measure how people feel about our work culture through our biennial Global People Survey.



Developing and supporting our people through world-class learning

We want our people to get the most out of their time at EY, whether they are here for two years or twenty. Helping our people to learn, develop and lead is fundamental to creating value for our people and our clients. To support this, we have a unique global career development framework called EYU, which stands for “EY and You” and focuses on learning, experiences and coaching.

Our people can find all the information they need about EYU, regardless of their location or service line, through our dedicated internal EYU website.

Monitoring and strengthening performance

EYU links to our global Performance Management and Development Process (PMDP). PMDP helps our people monitor and direct their performance and align their efforts to our strategic priorities. The most important element of PMDP is the conversations our people have with their counselors as they build their careers at EY.

To make it easier for people to adjust goals and to seek and share feedback as an ongoing activity throughout the year, we created My Development Site. This global online system features a list of the experiences that are currently available to people in a given location. With one click, individuals can select an experience that they think meets their development needs and send details to a sponsor who will help them to gain that experience.

Training to suit individual needs

We provide our people with access to high-quality formal learning through a structured organization-wide curriculum that contains technical content. It is accessible in a variety of formats, including:

- **Face-to-face:** through case studies, lectures and simulations
- **On-the-job training**
- **Virtual:** through web-based, videos, webcasts

Our web-based global learning management system enables people to organize their learning. They can use it to search for content, identify where gaps in their learning might exist, and develop a “learning map” to meet future needs.

Through our World-Class Learning Program, we are working to ensure our people receive the same baseline level of high-quality learning across the globe. Our global team develops a learning curriculum that is relevant across our entire organization, as well as specific programs for each of our service lines. The program blends classroom, mobile and electronic learning.

Coaching

In addition to technical content, our people develop through coaching. We encourage as many coaching conversations as possible throughout the year, and our global coaching curriculum enables people to develop their coaching skills as they progress within EY.



## Developing leaders

Developing leaders is fundamental to our future success and we want to be the employer of choice for future leaders. We are committed to developing our people and nurturing lifelong relationships: creating outstanding leaders who bring their vision and skills to EY and may also go on to other roles in industry, government and academia, joining our alumni network of 2,000 EY brand ambassadors in Romania.

This is why we:

### Organize milestone events

Newly promoted seniors, managers, senior managers and executive directors in Romania are invited to regional milestone events. These face-to-face events follow a global format and combine a mixture of learning and celebration. Members of the leadership team, right up to our Chairman and CEO, play an active role at these events.

### Local leadership development programs

All new managers go through a rounded New Managers program right after the international milestone event to integrate and practice the skills needed in the new role. Another local program targets Partners' and Executive Directors' continuous personal leadership development and alignment on cultural level. This blended leadership program lasts 6 months and contributes to building a strong leadership culture within EY Romania.

### Focusing on future leaders

As part of our commitment to building a better working world, we also engage, develop and learn from young people who we believe will become future leaders - within or outside of EY.

We are helping the future workforce and future leaders develop the skills and characteristics required to enable businesses and societies to thrive through a variety of opportunities. For example, in Romania we run soft skills workshops or leadership development training for university students and student associations.

„High-achievers who graduate university today know very well what they want - they pursue a solid career and the prospect to climb to the top of the company they work for. They want to be part of global organizations, where they can have access to resources and opportunities matching their life goals. But they also want flexibility, autonomy and more time for their private life. To attract these talented Romanians, you have to offer them the advantages that will motivate them to grow personally and professionally with the company. But beyond that, you have to offer them a mission and a set of values relevant for them in this era of transformation.”

**Andreea Mihnea - HR Director, EY Romania**

## Growing a new generation of business Professionals

EY has committed to supporting the growth of a new generation of leaders and business professionals. As part of this commitment, we develop strategic programs and initiatives with students associations, NGOs and universities.

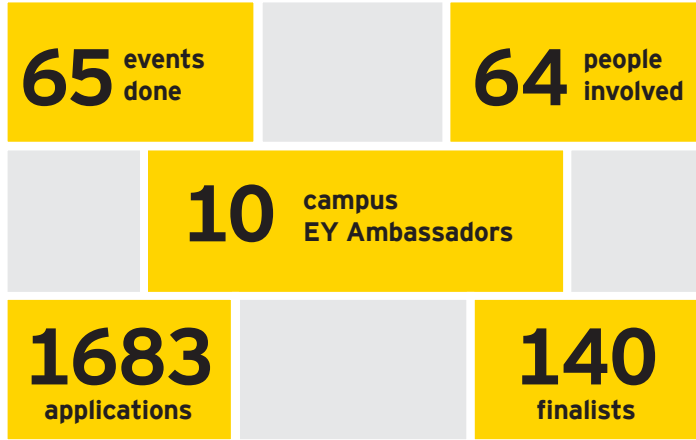
In 2015, the initiatives we developed with partners such as ASE Bucharest, West University Timișoara, Babeș Bolyai University in Cluj, numerous student associations, Junior Achievement and many others, allowed us to interact with over 2,000 students and young professionals in the entire country. Our colleagues volunteered their time and knowledge to offer them interactive training sessions, workshops and internships throughout 2015. As the new academic year begins, we will further expand and build on these successful education programs.



## Junior Recruitment Campaign:

101 new graduates were employed within EY Romania in September 2015, representing the largest number of graduates employed after the opening of the EY office in Romania in 1992. About 60% of the new employees have joined the Assurance practice, while the rest have joined the Tax and Legal, Transactions and Advisory departments.

According to the surveys that targeted the most desirable employers, published by Catalyst and Trendence in July 2015, in professional services, EY Romania is currently the employer of choice in the country and the most wanted employer of the Big4 companies.



Also, EY holds the first position and is preferred by young people and MSc students, being perceived as the company with the most attractive and innovative training programs. Overall, according to Trendence, EY Romania ranks 7th in the Top10 companies young people in Romania wish to work for.





## Professional Company in Romania 2015

### Catalyst

**EY increases 8 points** in the overall ranking from 23<sup>rd</sup> place in 2014 to 15<sup>th</sup> place in 2015



**EY overcomes all its competitors** jumping from the last among Big4 to being the first one in 2015



**EY reaches an increase of 46%** in the last 5 years ranking



EY is first among Big4 for business students being on the 9<sup>th</sup> place in the overall ranking



EY is first among Big4 for business students top of mind being no. 4 in the overall ranking followed by Deloitte on the 10<sup>th</sup> place

### Trendence

**EY increases 4 points** in the overall ranking from 11<sup>rd</sup> place in 2014 to 7<sup>th</sup> place in 2015

**EY maintains its position first** among Big4 and detaches from its competitors with 7 points.

**EY reaches an increase of 75%** in the last 5 years ranking and for the first time in history gains a place in the **top 10** ranking



EY is no. 1 most favorite company among master students



EY is no. 1 most favorite Big4 among women



EY is ranked as the most attractive employer in Big4 among high potentials



EY is no. 5 in the market for conversion rate and no. 1 among Big4



EY is no. 6 in the market for training & development and no. 1 among Big4

**EY is ranked among Big4 as being the company with:**



**EY Young Tax Professional of the Year Program** – is aimed at finding the tax leaders of tomorrow. The worldwide competition gives participants the chance to make connections with tax and business leaders, to understand the key trends and challenges for the profession and to share experiences with people from a range of backgrounds.

EY Romania is affiliated to the global program since 2010. In 2015, 200 students enrolled in this competition in Romania and 35 de students were selected to participate. Competitors have undergone an intense program of lectures, case-studies and tests over the course of two days. In the end, 10 finalists were selected and received junior positions within EY Romania, while Roxana Mocanu was the winner who represented Romania in the global competition EY Young Tax Professional of the Year.

**Internship Program** – each year, in Romania we're helping EY interns gain practical experience of working and building their credentials and networks. With 30 interns in 2015, we are proud of having brought our contribution to growing the next generation of business professionals.

**Junior Achievement (JA)** – we're working with JA in Romania, where our Country Managing Partner is member of the organization's Board of Administration. We're proud to be supporting the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through hands-on programs.

**Alliance for YOUTH** – EY pledged to offer 55,000 traineeships and 35,000 internships by 2020 across Europe as member of the Alliance for YOUTH, an initiative through which leading businesses will help to address high levels of youth unemployment in many parts of Europe. We're tracking our Alliance for YOUTH commitment and continue to make strong progress. Since July 2014, we have provided work experience for more than 9,000 people through paid internships. That's over a quarter of the way towards our 2020 target. As of the end of 2015, we have made more than 16,700 new hires – more than 30% of our target figure in 18 months.





## A dynamic and flexible work environment

We want our people to succeed personally and professionally and aim to create a workplace that supports them in doing so – one that supports flexible working practices and boosts collaboration between people and teams.

High-performance teaming relies on creating the right environment for our people, and our *Workplace of the Future* initiative is helping us improve the way we team, connect and perform across teams and borders. As part of this initiative, we are developing a trust-based, output-focused environment: introducing new IT and communications technologies and innovative space design, and supporting the health and well-being of our people. Ultimately, these changes will help us to continue to deliver the quality service that our clients expect and support a culture of flexibility and empowerment that helps to attract and retain great people.

EY Romania was the first office in Central and South-Eastern Europe, where the company applied this new way of using the working space in 2013. The EY office in Bucharest includes mobile work stations to accommodate employees with flexible work programs, informal meeting spaces and IT solutions to stimulate collaboration and connectivity between teams, employees traveling outside the office and those in other countries.

In 2015, our colleagues in Cluj-Napoca and Timisoara have moved to new offices. The new premises are the first EY regional offices to implement Workplace Of The Future concept. These moves come as a natural step for the local consolidation of our teams in Cluj and Timis, which, since their establishment, have been constantly growing and attracting new clients.

### Flexibility and choice

Flexibility is an increasingly important issue for our people and potential recruits – specifically the ability to combine a career with other aspects of their lives such as family commitments, volunteering in the community or sports. In Romania, EY employees can access the WorkSmart program, which allows them to make flexible working arrangements regarding work hours and remote working. 35% people at EY Romania have accessed the program in 2015 and we work continuously to increase the usage of this program.

### Seamlessly connecting our people

Flexible work practices need the right technology to support them. Our Messaging and Collaboration Program is overhauling our technology capabilities. By accessing new and exciting technological capabilities, our people can connect with each other more easily than ever before. For example, videoconferencing is now possible from individuals' laptops with just a few clicks of a button, and cloud technology supports enhanced and instant access to global information, networks and knowledge. This means our people will have increasing flexibility around where and how they work and a greater ability to adapt their working patterns to meet their client and personal commitments.

### Supporting health and well-being

Health and well-being programs at EY are not just about keeping fit – they cover broader issues relating to work-life balance. Reflecting this, we ran a program called “Wellness Month” in November 2015 - a series of 15 pampering sessions and workshops, addressing the body, mind and spirit. Around 150 people at EY Romania participated in the program.

### Safety

The safety of our people is our priority, wherever they are located. Our dedicated team oversees EY’s rigorous and clear policies, which have been developed to protect our people and assets against reasonably foreseeable threats that might result in injury, loss, damage or impairment.

## Engaging with our people

Engaging with employees means listening, sharing, recognizing and rewarding them for their energy and commitment. In Romania, we do this in a variety of ways.

### Valuing and rewarding our people

At EY, we believe in providing our people with highly competitive compensation in keeping with local needs, the prevailing employment market circumstances and relevant business conditions.

Through our Chairman’s Values Award (CVA), we celebrate those who live our values in their day-to-day lives. This is our way of helping our people nominate and acknowledge the inspiring individuals around them who have gone the extra mile for their clients, their colleagues and their communities.

### Sharing, listening and responding

We are committed to engaging our people, understanding their views, asking for feedback and acting on it. To do this, we use:

**Listening tools:** EY’s Global People Survey (GPS) is one way we listen to our people. As part of the survey, which takes place every two years, we ask all our people how they think EY is doing. Questions cover our strategy and leadership, quality, recognition and rewards, inclusiveness, development and corporate responsibility. The survey provides our leadership with valuable feedback on what is working and what we can improve on. In 2015, we conducted a full Global People Survey.

**Transparent communications:** at EY, we believe in being transparent with our people: no organization can engage its people without communicating with them clearly and regularly. And in turn, we expect our people to demonstrate this culture of transparency with their stakeholders. Some of the ways we connect with our people around the world include:

**Social networking tools:** in 2014 we introduced a new social networking tool, Yammer, which allows us to share our best practices, successes and suggestions with each other worldwide. It enables greater networking across ranks, service lines and cultures, and helps people to share ideas. Our Yammer network is also expanding opportunities for partners and other senior leaders to communicate with everyone in EY.

We also connect with our people in Romania through:

- Daily internal email newsfeeds
- Magazines published by our service lines
- Internal newsletters
- Town-hall meetings
- Our EY Romania Twitter account
- Our EY Romania Facebook page
- Our EY Romania YouTube channel
- Our EY Romania SlideShare page
- Our local EY Flash mobile app

### Innovation Think Tank

Innovation Think Tank is the first innovation program implemented at EY Romania, through which we plan to fuel and empower the creativity of our people. The program was launched in 2015 and gives EY employees the occasion to address a simple and actionable area: our own productivity and efficiency for a better work life.

80 colleagues have joined the program during 6 ideation sessions as Innovation Ambassadors. They have generated 110 winning ideas, which entered the final selection resulting in 25 finalists and 3 winning idea tribes. We want innovation to become an organizational habit, which is why we plan a second Innovation Think Tank program for 2016.

### EY Romania sporting tribes and volunteers

The EY sport “tribes” is an initiative through which our colleagues can get involved in many sporting and social events promoting a healthy life-style and a responsible civic conduct. The members are active and enthusiastic, but most of all they were winners at almost all the competitions they engaged in throughout 2015:

- National Corporate Football Championship
- Bucharest Half Marathon
- The Color Run
- Bucharest International Marathon
- Striving for Hope - Ioana Birta, our exceptional colleague from Cluj, has climbed Mount Kilimanjaro during the Kilimanjaro for Hope campaign, to raise money for a single mother with seven children. She has also competed in the Cluj Marathon for kids suffering from chronic renal failure.



# Our values create a strong foundation

Like any responsible and sustainable business, our values are the fundamental beliefs of our global organization. They are the bedrock of our culture and they guide our actions and behavior. Specifically:

- EY’s senior leaders set the tone from the top
- Our values are shared by our people
- EY’s Code of Conduct and policies provide guidance on how we should behave and what we should expect from others

## Code of Conduct

The Code provides a clear set of the standards that guide our actions and our business conduct. Organized into five categories, the Code contains principles that are to be followed by everyone within EY. And we ask everyone at EY, no matter where they are in the world, to make a personal commitment to abide by our Global Code of Conduct. Specifically:

- Working with one another
- Working with clients and others
- Acting with professional integrity
- Maintaining our objectivity and independence
- Respecting intellectual capital

## Shared values

Our shared values inspire our people and guide them to do the right thing, and EY’s commitment to quality is embedded in who we are and in everything we do. We are:

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

## EY/Ethics Hotline

We support the Global Code of Conduct with our EY/Ethics Hotline that can be used confidentially, either anonymously or on a disclosed basis, to report an activity that may involve conduct that is unethical, illegal, in violation of professional standards or otherwise inconsistent with our Global Code of Conduct. Employees, clients and others can contact the hotline by telephone or internet using their local language, 24 hours a day, 365 days a year.

When a report comes into the EY/Ethics Hotline, it receives immediate and careful attention. Depending on the type of issue, people from Risk Management, Human Resources, Legal or other functions are involved to address it. Although we encourage people to raise any concerns with their counselor, mentor, local partner or any other person of trust first, the hotline is available for circumstances where other channels of communication are inappropriate.

[www.eyethics.com](http://www.eyethics.com)

## Updated people numbers

In 2015, our total headcount in Romania reached an all-time high of 673 people at 31 December 2015.





# Supporting our clients, our profession and our marketplace

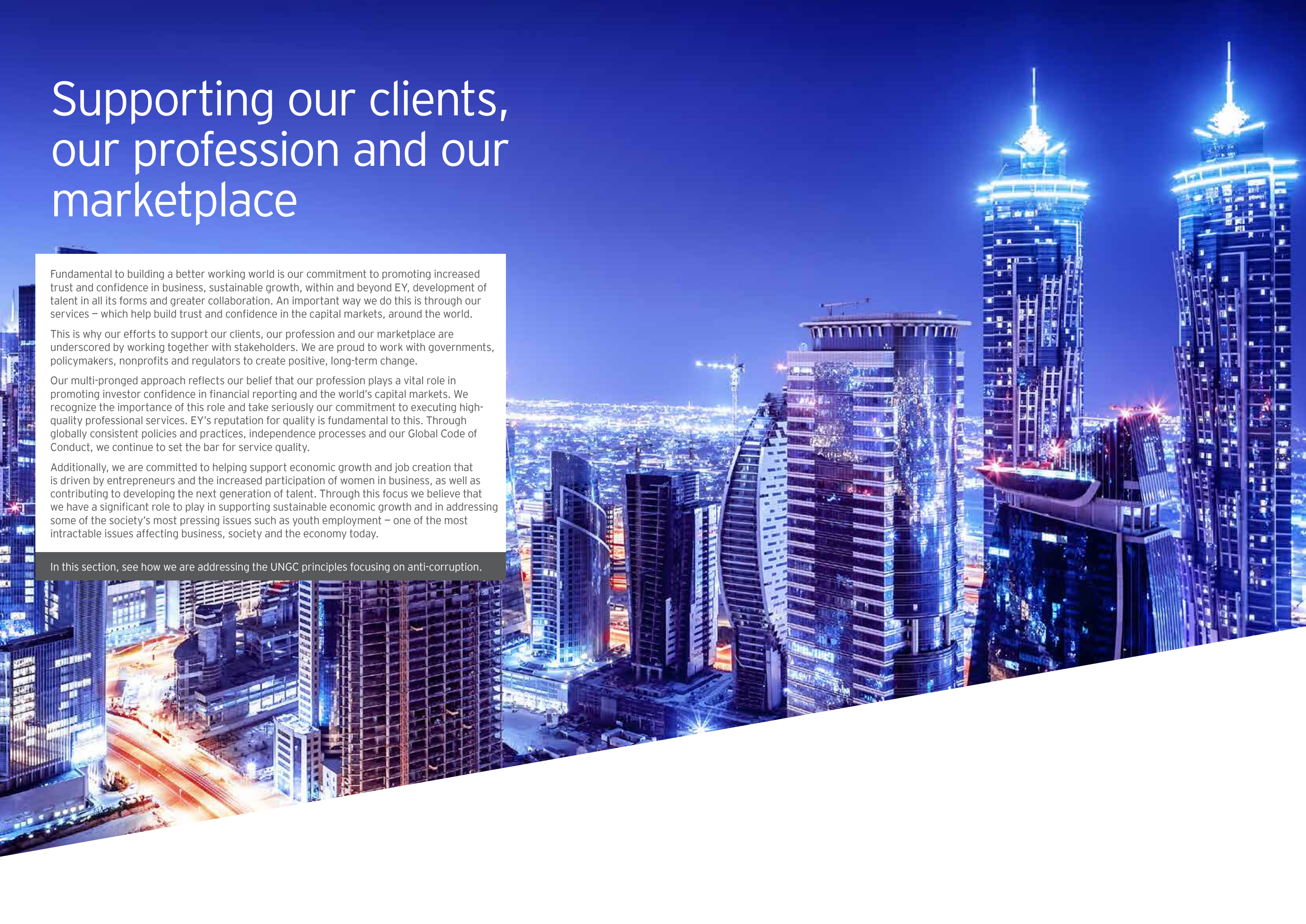
Fundamental to building a better working world is our commitment to promoting increased trust and confidence in business, sustainable growth, within and beyond EY, development of talent in all its forms and greater collaboration. An important way we do this is through our services – which help build trust and confidence in the capital markets, around the world.

This is why our efforts to support our clients, our profession and our marketplace are underscored by working together with stakeholders. We are proud to work with governments, policymakers, nonprofits and regulators to create positive, long-term change.

Our multi-pronged approach reflects our belief that our profession plays a vital role in promoting investor confidence in financial reporting and the world's capital markets. We recognize the importance of this role and take seriously our commitment to executing high-quality professional services. EY's reputation for quality is fundamental to this. Through globally consistent policies and practices, independence processes and our Global Code of Conduct, we continue to set the bar for service quality.

Additionally, we are committed to helping support economic growth and job creation that is driven by entrepreneurs and the increased participation of women in business, as well as contributing to developing the next generation of talent. Through this focus we believe that we have a significant role to play in supporting sustainable economic growth and in addressing some of the society's most pressing issues such as youth employment – one of the most intractable issues affecting business, society and the economy today.

In this section, see how we are addressing the UNGC principles focusing on anti-corruption.





## Building a better working world through our services

At EY, we believe that through every audit, every tax return, every advisory opportunity, every interaction with a client or colleague, our people are making the working world a better place than it was before. And our services are helping to build trust and confidence – directly and indirectly. For example, through our:

**Assurance service line**, we help build confidence to stakeholders. Auditors play a vital role in the efficient functioning of our capital markets by promoting transparency and supporting investor confidence.

**Transaction Advisory Services (TAS)**, we help our clients raise, preserve, invest and optimize capital – and to work more efficiently and effectively.

**Tax service line**, we are dedicated to helping clients meet their complex tax obligations and to understand risks associated with their tax decisions.

**Advisory service line**, we focus on improving clients' performance by helping them to translate their strategy into reality through better risk management, improved finance functions, and better supply chain and customer management.

**Advisory's sub-service lines include:** Performance Improvement, Risk, and IT Risk and Assurance. It has deep competencies in risk, finance, supply chain and customer and information technology.



### Helping clients report transparently

Through our Climate Change & Sustainability Services in Romania, we are helping clients with environmental challenges. We have a wide span of services, from waste management to environmental reporting. This often requires companies to measure processes and impacts they have not measured before. In addition to creating greater transparency, this can also help in efforts to reduce the use of natural resources, increase efficiency and improve operational performance. Transparent reporting can also help companies to strengthen their reputation, increase access to capital, and meet the expectations and increase the trust of their stakeholders.

### Tackling fraud and managing risk

Our fraud investigation and dispute professionals in Romania are helping clients deal with complex issues of fraud, regulatory compliance and business disputes. We do this by assembling teams who bring their broad sector experience, their deep subject matter knowledge and the latest insights from our work. By helping our clients manage their fraud risk and compliance exposure better, we are helping to build trust in the marketplace.

### Promoting transparency and trust

We take our public interest responsibilities seriously, and we work hard to maintain an open and frank dialogue with our stakeholders as part of our broader commitment to building a better working world. When meeting with our stakeholders, we seek to better understand their points of view and provide our perspective. We support improvements in legislative framework, corporate governance, financial reporting and other matters that affect our market more broadly. Specifically:

**Through engagement** – We are engaging increasingly with local organizations including the:

- ▶ The Chamber of Financial Auditors in Romania
- ▶ The Chamber of Certified Accountants in Romania
- ▶ The Chamber of Fiscal Consultants
- ▶ The National Chamber of Commerce
- ▶ The American Chamber of Commerce
- ▶ The National Bank of Romania
- ▶ The Government of Romania
- ▶ The Romanian Banking Institute
- ▶ The Coalition for the development of Romania
- ▶ Romanian Business Leaders
- ▶ The Foreign Investors Council
- ▶ The French Chamber of Commerce in Romania
- ▶ The Romanian-German Chamber of Commerce

### EY Romania Major Events & Partnerships

During 2015, we participated in national forums and professional events that bring together thought leaders on issues important to us and our stakeholders.





## 100 EY client events and speaking opportunities for our people in 2015

### Walking the walk

Our organization is built on strong internal structures and frameworks. These include policies that set the foundation for us as an organization. They guide the behavior of each EY person, help us limit risk, ensure independence and support measures like anti-corruption.

### A globally integrated approach

Over the past decade we have transformed our organization to keep in step with globalization and the changing needs of EY's people and clients. Today, global integration is one of our greatest strengths.

It enables us to implement our global strategy effectively and helps our member firms deliver consistent quality and exceptional client service. Other benefits include a greater scale of resources and more opportunities for our people. In terms of audit, our integrated approach helps us to apply global audit standards, enhances audit quality, and supports the consistent application and inspection of our audit and other service methodologies. But the benefits go beyond just audit. Importantly, an integrated focus on quality and risk management, including independence, across all service lines increases our ability to produce clear, consistent guidance and related training in a timely way.

The structure of the EY organization and our global policies and procedures on quality follow Article 40 of the European Union's 8th Company Law Directive.

### Executive and Regions

EY is organized into the Executive and Regions. The Executive includes the Global Executive, our highest management body, its committees and teams. It sits across 28 Regions, which are divided into four Areas: Americas, Asia-Pacific, EMEIA (Europe, Middle East, India and Africa) and Japan. EY Romania is part of Central and Southeastern Europe Region located in EMEIA Area.

### Our Code of Conduct

EY's Code of Conduct, explained in detail earlier in this report, sets out our principles and guides our behavior across all areas of activity. Our stance will always be that no client is more important than professional reputation – the reputation of EY and the reputation of each of our people.

### Global risk management

EY's Global Vice Chair – Risk Management is responsible for enterprise-wide risk management, including overseeing organization-wide quality initiatives across EY's four service lines in Assurance, Advisory, Tax and Transaction Advisory Services.

The Global Vice Chair – Risk Management is also responsible for establishing globally consistent risk management execution priorities and enterprise-wide risk management. These priorities cascade to member firms, and their execution is monitored through a formal Enterprise Risk Management Program.

For more information, read the *EY Global Transparency Report 2015*, [www.ey.com/transparencyreport](http://www.ey.com/transparencyreport).

### Tackling bribery and insider trading

#### Insider trading

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

#### Anti-bribery

The Anti-bribery Global Policy provides our people with direction around certain unethical and illegal activities. It emphasizes the obligation of our people to comply with anti-bribery laws and provides greater definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered. In recognition of the growing global impact of bribery and corruption, efforts have been increased to embed anti-bribery measures across EY, and training is mandated for all our people.





### Complying with legal requirements

**Data privacy:** the Global Personal Data Privacy Policy sets out the principles to be applied to the use and protection of personal data, including data relating to current, past and prospective personnel, clients, suppliers and business associates.

**Document retention:** EY member firms apply their retention policies to all engagements and personnel. Documents must be preserved whenever any person becomes aware of any actual or reasonably anticipated claim, litigation, investigation, subpoena or other government proceeding involving a member firm or any of its work.

Visit EY’s Global Transparency Report 2015, for more information. [www.ey.com/transparencyreport](http://www.ey.com/transparencyreport).

### Internal quality control systems

Providing high-quality professional audit services independently, objectively and ethically is fundamental to EY member firms’ success as independent auditors. We continue to invest in initiatives to promote enhanced objectivity, independence and professional skepticism. For example, we have:

- ▶ Designed a comprehensive set of global audit quality control policies and practices that meet the requirements of the International Standards on Quality Control, issued by the International Auditing and Assurance Standards Board (IAASB).

- ▶ A Client Acceptance and Continuance Policy that sets out principles to determine whether to either accept a new client or engagement or to continue an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting our people and meeting regulatory requirements.
- ▶ A Conflicts of Interest Global Policy that defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions for managing potential conflicts of interest as quickly and efficiently as possible through the use of appropriate safeguards.
- ▶ A Global Audit Methodology (EY GAM) that provides a global framework for delivering high-quality audit services through the consistent application of thought processes, judgments and procedures in all audit engagements.
- ▶ The Global Tool for Acceptance and Continuance (GTAC) – EY’s intranet-based system for efficiently coordinating client and engagement acceptance and continuance activities in line with global, service line and member firm policies. GTAC 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.
- ▶ The Global AQR program – the cornerstone of our process to monitor audit quality. All EY member firms execute the Global AQR program, report results and develop responsive actions plans. The program’s primary goals are to determine whether global and member firm quality control systems are appropriately designed and followed in executing audit engagements and to provide member firms reasonable assurance of compliance with policies and procedures, professional standards and regulatory requirements.

### Independence practices

Auditor independence is fundamental to the quality of audits and investor confidence in financial reporting and more broadly in the capital markets. We have a number of policies and systems in place to support this. Examples include:

- ▶ EYG Independence Policy – this sets out the independence requirements for member firms, professionals and other employees.
- ▶ Global Independence System (GIS) – an intranet-based tool that helps determine the listed entities from which independence is required and the independence restrictions that apply to each.
- ▶ Global Monitoring System (GMS) – an important global tool that helps identify proscribed securities and other impermissible financial interests.
- ▶ Audit committees and corporate governance – EY recognizes the important role audit committees and similar corporate governance bodies play in overseeing auditor independence. Through our quality review programs, we monitor and test compliance with our standards for audit committee communications, as well as the preapproval of services, where applicable.
- ▶ Service Offering Reference Tool (SORT) – this includes guidance around which services can be delivered to audit and non-audit clients, as well as independence and other risk management issues.
- ▶ Business Relationship Evaluation Tool (BRET) – supports our business relationships’ compliance with independence requirements. Our people are required to use BRET in many circumstances to evaluate and obtain advance approval of any potential business relationship with an audit client.

### Audit partner rotation

EY supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining expertise and knowledge of the business. Audit partner rotation, combined with independence requirements, enhanced systems of internal quality controls and independent audit oversight, helps strengthen independence and objectivity. Together, they are important safeguards of audit quality.

EY member firms comply with the audit partner rotation requirements of the code of the International Ethics Standards Board for Accountants (IESBA) and each individual country’s standard setter and/or regulator.

For more information, read the EY Global Transparency Report 2015, [www.ey.com/transparencyreport](http://www.ey.com/transparencyreport)

### Supply chain rigor

We also look at our supplier relationships both to make our supplier base more diverse and to raise supply chain standards. Our Global Procurement Policy includes a Supplier Code of Conduct to ensure that those organizations that supply us with products or services operate to the high standards that we expect of ourselves.





## Strengthening our communities

We believe we can make our most significant impact on society by concentrating our efforts on the areas where society's needs intersect with our own business strategy and the distinctive skills, services and experience of our people. By extending the reach of our core business and competencies in the areas of entrepreneurship, the next generation of talent and a diverse and inclusive society, we can support global, regional and local economic stability and growth and address some of the major issues that the world is facing.

### CSR initiatives

#### Cum Schimbam Romania<sup>1</sup>

EY is an active contributor to the local CSR Culture by playing a leading role in assessing the Romanian CSR environment. In partnership with CSRmedia.ro, we launched in 2015 the third edition of CSR Survey, with focus on the supply-chain sustainability.

The study was very well received by the CSR community, contributing to EY's positioning as the only Big4 which conducts such studies in Romania. We commit to developing the CSR survey annually, so that we can present local CEOs and CFOs with a relevant tool for including CSR in their business model.

Also in 2015, we have started the first CSR specialists' community in Romania, called "CSR sau Cum Schimbam Romania". We have hosted three informal events, where we gather people involved in CSR and sustainability projects, for sharing ideas and insights from our joint experience.

<sup>1</sup> How we change Romania

*"Romanian entrepreneurship is now a large community of people with drive, ideas and determination, who do not wait for change to happen in Romania, but rather generate it. They create jobs in times when few think of new hires. They are the ones that see opportunities during economic crises and that continue to invest even when the economy is in recession."*

**Bogdan Ion, Country Managing Partner, EY Romania**

#### Supporting entrepreneurs

EY has been advising, supporting and championing entrepreneurs for decades and we are proud of our role in helping them succeed and grow sustainably. Entrepreneurs drive innovation and create jobs and wealth for their communities, which results in broader economic growth and other social benefits in the marketplace. This is why we are committed to helping entrepreneurs – big or small – achieve their potential.

#### Programs for entrepreneurs

At EY, we believe in supporting entrepreneurs at their many stages of development through programs delivered by our people, and in some cases designed by them. By sharing their time, experiences and skills, our people help entrepreneurs to make a difference to their businesses and their communities. At the same time, we recognize that our support of medium- and small-scale entrepreneurs enables our people to develop new skills and experience how a business operates in its entirety.

We also believe that by supporting entrepreneurship – through teaching, collaboration and our intellectual capital – we can address the issue of youth unemployment. This is why, in addition to the thousands of young people we hire, we help thousands more develop the skills needed to join the working world as young entrepreneurs or to become more valued employees.

### EY Entrepreneur Of The Year™

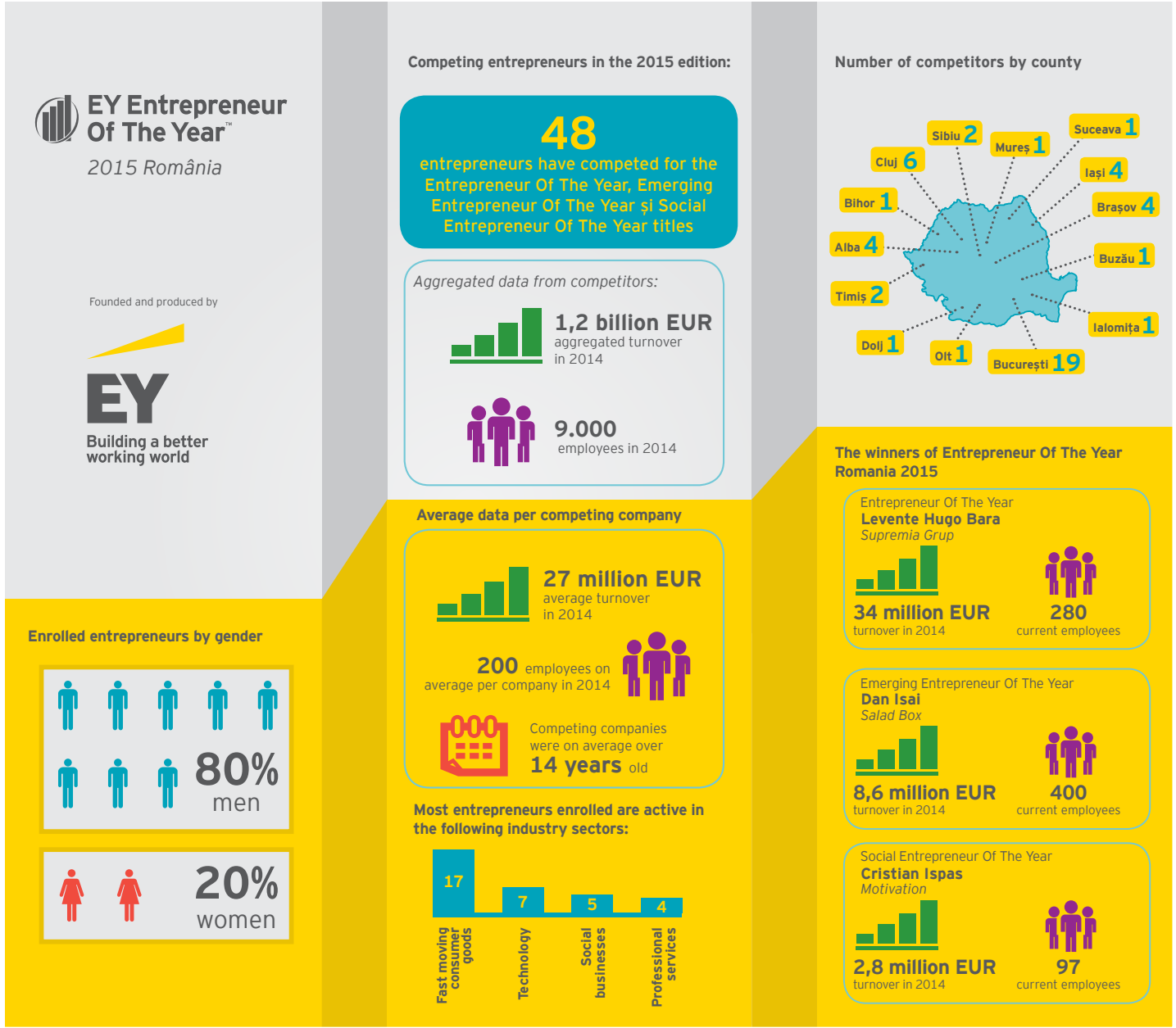
As the first and only truly global award of its kind, our program celebrates those who are building and leading successful, growing and dynamic businesses, recognizing them through regional and national awards programs in over 150 cities in more than 60 countries. Each nation's winner then competes for the title of EY World Entrepreneur Of The Year™.

In 2015, we organized the second edition of EY Entrepreneur Of The Year in Romania. This offered us a unique opportunity to acknowledge and award 48 of the most successful entrepreneurs in Romania.

Levente Hugo Bara is the new country winner who will represent Romania at the World Entrepreneur Of The Year finale in Monte Carlo in 2016.

The registrations for EY Entrepreneur Of The Year™ – 2015 Romania (EOY) closed on 1 August 2015 and during August and in September, we were busy with the interviewing phase, taking place at the headquarters of the entrepreneurs. The winners have been announced at an awarding gala on 12 November 2015.

Find out more: [www.eyromania.ro/eoty](http://www.eyromania.ro/eoty)







## Promoting entrepreneurship

### EY supports entrepreneurial mindset

EY Romania hosted in 2015 two workshops for entrepreneurs, as part of the Romanian Business Leaders program, "Ateliere de antreprenoriat". EY professionals networked with entrepreneurs on topics, such as financing the business and sailing through the Romanian fiscal system.

### EY event dedicated to family businesses

Showcasing our commitment to helping family businesses grow, EY Romania organized, in partnership with Family Business Network Romania the second event dedicated to Romanian family businesses and succession planning. On this occasion, we launched the first Romanian Family Business Barometer.

### Entrepreneur, looking for financing

The 5th edition of the Wall-Street conference analyzed the financing alternatives available for companies, together with over 100 entrepreneurs. Gabriel Sincu, EY Tax Executive Director, was speaker at this event, reviewing the major fiscal changes and challenges entrepreneurs face in 2015.

### EY partnered Microsoft in Business Zone events

Our colleagues were invited as speakers to Microsoft's exclusive events dedicated to SMEs in Bucharest and Cluj, which analyzed the latest technology trends in financial services and data management.

### EY speaks about entrepreneurship to local entrepreneurs

Throughout 2015, our colleagues in Tax and Marketing have travelled the country to speak to hundreds of local entrepreneurs about overcoming fiscal challenges and growing Romanian brands. 11 cities were targeted through 13 events in two dedicated programs: IMM Restart, where EY was partner, and Arena Afacerilor, organized by EY and Raiffeisen Bank

### EY Romania Thought Leadership on Entrepreneurship

Supporting our commitment to consolidate the entrepreneurship culture in Romania, we published a series of studies which analyze the various dimensions of entrepreneurship in Romania:

- ▶ Entrepreneurs Speak Out 2015 - this is our annual flagship study on Romanian entrepreneurship
- ▶ Family Business Survey 2015 - the first survey looking at how local family businesses have emerged from the transition economy



EY Thought Leadership in Romwania

EY local studies

EY Romania is conducting surveys and studies to provide annual benchmarking information on the local market. We have positioned EY as a valuable source for market insights, by developing 11 local surveys in 2015.

This effort is built up throughout the year and we will continue to bring unique and timely information about the local economy. You can access these valuable research studies by subscribing to our SlideShare profile.



A vision for growth - Business Barometer



Romania M&A Barometer 2015



"Kindness helps the company" - study on Protected Units



Romanian Banking Barometer ARB & EY 2015



Entrepreneurs Speak Out 2015



CSR Trends and Realities in Romania 2015



A vision for growth - Mid-year Business Barometer



Mobile devices usage



Family Business Survey 2015



How NGOs and SMEs use the Sponsorship Law

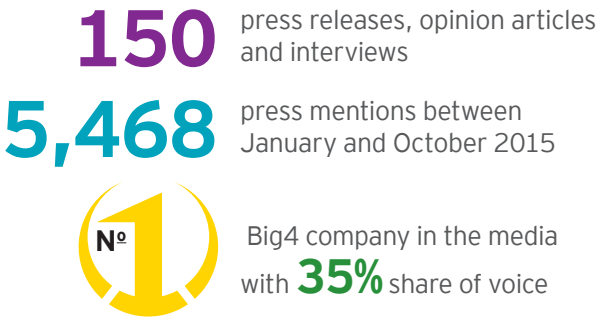


Social media and the business environment in Romania

EY is leading in the media

Throughout 2015 we have continued our relentless efforts to bring our insights to the general public. Our people have contributed constantly with articles, opinions and media statements. We have issued 150 press releases, opinion articles and interviews. We are in the lead every month capturing the greatest media share of voice among Big4.

Between January and October 2015, EY Romania generated 5,468 press mentions, ranking 1st in terms of share of voice and capturing 35% of all articles mentioning Big4 companies, according to the Mediafax monitoring program.



EY and Publica book launches

In collaboration with Publica, EY Romania supports ongoing book launch projects in an effort to give readers from Romania the opportunity to scroll through some of the most important texts on personal development written in recent years.

With books launched in 2015, like “The Virgin Way” by Richard Branson, “Never eat alone” by Keith Ferrazzi and “The Blue Ocean Strategy” by Chan Kim and Renee Mauborgne, EY also took this approach as a means to interact with Generation Y, as the volumes are offered at the many events we organize.

We are very excited to have an approximate number of 6000 copies (2000 per title) in circulation so far, offering valuable know-how to help our readers deliver to the standard of expectation that they have set-forth for themselves.



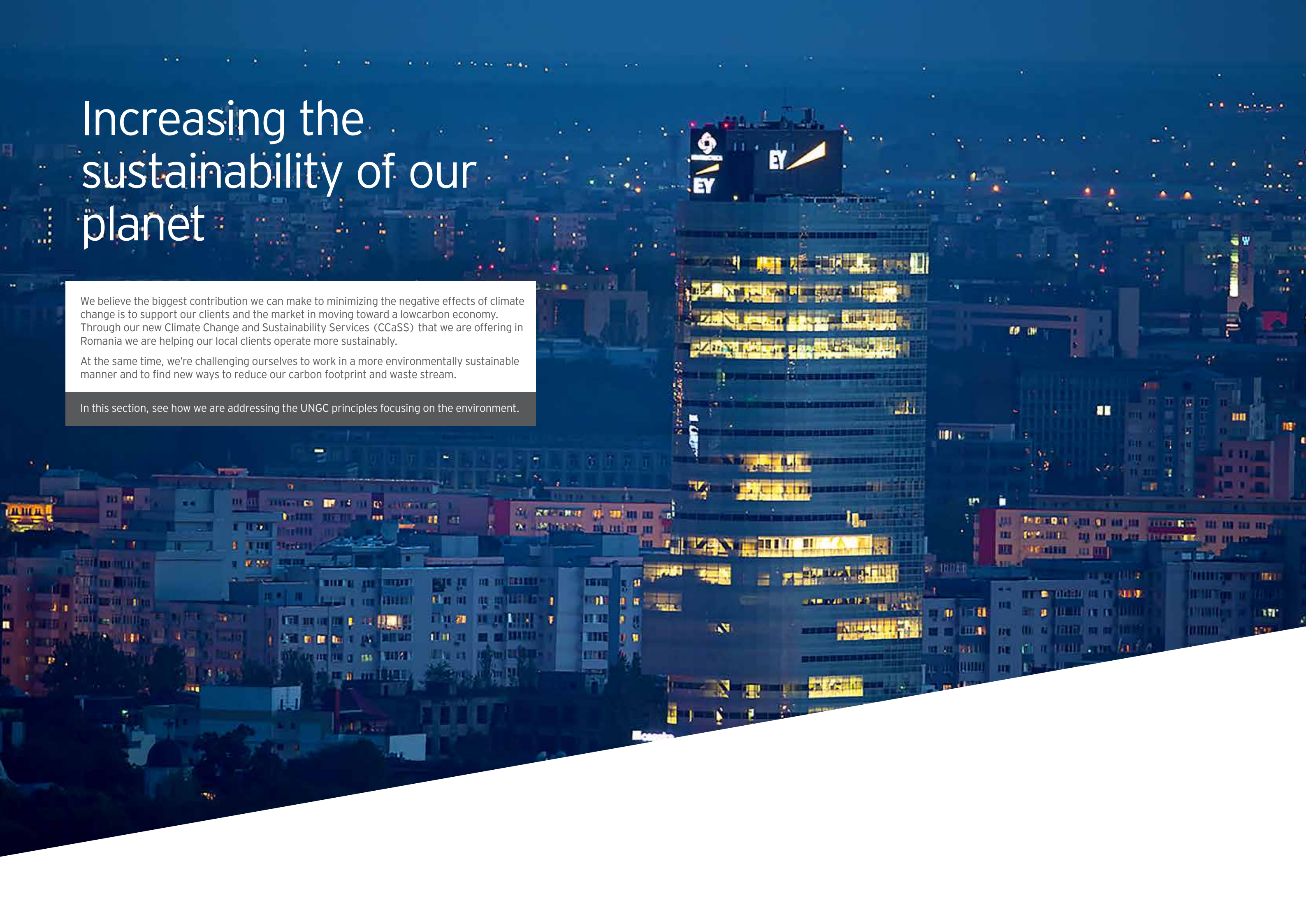


# Increasing the sustainability of our planet

We believe the biggest contribution we can make to minimizing the negative effects of climate change is to support our clients and the market in moving toward a lowcarbon economy. Through our new Climate Change and Sustainability Services (CCaSS) that we are offering in Romania we are helping our local clients operate more sustainably.

At the same time, we're challenging ourselves to work in a more environmentally sustainable manner and to find new ways to reduce our carbon footprint and waste stream.

In this section, see how we are addressing the UNGC principles focusing on the environment.





“EY contributes to the contemporary business on the globe by sharing the insight with its clients in diverse areas. While doing this, EY always operates with responsibility. As such, we, employees of EY, are well advised about our responsibilities towards our communities, countries, and to the environment that we are living in. When EY has decided to invest into Climate Change and Sustainability Services locally in Romania, I volunteered for being part of this important service offerings. Now, with my colleagues in this newly establish service line we are proudly representing EY’s sustainability mission not only within EY but also carrying this notion to our clients in diverse sectors.”

Burcin Atakan, Climate Change & Sustainability Services Leader, EY Romania

Supporting our clients on their lower-carbon journey

Our new CCaSS team will help organizations in Romania address the environmental, social and economic impacts of climate change. Our colleagues help clients reach their sustainability goals by providing a range of skills and services. For example:

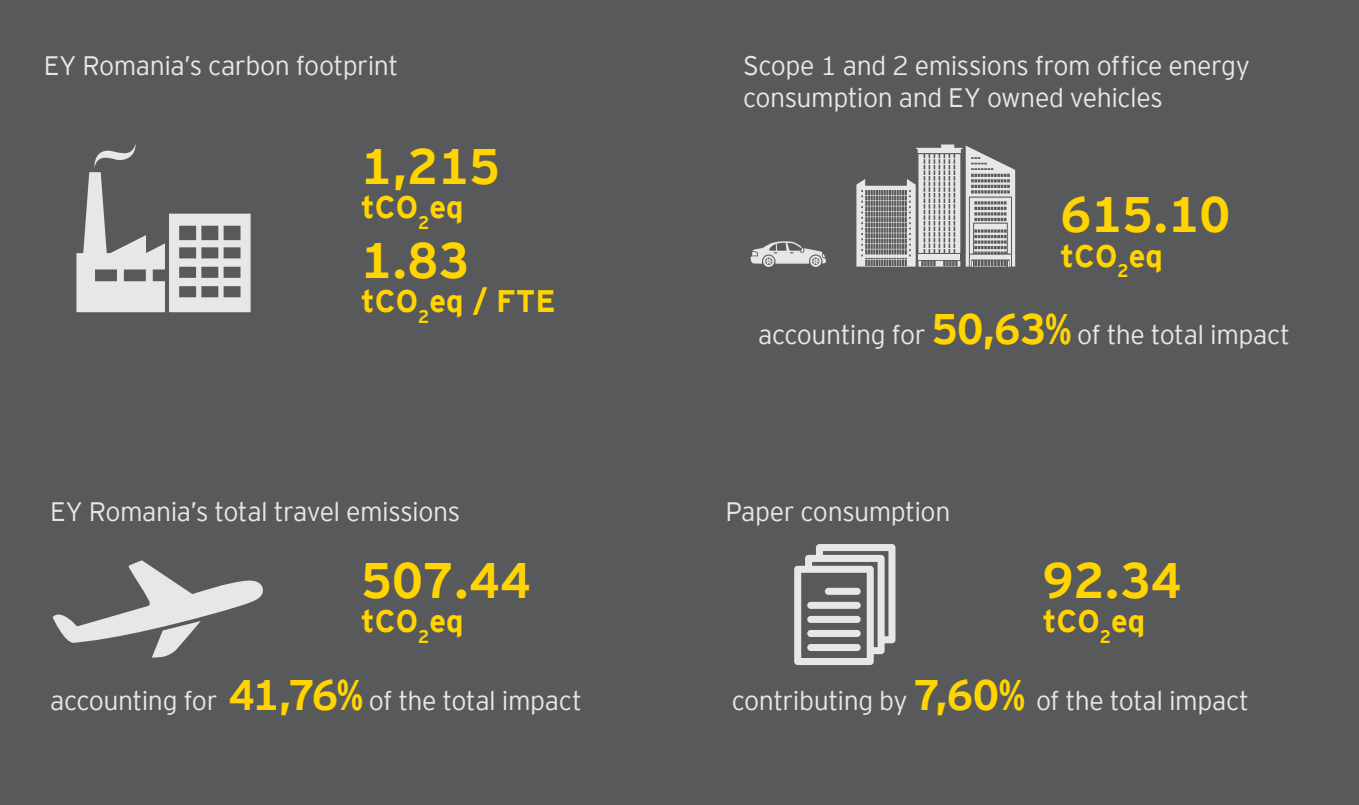
- ▶ Our local CCaSS practice will help organizations understand the components of a sustainability strategy and improve their performance in this regard. We have developed regional best practices to help clients address the most important sustainability factors, including managing risk in a resource-constrained economy.
- ▶ We will also advise clients on meeting compliance targets related to waste management and pollution, helping them to reduce carbon emissions and enhance their corporate reputation.

Our local carbon footprint

We also continue to increase the energy efficiency of our offices and, although travel is critical to our business, we have invested in travel alternatives, like Telepresence videoconferencing and enhanced desktop and mobile options.

By globalizing many of our core business functions, such as IT, real estate, procurement and travel, we are increasingly able to share insights and progress around the world. This allows us to improve the environmental sustainability of our operations both in Romania an worldwide.

At local level, EY Romania has implemented the certified quality and environment management systems according to ISO 9001:2008 si ISO 14001:2004.



Explanatory Notes

Methodology

Our carbon footprint follows the Accounting and Reporting Principles established by the Greenhouse Gas Protocol (GHG Protocol) for the corporate carbon footprint accounting.

Emission factors

We have used internationally recognized and reliable data sources for the corporate carbon footprint calculation, based on the GHG Protocol emission factor selection criteria. Examples of these sources are the GHG Protocol calculation tools and worksheets, Intergovernmental Panel on Climate Change (IPCC), the Department for Environment, Food and Rural Affairs of the United Kingdom (DEFRA), Ecometrica.

Data collection

We collect activity data from all our offices in Romania in order to estimate our emissions. This data is then multiplied with the corresponding conversion factors. Specifically:

- ▶ Emissions from offices energy consumption are estimated using activity data collected from our main office in Bucharest alongside with ones in Cluj-Napoca, Iasi and Timisoara.
- ▶ Emissions from air travel are estimated taking into consideration all routes, class ticket and number of passengers.
- ▶ Emissions from ground travel (99 cars (98 diesel engines and 1 petrol engine) and 567 employees travelling by foot, by bike or by public transportation) are estimated using fuel consumption and fuel/engine efficiency.
- ▶ Emissions from hotel stays are estimated considering the time of year, number of people and number of nights for both internal and external stays.
- ▶ Emissions from printed materials are estimated taking into account the format of the printing and number of copies.

During the course of 2015, we have made important steps in the way we see our environmental impact, consequently our carbon footprint. We started accounting for our impact and we are proud to say that we have now a baseline for future assessments, also allowing us to propose measures to improve our results and decrease our CO2 footprint.



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## About EY

EY is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 212,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit

[www.ey.com](http://www.ey.com)

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