



Will you wait for the future to happen, or take a hand in shaping it?

As a founding member of the United Nations Global Compact Network in Romania, we are committed to supporting sustainable development, thus building a better working world.



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



Building a better
working world

We uphold the UNGC by:



Supporting
our people

5



Supporting
our clients

10



Supporting a
sustainable
environment

16

Foreword

Business has always been a risky, but full of opportunities endeavor. This is all the more true today, when the changes in technology happen at an astounding pace. The widespread access to information has produced more knowledgeable consumers and investors, who demand from companies to take responsibility for the effects they have on people and the environment. This implies that, at the very least, companies should make sure that they're not turning the world into a worse place to live in. At EY, we're aiming higher; we strive to build a better working world - a world in which poverty and inequalities are sparse, a world which enjoys long-term prosperity.

We are a founding member of the United Nations Global Compact (UNGC) Romania Network because we believe that its Ten Principles and the UN Sustainable Development Goals represent our higher goal, that no company can reach by itself.

In 2016, we have continued to support the growth of Romanian entrepreneurial companies and diverse communities. We have provided regulators and investors with the expertise that comes from our multi-skilled and multicultural teams.

This report highlights our efforts to uphold responsibility and sustainability throughout our activities. We thus renew, once again, our proud commitment to the UNGC.



Bogdan Ion
Country Managing Partner EY Romania

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 support and respect the protection of internationally proclaimed human rights



**Our people
come first**

At EY Romania, our people are the most important and we do our best to create a working place where they feel rewarded. That's why we attract individuals from different backgrounds who bring their own points of view and unique business skills. Creating the highest-performing teams with people that hold a variety of perspectives is central to EY's long-term strategy.

After all, a diversity of ideas enables us to provide the best services for our clients. We want to make sure that our talented people have the best environment to develop professionally and personally, so that they can reach their goals, have amazing experiences and create their own personal brand. We attract people with integrity, who have a clear sense of personal and professional accountability, people with courage to lead, who can inspire and motivate others, people with energy and enthusiasm, passionate about helping our clients meet their expectations.

To support this promise, we create a valuable professional experience, by seeking out diversity, promoting constant learning and development, offering flexibility and, above all, protecting the safety and the well-being of our employees.



The exceptional EY experience

Because time is people's most valuable possession, we want to make sure that, at EY Romania, we provide the best environment for everybody's career development - complex projects that are essential for honing old skills and developing new ones.

We also think that learning is an ongoing process, that's why our global learning curriculum helps employees to acquire the knowledge and skills that are designed to last a lifetime. We currently offer more than 16.000 courses on our learning management system. They are designed to teach or help refresh technical skills across service lines, in order to provide excellent services to our clients. There are also many opportunities to enhance leadership skills, building an expertise that can be used both inside and outside EY.

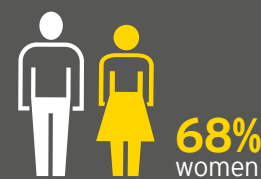
Promoting diversity and inclusiveness

We think broadly about differences - background, education, gender, ethnicity, nationality, age, working and thinking styles. Each of us is different and we value and respect the things that make us unique. We make our best to create an environment where all of our people feel valued, where they are able to bring their differences to work each day.

Inclusiveness is about leveraging those differences: everyone's opinion is important and we want our people to feel the easiness of sharing their thoughts no matter what. In this way everyone contributes to their personal best in every encounter and this ultimately achieves better business results.

Building diverse leadership teams by increasing the number of senior women leaders is a key focus for us:

At EY we work to ensure that everybody has equal opportunities. As a result, out of **716 people*** working at EY Romania, **465 are women.**



Furthermore **68% of managers** in our local firm are women.

Within our management team, **51%** of Partners & Executive Directors are women



* Average number of employees in Romania in 2016

Junior Recruitment Campaign

In 2016, more than 3500 students applied for positions opened at EY Romania - 55% more than the previous year. This number represents an absolute record for our company, in almost 25 years of presence on the Romanian market. Out of the 3 500 participants, 80 were recruited to join EY in autumn. More than half of them are going to work for the Audit department, and the rest will join the Tax and Legal, Transactions and Advisory departments.

Students from Bucharest, Cluj-Napoca, Iași, Timișoara, Craiova and Chișinău applied for junior positions at EY and went through a complex recruitment process that lasted more than three months. It had six stages: online applications, CVs preselection, initial assessment by psychometric testing of logical and verbal intelligence, video interviews, participation in the EY Mega Days evaluation center and face-to-face final interviews.

70 professionals from the company and 20 students, EY ambassadors from Bucharest, Timisoara and Craiova, were actively involved in 45 career events, held from January to June 2016: job fairs, workshops, conferences, open doors events or career days.

"The record of candidates enrolled in the junior recruitment program reflects the activity of the last few years, in which we have built together with the students a solid bridge of mutual knowledge. Romanian students had the opportunity to meet us both in the virtual space and directly, which helped them have a clear picture of what it means to work at EY Romania. They found here a charming combination of passion for excellence, authenticity and enthusiasm, on top of the professional rigor."

Andreea Mihnea
HR Director, EY Romania

3500
applicants



Over 3,500 applicants from Bucharest, Chișinău, Timișoara, Iași, Cluj-Napoca, Craiova

6
selection stages



6 selection stages

- ▶ Online applications
- ▶ CVs preselection
- ▶ Aptitude and psychometric testing
- ▶ Video interviews
- ▶ EY Mega Days - assessment center
- ▶ Face to face final interviews

80
joined



Over 80 juniors joined EY in September 2016

Are today's businesses prepared for what doesn't exist yet?

Navigate the transformative age with the better-connected consultants.

ey.com/consulting

#BetterQuestions #BetterConnections



EY Young Tax Professional of the Year Program

EY Young Tax Professional of the Year Program is organized every year and offers students from 20 countries the opportunity to show their technical and professional skills in the field of taxation. EY Romania is affiliated to the global program since 2010. In 2016, 38 students were selected from over 600 sign-ups to participate in the EY Tax Academy.

Following this edition, 18 finalists received junior positions at EY Romania, and Iulia Laura Samson was elected as the winner of this year's competition.

During the final stage of the competition, that takes place in Amsterdam, students will have to analyze case studies and will be interviewed by the jury.

Development through world-class learning

Helping our people through their learning process is fundamental in order to create value for both our employees and clients. To do that, we have a unique global career development framework called EYU, standing for EY and YOU and focused on coaching EY people to achieve their goals.

EYU links to our global Performance Management and Development Process (PMDP). This program focuses on feedback, development and the relationship between the counselor and the counselee and their engagement with the business strategy. One of the aims of this program is to create a common understanding across the organization, agree on expectations and use these agreements as the basis for measurement, review and preparation of plans for performance improvement and development.

To make it easier for our people to monitor their performance path and seek feedback along the way, we created My Development Site. We think that our employees' development is the heart of our culture because it contributes to an engaging workplace, provides opportunities for everyone and helps deliver unique services to our clients.

Flexible work environment

Flexibility has become increasingly more important for employees, who want to have a career without neglecting the personal aspects of their lives, such as family commitments, volunteering or doing sports. At EY Romania, people can apply to WorkSmart program, which allows them to work remotely, choosing flexible hours. 48% of our people have accessed the program in 2016, which is an increase of more than 10% compared to 2015. We encourage everyone to apply and use the flexible arrangements available.

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The better the world works.

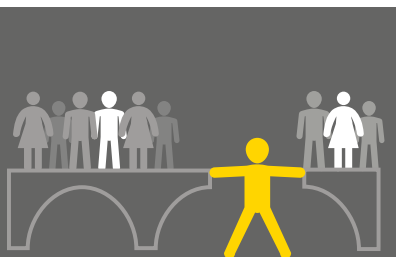
Our values are the core of our business

Our values are the backbone of EY's culture and they guide our actions and behavior. They represent our commitment to all our stakeholders that we understand the confidence that they place in us to deliver quality and excellence in everything we do.

Who are we?



People with energy, enthusiasm, and the courage to lead



People who build relationships based on doing the right thing



People who demonstrate integrity, respect, and teaming

Code of conduct

The EY Global Code of Conduct provides the ethical framework on which we base our decisions – as individuals and as members of our global organization.

The Code is anchored in our values and beliefs, and underpins all that we do.

Our Global Code of Conduct is organized into five categories containing guiding principles that should be used by everyone within EY to guide our behavior across all areas of our activity:

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

The Global Code of Conduct applies to everyone at EY, regardless of their individual role, position or practice.



Supporting our clients

Services that build a better working world

Through 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.

The Assurance service line brings confidence to stakeholders. Auditors play a vital role in the efficient functioning of our capital markets by promoting transparency and supporting investor confidence.

The Transaction Advisory Services (TAS) helps clients raise, preserve, invest and optimize capital.

Tax service line helps clients meet their complex tax obligations and to understand risks associated with their tax decisions.

Advisory service line improves 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 companies become more sustainable

Through the Climate Change & Sustainability Services, we help clients deal with one of the most challenging issues of our time. We have a wide span of services, ranging from waste management to environmental reporting.

In addition to creating greater transparency, this can also help reduce the use of natural resources, increase efficiency and improve operational performance.

Transparent reporting increases a company's reputation, its access to capital and the trust of its stakeholders.

Is your nonfinancial performance revealing the true value of your business to investors?

www.eyromania.ro/eyccassinvestorsurvey2017.pdf

Detecting fraud and managing risk

Our fraud investigation & dispute professionals help 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. As a consequence, we are helping to build trust in the marketplace.

Compliance with legal requirements

Anti Bribery

The Anti-bribery Global Policy emphasizes the obligation of our people to comply with anti-bribery laws and provides a clear definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered.

Anti Money Laundering

Our risk policy sets out the principles to be applied by our staff to counteract money laundering and terrorist financing. The two major subjects are client examination and the reporting of unusual transactions; both subjects are addressed in this policy.

Document retention

EY member firms apply their retention policies to all engagements and personnel. All documents must be preserved whenever any person becomes aware of any actual or reasonably anticipated claim, litigation, investigation, subpoena or other government proceeding involving us or one of our clients that may relate to our work.

Trade sanctions

Given the level of EY's global integration, it is important that we are aware of the ever-changing situation in respect of international trade sanctions. EY monitors sanctions issued in multiple geographies and provides guidance to our people on impacted activities.

Insider trading

The 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.

Data privacy

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

For more information, see EY Romania Transparency Report 2016.
www.eyromania.ro/transparencysurvey2016.pdf

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.

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.

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.



Supporting Entrepreneurs

We believe entrepreneurs are key to economic health. Nowadays, when volatility is higher than ever, the entrepreneurs are those who continue to create value and to believe in the future of business and in their teams. That's why we made it our aim to discover, celebrate and support our local entrepreneurs.

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 hundreds 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, the EY World Entrepreneur Of The Year™ 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 2016, we organized the third edition of EY Entrepreneur Of The Year in Romania, which had 50 participants. The companies they represent cover various economic sectors: from food industry and production of bicycles, to IT expertise, healthcare and publishing. All in all, they have an aggregated revenue of 535 million euros, 8.000 employees and an average number of 180 employees in 2015.

Find out more: www.eyromania.ro/eoty


The winners of Entrepreneur Of The Year Romania 2016

Entrepreneur Of The Year
Cristian Covaciu
IPEC

 **22 million EUR**
turnover in 2015

 **800** employees
250 industrial robots

Emerging Entrepreneur Of The Year
Daniel Dines
UiPath

 **600% increase**
in turnover in 2015

 **120** employees
in **4** countries

Social Entrepreneur Of The Year
Angela Achiței
Fundația "Alături de voi"

 **70** employees

Communication and Corporate Social Responsibility

CSR Initiatives

Our aim is to improve disadvantaged circumstances through support and involvement of individuals and groups. The EY volunteers tribe has worked with children in orphanages over the summer of 2016 and, in October, we have organized the first volunteering fair at the office, in order to connect our people to NGOs and projects that meet their personal beliefs and desires.

EY contributes actively to the local CSR culture by playing a leading role in assessing the Romanian CSR environment. In partnership with CSRmedia.ro, we launched in 2016 the fourth edition of CSR Survey, which explored local executives' perception of corporate social responsibility projects.



EY Thought Leadership in Romania

We conduct annually surveys and studies that provide relevant information on the local market. Thus, EY has become a valuable source of insights, for both clients and the mass-media. In 2016 we developed eight local surveys, mainly focused on entrepreneurship, talent and M&A.

Our effort is built up throughout the year and we will continue to bring unique and timely information about the local economy.

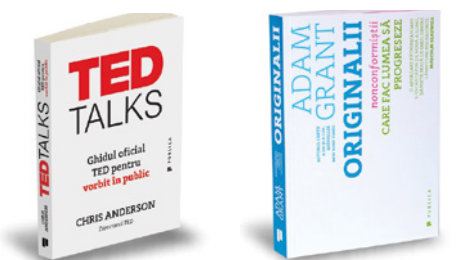
Spreading the knowledge

In 2016, we brought our knowledge to the general public through 170 press releases, various interviews and opinion pieces. Similar to the previous year, EY Romania ranked first in terms of share of voice, by capturing 36% of all articles mentioning Big4 companies, according to the Mediafax monitoring program.



7000
press references
in 2016

We also supported Publica publishing house to launch in Romania some of the most important books on business and personal development.



Does growth have to cost the Earth?

Find out how EY's 7 Drivers of Growth can help your business grow from challenger to leader.
ey.com/acceleratinggrowth #BetterQuestions

Supporting environmental sustainability

At EY, we are working towards minimizing the negative effects of climate change by helping our clients transition towards a low-carbon economy. 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.



"The youngest service line at EY Romania carries the notion of sustainable growth to our clients in diverse sectors. We are committed to building a better working world – the one in which companies preserve natural resources via considering impact of their operations for the environment and the community."

Burcin Atakan
Climate Change & Sustainability
Services Leader, EY Romania

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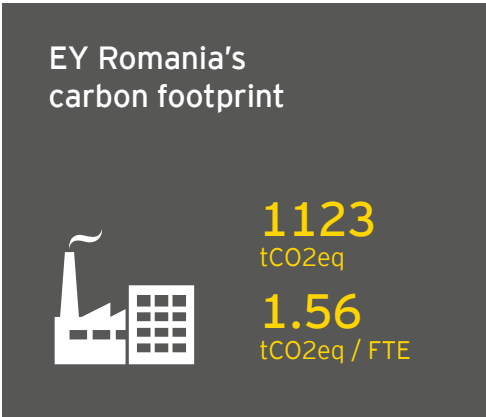
Helping our clients become more sustainable

Our CCaSS team helps clients reach their sustainability goals by providing a range of skills and services.

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

Managing our carbon footprint

Although travel is critical to our business, we continue to invest in ways to reduce our biggest environmental impacts of business travel and office energy, and to improve the way we measure our progress. For us, reporting the carbon footprint means both taking responsibility for our environmental impact and being transparent with our clients and stakeholders.



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

Methodology

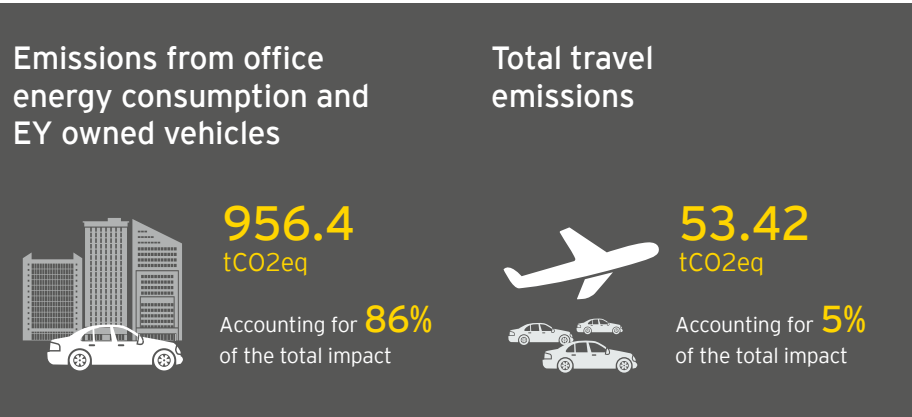
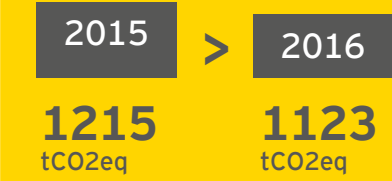
All carbon calculations about EY Romania's operational carbon footprint follow the methodology and guidelines provided by the World Business Council for Sustainable Development Greenhouse Gas Protocol.

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.

- ▶ Emissions from offices energy consumption are estimated using activity data collected from our main office in Bucharest, alongside the 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 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.

In 2016, EY Romania has significantly decreased its carbon footprint



About EY

EY is one of the world's leading professional services firms with approximately cu 230.000 employees in 700 offices across 150 countries, and revenues of approximately \$29.6 billion in the fiscal year that ended on 30 June 2016. Our network is the most integrated at global level and its vast resources allow us to help our clients benefit from every opportunity. In Romania, EY has been a leader on the professional services market since its set up in 1992. Our 700 employees in Romania and Moldova provide seamless assurance, tax, transactions, and advisory services to clients ranging from multinationals to local companies. Our offices are based in Bucharest, Cluj-Napoca, Timișoara, Iași and Chișinău. In 2014, EY Romania joined the only global competition dedicated to entrepreneurship, EY Entrepreneur Of The Year. The winner of the local edition has the chance to represent the country in the world-finals which take place each year in June, in Monte Carlo. The title for World Entrepreneur Of The Year is attributed at this event.

For more information, please visit

www.ey.com

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