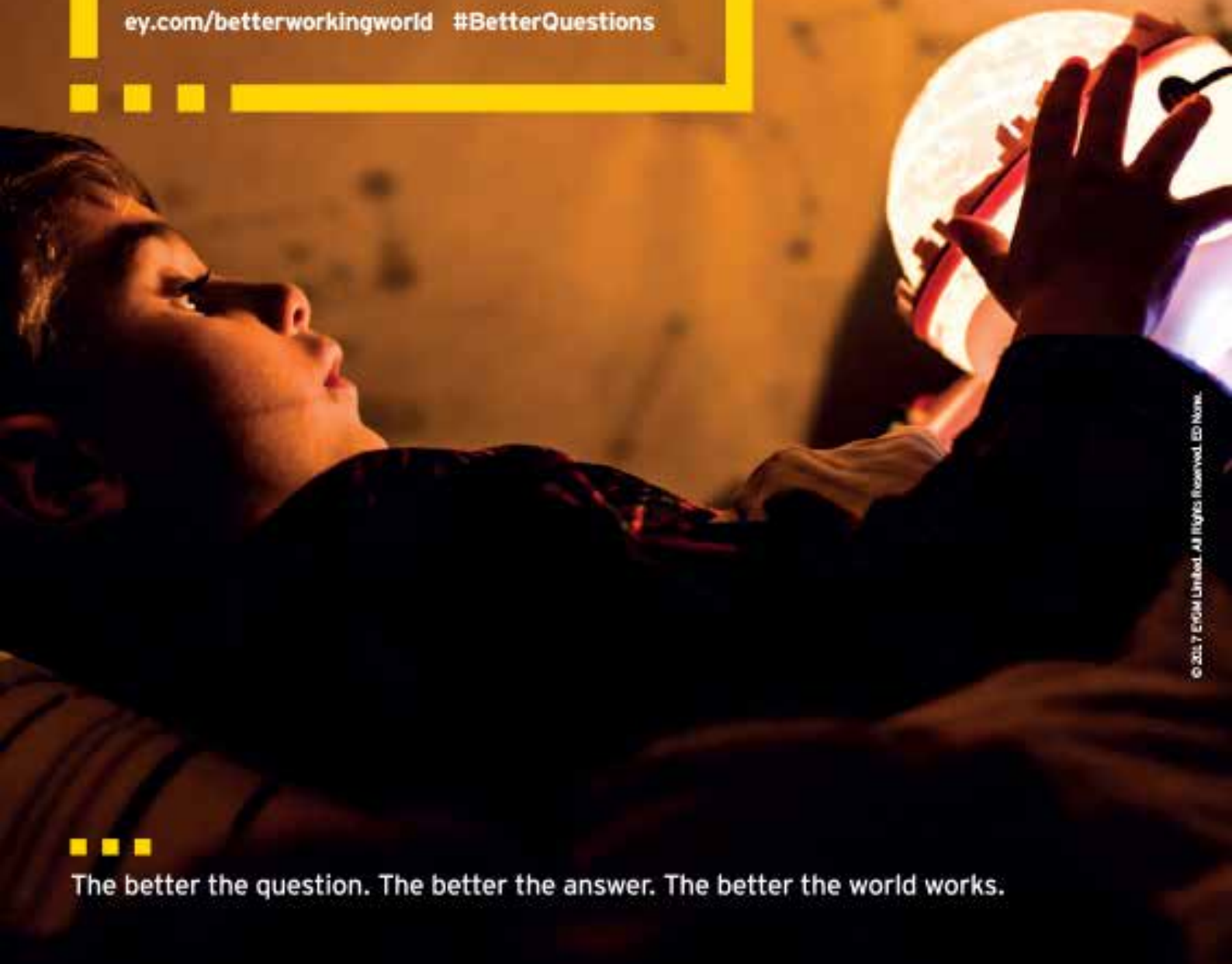




Building a better
working world

Why do uncertain times need the certainty of purpose?

ey.com/betterworkingworld #BetterQuestions



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

We uphold the UNGC by:



Foreword

Sustainable development of organizations of all kinds are a standard practice today in the global business. It is a trend extending locally, that companies in Romania will benefit from more and more. The UN Global Compact initiative demonstrates that we reached a critical mass and we have to encourage the whole business community to join the effort of consolidating the sustainability of the Romanian business sector. This will be an advantage for every company seeking a sustainable development, because organizations that manage their social impact and their footprint responsibly will receive a bigger operational efficiency, a better management of resources, but also a repositioning in the relation with the stakeholders, the employees and the partners. EY joined the Global Compact Network Romania as a founding participant, because we believe in the 10 Principles governing this initiative. We wish for other companies in the country to join us, because only in this way we can create that sort of ecosystem that could generate sustainable solutions for the future of Romania.



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 Business 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 Business 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 Business should work against corruption in all its forms, including extortion and bribery



**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. This is 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 everyone`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 13.000 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.

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 makes 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 **743 people*** working at EY Romania, **490 are women.**

65%
women



68%
women

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

Within our management team, **49%** of Partners & Executives are women.



* Average number of employees in Romania in 2017.

Junior Recruitment Campaign

In 2017, more than 3500 students applied for positions opened at EY Romania. Out of the 3500 participants, 88 were recruited to join EY in autumn. Students from Bucharest, Cluj-Napoca, Iasi, Timisoara and Chisinau 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, video interviews, participating in EY Mega Days evaluation center and face-to-face final interviews.

40 professionals from the company and 27 students, EY ambassadors from Bucharest, Timisoara Iasi and Cluj were actively involved in 45 career events, held from January 2017: job fairs, workshops, conferences, open doors events or career days.

In 2017, we have introduced

EY Express program.

The project combines innovative learning strategies that encourage the development of practical skills, based on:

- Training of five key competences - complex problem solving and critical thinking, interpersonal management, quality customer service, risk management, project management;
- Gamification - a system of points supported by a storyline, which stimulates both cooperation and competition between the participants. Points are awarded both individually and in teams and allows the assessment of progress and of the acquired skills;
- Digital thinking - the use of digital platforms for project implementation, data collection and evaluation;
- Feedback from trainers, mentors from EY and from the School of Values;
- Peer-to-peer learning - an appropriate relationship between teamwork projects, individual projects and mentoring sessions.

"This year, the recruitment process included some novelties, such as video footage descriptions, the possibility to apply augmented reality, but also through the EY Express program. Through EY Express, we have created a new, intense learning experience, applied on the most useful skills for the future labor market. The feedback received from the students was directly from trainers and mentors, and learning was peer-to-peer, an appropriate relationship between teamwork projects, individual projects and mentoring sessions."

Andreea Mihnea

HR Director of EY Romania.

3500
applicants



Over 3500 applicants from Bucharest, Cluj-Napoca, Iasi, Timisoara and Chisinau.

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

88
joined



88 juniors joined EY in September 2017

Is your strategy planning for the future or creating it?

Navigate the Transformative Age
with strategy solutions from
the better-connected consultants.

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



EY Young Tax Professional of the Year

EY Young Tax Professional of the Year Program is organized every year and offers students from 20 countries the opportunity to show the technical and professional skills in the field of taxation. EY Romania is affiliated to the global program since 2010. In 2017, 45 students were selected from over 163 sign-ups to participate in the EY Tax Academy.

Following this edition, 17 finalists received junior positions at EY Romania, and Diana Giusca was elected as the winner of this year's competition.

During the final stage of the competition, that takes place in Amsterdam, students have to analyze case studies and are 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. In order to do that, we have an 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 (PMPD). 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.

We think that our employees' development is the heart of our culture because it contributes to an engaging workplace, provides opportunities for everyone and help 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. We encourage everyone to apply and use the flexible arrangements available. 48% of our people have accessed the program in 2017.

Introduction of LEAD, a new global model of career development and performance management.

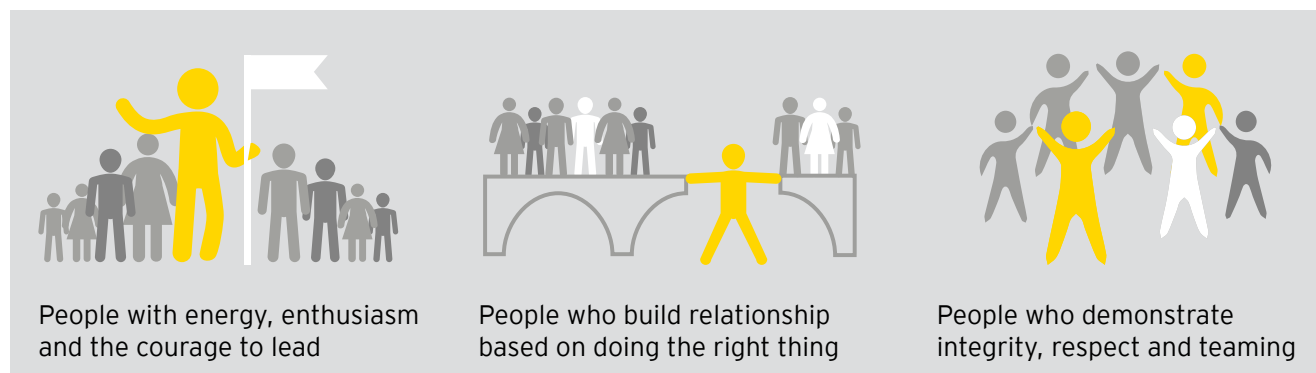
Through the LEAD program, we go from a retrospective performance review and detailed, written assessments, to real-time feedback and more effective dialogue that focuses on individual career paths and personal long-term aspirations. At the beginning of each year and at least every 90 days thereafter, EY employees will meet dedicated counselors to review their feedback and discuss how they can get better performance.

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 our stakeholders that we understand the confidence that they in us to deliver quality and excellence in everything we do.



Who are we?



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 the 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.

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

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

Advisory service line improves clients' performance by helping them to translate their strategy into reality through better risk management.

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

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

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

www.eyromania.ro/eyccassinvestorsurvey2017.pdf

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.

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.

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 to 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 Standard Boards (IAASB)
- A client acceptance and continuance Policy that sets out principles to determine whether to either accept a new client or to continue 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.

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™.

Romania participated this year for the third time in the world final of the competition. In 2017, Cristian Covaciu, the winner of the national EOY competition, represented Romania at Monte Carlo.

"Our country has already become a constant presence in the World Entrepreneur Of The Year. Through this program, we want to recognize the success of the Romanian entrepreneurs and inspire the young people to be courageous, to trust that they can build sustainable and successful business,"

Bogdan Ion

Country Managing Partner, EY Romania.



Communication and Corporate Social Responsibility

CSR Initiatives

EY promotes a healthy lifestyle while sustaining a good cause at the same time. In 2017 we have sponsored, for the second year, The Oltenia Marathon and EY Volunteers Tribe has participated with 10 runners.

Spreading the knowledge

Classic is fantastic!

We believe in the power of education, but also in the importance of culture. This is why we have supported the musical and educational project of the Classic is fantastic Association, organized in collaboration with the "George Enescu" Philharmonic and consisting of a series of concerts addressed especially to children.

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 2017, we have developed 4 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.





**Accelerated
growth?**
**Sustainable
growth?**



Find out how EY is helping global organizations design and execute strategies that make accelerated sustainable growth achievable. ey.com/advisory #BetterQuestions

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

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 are challenging ourselves to work in a more environmentally sustainable manner and to find new ways to reduce our carbon footprint and waste stream.



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 Romana`s carbon footprint



4361
tCO2eq



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

Total business travel emissions



3964,55
tCO2eq

Accounting for **84,6%**
of the total impact

Emissions from office energy consumption



558,83
tCO2eq

Accounting for **4,1%**
of the total impact

Paper consumption



50,08
tCO2eq

Accounting for **1,3%**
of the total impact

About EY Romania

EY is one of the world's largest professional services firms with 250,000 employees in over 700 offices in 150 countries and revenues of approximately \$ 31.4 billion in the fiscal year ended June 30, 2017. Our network is the most globally integrated and its resources help us provide our customers with services that benefit from opportunities around the world. In Romania, EY has been the leader in the professional services market since its inception in 1992. The 800 employees in Romania and the Republic of Moldova provide integrated audit, tax assistance, transaction assistance and business assistance services to multinational companies and local. We have offices in Bucharest, Cluj-Napoca, Timisoara, Iasi and Chisinau. EY Romania has joined in 2014 the only world-class competition for entrepreneurship, EY Entrepreneur Of The Year. The winner of the local edition is Romania in the world final that takes place every June in Monte Carlo. World Entrepreneur of the Year is awarded in the World Final.

For more information, please visit

www.ey.com

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