Summary

1 Presentation
2 Message from the CEO
4 EY
4 Highlights for the period
5 Profile
6 Vision
8 Financial capital
10 Human capital
12 Social capital
14 Intellectual capital
15 Natural capital
16 Manufactured capital
17 Corporate information

Presentation

Preparing the 2015 Annual Report has afforded the leaders and other staff members of EY in Brazil multiple chances to apply critical thinking as regards the firm’s business model and its impact on society. This report presents the evolution of the activities of EY in Brazil during fiscal year 2015*. Yet, it goes beyond as it tries to interpret the interrelation between the firm’s financial and non-financial indicators. The report follows the methodology guidelines set forth by the Global Reporting Initiative (GRI), version G4, as well as the principles established by the International Integrated Reporting Council (IIRC) for an Integrated Report.

The main improvement of the present report, as compared to the previous issue, lies on the reporting process itself. During the interviews held with the leaders, it became apparent that the business lines have already included the evaluation of environmental, social and governance indicators in the firm’s internal practices as well as in the activities developed at the clients. Thus, systemic thinking has become part of the business routine, and it generates value for the firm and its strategic audiences.

The indicators as regards governance, transparency, environmental and social management, for example, are increasingly present in the interactions with these audiences. They also define the way we assist our clients with our recommendations, train our staff and contribute to different areas of society with knowledge in our fields of expertise.

For the complete report visit www.ey.com.br/relatoriosustentabilidade

*Covers the period between July 1, 2014 and June 30, 2015.
Message from the CEO

We live in an extremely interconnected and complex era, and we need to be aware of the trends that impact on our business and on our lives. Understanding the interdependence between companies and society is what drives us to pursue our objective of building a better working world. We need to understand how we should innovate and respond to the new issues, every single day, in a world that is increasingly entrepreneurial, diverse and inclusive.

This is our challenge. As we innovate, we become more sustainable and we initiate a virtuous cycle that shares efficiency, productivity and development. We want to accomplish this in a differentiated manner, both inside and outside EY. We have inaugurated the Innovation Center, and the first step to be taken is to build an environment that is conducive to innovations, aiming at results in the short, medium and long term.

Our business is based on the efficiency of our clients, and it is through our clients that we are able to generate the greatest impact on society. We share knowledge and sustainable ideas with our clients, thus contributing towards the transformation of companies and their relationship with society. We already knew that the development of our talents was our greatest strength, but now we are even more aware of this. Our commitment to entrepreneurship and diversity, as well as the offering of market-integrated solutions are an integral part of our objective.

Therefore, counting on a professional and talented staff with ethical and technical capabilities will allow us to exert a positive impact on the market as well as on society. When EY undertakes a financial assurance job, it is actually fostering the creation of secure and reliable information for the market, including public and private entities. Our risk management advisory area strengthens our clients’ governance.

Yet, for the entire system to function, EY itself must set an example as an organization. Our revenue reached R$ 1.316 billion in fiscal year 2015, which represents a growth of 8% on the previous year. These results strengthen our priorities. Our focus continues to be attracting and retaining talents, developing people as well as enabling the achievement of all our objectives and goals.

The positive impact of the present political and economic context is that it reinforces the sense of urgency and ethics. It makes everyone leave the comfort zone. The idea that ‘you do not mess with a winning formula’ has now changed, and it makes us want to act differently, in a more productive and transparent manner. At a time of crisis, we should all join efforts to become a better firm, not just for ourselves but for society as well.

Jorge Menegassi
CEO - South America and Brazil until June 2016

Results
**Highlights in 2015 EY BRAZIL**

- **R$ 1.316 billion in revenue.** Growth of 8% on fiscal year 2014
- **4.9 thousand employees**
- **14 offices in 12 Brazilian cities**
- **Over 4.5 thousand clients and 10 thousand ongoing projects,** 25% more clients than in 2014
- **R$ 16.3 million** invested in enablement activities
- **Over 344 thousand hours of training,** equivalent to an annual average of 71 hours per person
- **Growth** of 10% in the area of Corporate Transactions and 7% in the Tax and Assurance areas. There was no growth in the Advisory area. Our results suffered the impact of the domestic and global macroeconomic scenarios
- **The firm was recognized by the Exame Sustainability Guide** as the most sustainable company in the area of Advisory services, Management and IT
- **We have created the Innovation Center.** It is located in São Paulo and gathers executives with expertise in several areas
- **2,166 suppliers** were contracted within this period
- **The EY University was internationally recognized** by the Association for Talent Development (ATD) in the area of “Excellence in Practice”, within the category of “Learning and Organizational Development”
- **EY was included in the list of the most interesting companies in the country** for university students, according to the ranking of Universum 2015
- **According to the ranking published by LinkedIn, EY is one of the 10 most influential brands in the world**
- **The firm was acknowledged as a company committed to combating corruption** by the 2015 ‘Pró-Ética’ Program, an initiative sponsored by the Office of the Comptroller General of Brazil

---

**// Profile**

EY, one of the largest multinational companies in the areas of Assurance, Tax, Transactions and Advisory services, is a global organization of independent member firms of EY Global Limited (EYG), a limited liability company in the United Kingdom. Our employees form a network of knowledge, experience and technical capabilities, able to understand and overcome the most diversified challenges, in a business environment that is increasingly more integrated and competitive (G4-4). We have approximately 212 thousand employees spread over more than 150 countries.

EY Brazil, a member firm of EY Global, is headquartered in São Paulo, and it has 14 offices in 12 cities, located in the country’s South, Southeast, Northeast and Center-West regions, plus the Federal District. The firm employs approximately 4.9 thousand professionals. In 2015, they were involved in approximately 10 thousand projects serving 4.5 thousand clients in private companies, government entities and non-profit organizations.

EY Brazil underwent some significant changes in its corporate structure during fiscal year 2015. (G4-13) The company “EY Assessoria Empresarial Ltda.” merged with “Conformity Assessoria em Gestão Empresarial Ltda.” and “STRG Consulting Gestão Empresarial Ltda.” Additionally, the capital of “EY Assessoria Empresarial Ltda.” was increased by 0.01% resulting from the take-over of the branches of “EY Serviços Tributários.” EY Brazil also acquired the following companies: INWAVE Consultoria e Comércio de Software Ltda., INWAVE Consultoria e Serviços de Informática Ltda., and A.J. Gaedeano Consultoria Contábil e Empresarial Ltda. The firm also founded the Ernst & Young Institute.

**Our Service Lines**

- **Assurance**
- **Tax**
- **Corporate Transactions**
- **Advisory Services**
- **Advisory Services for the Finance Sector**

**EY in the world**

<table>
<thead>
<tr>
<th>Headquarters</th>
<th>Revenue (US$)</th>
<th>Employees (thousand)*</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>28.7 billion</td>
<td>212 thousand*</td>
<td>11.6%</td>
</tr>
</tbody>
</table>

**EY in Brazil**

<table>
<thead>
<tr>
<th>Headquarters</th>
<th>Number of projects</th>
<th>Revenue (R$)</th>
<th>Employees (thousand)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>São Paulo</td>
<td>10,191</td>
<td>1.316 billion</td>
<td>4,862*</td>
</tr>
</tbody>
</table>

*Total figure on 30/06/15.
Vision

By 2020 we aspire to become an organization of differentiated professional services, reaching a global revenue of US$ 50 billion. We also want to contribute to building up trust in the business environment, sustainable growth and the development of talents on a broad and continuous basis.

To reach these objectives, our vision is grounded on three basic pillars: focus on market leadership, high-performance teams and global force, local action.

Our purpose

We believe that everything we do - all the services we provide and all the interactions with our clients and stakeholders - should assist in making the working world better than before.

Strategy

Under this plan, we strive to grow in a sustainable manner and inspire other social players to follow our steps.

Vision 2020 was launched in fiscal year 2013 and the progress of the initiatives is monitored by the firms on an annual basis. In Brazil, we have advanced consistently in the main themes addressed in 2015, and we continue investing in several strategic actions, despite the country’s macroeconomic and political scenario and the slowdown experienced by several industrial sectors.

“EY works continuously to understand its impacts inside and outside the organization.”

// Value generation

Risk management

As a provider of assurance and advisory services, EY Brazil is exposed to a set of risks that are inherent to its activities. The firm counts on a sound and comprehensive structure of management mechanisms, quality control policies and other preventive and detection measures to identify risks and mitigate their consequences.

Main policies

- Ethics and Compliance Committee
- EY’s Global Code of Conduct
- Open channel for reporting
- Management of Suppliers
- Anticorruption
- Annual Transparency Report
- Information Security
- Contract rules and procedures
- Participation in public debates

EY BUSINESS MODEL

Generating knowledge, developing talents, generating innovation, entrepreneurship, diversity and inclusion, advisory and assurance services, engaging stakeholders

Resource

Knowledge & information

Financial Resources

People

Reputation, relationship, supporting opportunities

Sources

Universities, associations, institutions, specialists

Shareholders, financial institutions

Employees, universities, associations, the society, the community, clients

Government, the society, the press, the community, entities, clients, employees, NGOs

Capital

Intellectual

Financial

Human

Social and Relationship

EY BUSINESS MODEL

Generating knowledge, developing talents, generating innovation, entrepreneurship, diversity and inclusion, advisory and assurance services, engaging stakeholders

Value

generated

Intellectual

Financial

Human

Social and Relationship

Manufactured

Environmental

Capital

Audience

Value

generated

Knowledge, entrepreneurship

Generation of jobs, productivity, innovation, reputation, trust

Trust, ethics, governance, compliance

Generation of profit, revenue and taxes

The government, the society, the press, NGOs, the community, entities, clients, employees

Guiding clients towards a low-carbon economy, adapting clients to climate changes, optimizing the energy matrix, managing environmental indicators

Internal value

Knowledge and information

Value generation

EY works continuously to understand its impacts inside and outside the organization.

Risk management

As a provider of assurance and advisory services, EY Brazil is exposed to a set of risks that are inherent to its activities. The firm counts on a sound and comprehensive structure of management mechanisms, quality control policies and other preventive and detection measures to identify risks and mitigate their consequences.
EY is a privately held company, and its Partners are the main financial backers of the operation. As a service provider, its capital is mainly applied towards hiring, retaining and training talented professionals with broad knowledge, to deliver excellence to our clients.

Through this process, EY returns value to society by generating the intelligence that allows companies to be more productive, increase their revenue, fulfill their fiscal obligations correctly and operate in a better and more transparent business environment.

In fiscal year 2015, the revenue of EY Brazil increased by 8%, and its billing stood at R$ 1.316 billion.

Despite a rather unfavorable macroeconomic scenario, the financial performance of EY was satisfactory, which allowed the firm to invest in its team of professional talents - its main asset - avoiding dismissals for cost-saving reasons and allocating them to relevant projects. For the short term the forecast is that this scenario will not suffer significant changes.

Globally, EY ended fiscal year 2015 with billing of US$ 28.7 billion, representing a growth of 11.6% on fiscal year 2014. All the EY service lines also posted growth: Advisory 17.6%; Corporate Transactions 15.5%; Assurance 8.15%; and Tax 10.3%.

Despite an uneven global recovery and the uncertain economic scenarios that are affecting both developed and emerging markets, EY reached its highest growth in revenue since 2008. Revenue increased in all four geographic areas where EY operates, and the result surpassed expectations. The strong performance in the developed markets was led by the United States, which grew by 12.5%, its biggest increase in ten years. EY also experienced two-digit growth in Australia, Germany and Italy.

In emerging markets, EY posted overall growth of 12.3%, as compared to 8.7% for the previous year. India led in this regard, with a growth of 19.7%. Other strong regions were Africa (11.3%) and the region of Mexico and Central America (17.3%). It is expected that by 2020 the emerging markets will account for 30% of EY’s global business.
High-performance teams

The skills and technical capabilities of our teams are the main asset to ensure the high performance of our operations. Attracting and developing talents is a global guideline of Vision 2020 and one of the material themes for EY, according to the perception of the audiences consulted in the materiality process. The high-performance professional teams represent our main asset to provide a multidisciplinary service to different profiles of clients. We establish quality relationships with everyone we connect with, thus forming a virtuous cycle to attract, develop and generate talents. This will, in turn, restore different benefits to society, as for example, the creation of jobs and income, the qualification of our professionals and the generation of market intelligence.

To demonstrate our trust in this pillar, we invest an average of 5% of our annual revenue in the development of talents. In fiscal year 2015, EY invested R$ 16.3 million in this strategy.

EYU was created in 2007 and it is the first university in the assurance and advisory sector in Brazil. Its main mission is to qualify and develop talents, ready to undertake their professional activities as well as the management and continuity of business, through a continuous and hands-on learning process.

Every year, EYU organizes a schedule of optional and mandatory training sessions, in compliance with the participation policy. All employees must receive a minimum of 40 hours of training per year - either in-person or remotely - or the number of hours set forth by the regulatory agencies. Compliance with this training load is part of the development goals of each professional, and this is monitored by the employee’s counselor. To obtain the certificate of attendance, all employees must attend the mandatory training sessions in their category and comply with at least 80% of the course load established.

In fiscal year 2015, EYU recorded a total of 57,327 attendances, 44,976 on-line and 12,351 in person, and 344,103 hours of training. This is equivalent to the annual average of 71 hours per professional, accounting for an increase of 11% as compared to fiscal year 2014.

The EY Able Program

Diversity is a very relevant topic for EY, and it has a direct impact on the services we provide. The more chances we offer people to share experiences, the more information they will have. To strengthen the firm’s commitment to this topic, as well as to that of inclusiveness, the EY Able Program leverages the different characteristics of each person to form our teams. This will enrich the exchanges and significantly increase the level of collaboration and performance in the work place.

Gender equality

As part of the topic of diversity, EY Brazil implements a policy of equal compensation and career development. The relation of the salaries paid to men and women at our main offices has indicated a converging trend, which is a strong evidence of this policy. EY is committed to accelerating the advancement of women in the work environment. The firm has acted strongly to create internal and external programs geared to promoting the leadership of women around the world. In this regard, the Women Fast Forward Program was launched in 2015, gathering different actions and initiatives to strengthen the role of women in business, in government and in society, to reach gender equality on a global level.

Office of the future

To keep its focus on providing exceptional service to its clients, EY has adopted a new concept of office space that favors collaborative work and the engagement of people. The idea is to provide a flexible space, without fixed work stations, where different areas can be booked according to the needs of the work teams. There are also common open areas, equipped with sofas, tables and counters to encourage creative engagement and innovation. This change was based on a global study of the profile of our employees, showing that 50% of them belong to generation Y, and this figure may reach 85% by 2020. The people of this generation have a need for constant innovation, so they seek more dynamic, collaborative and flexible work spaces.
To achieve strategic growth in the market, the reputation built by EY is as valuable an asset as its talents and its capacity to generate intelligence. Thus, EY leads countless initiatives to foster strategic topics as entrepreneurship and diversity. These are essential tools to enable the area of Strategic Growth Markets (SGM) to fulfill its mission, namely, identify, establish and reinforce the relationship between EY and the companies with high growth potential.

Seeking to build a better business world, the firm supports different agents that foster all areas of social and economic development. In practical terms, this path sets some very specific focuses of action that present an enormous potential for social transformation and business generation.

Other initiatives

For 15 years, the firm has been a strategic partner of the World Economic Forum, bringing our perception and knowledge to the attention of key political and economic leaders around the world. EY is also signatory of the United Nations Global Pact, by which we became committed to the ten principles related to the topics of human rights, environmental protection and the fight against corruption.

Entrepreneur of the Year

Our commitment to enterprising organizations in emerging and developed economies connects us with an enormous creative force. Through the Entrepreneur of the Year Program (www.ey.com/empreendedor) and other global and local initiatives, we have been able to improve the operations of a growing network of people, engaged in innovating and generating wealth and development. The objective is to strengthen our relationships so as to remain close to these organizations, get to know them better and assess the time and the manner in which we can help them face their challenges.

Partnership with FGV

In a partnership with the Getulio Vargas Foundation (FGV), EY Brazil launched the Family Business Program in 2014. This initiative seeks to encourage family businesses to become pillars of entrepreneurship and economic development in the country. Through the program, the São Paulo Business Administration School (Escola de Administração de Empresas de São Paulo - Easp) of FGV created and developed the content for an elective course on Family Businesses to be included in the school’s undergraduate curriculum. It is expected that this program will educate future leaders and inspire them to build a better working world.

EY Institute

Seeking to promote social inclusiveness, EY launched the EY Institute (EYI) in 2015. With professional education as its cornerstone, EYI fosters the employability of people with disabilities and youngsters in situations of social vulnerability. The Institute’s key results in its first year were as follows: 590 direct beneficiaries and 1,770 indirect ones; three official partnerships; two recurrent programs were structured; training of volunteers specialized in PCDs; a network of relationships; and the advancement of social awareness among the beneficiaries as well as of the corporate pride among the employees of EY Brazil.

// EY at mega-events

The Rio 2016 Olympic and Paralympic Games

EY’s international expertise in organizing mega-events has cleared the path for the firm to become an Official Supporter of the Rio 2016 Olympic and Paralympic Games. Our role in this event is highly strategic in supplying advisory services to the Organizing Committee in the following areas: Strategic Guidance; Advisory services in the area of Information Technology and Security; Risk Management; Support for the Operational Area - Management of Facilities; and Supplies and Logistics.
The experience we gather and the knowledge we produce in our daily activities are the assets we share with society through various channels. Our performance is characterized by the excellence of the services rendered, and it has a component that is particularly intellectual in nature. Knowledge is the raw-material of our activities, and we are continually challenged to deepen our understanding of the different aspects involving the interests of our clients.

We work with agents from all sectors of society and the economy, which also helps us broaden our understanding of many different topics. This context allows us to generate a deep and broad knowledge, which represents a key asset to undertake and sustain the activities of the firm. This knowledge is spread directly by the rendering of services to clients, and it also reaches the different stakeholders through several internal and external channels. In this regard, we support several events, and we are often invited to participate in forums of interest to the business community and other groups of the society, together with trade associations and development agencies. In short, the firm is able to share its knowledge and maintain a dialogue with different stakeholders through the following channels: projects with clients, sponsored events, participation in events and seminars on specific issues, studies and research made public by the media, digital channels and different types of training courses and sessions offered to our internal and external audiences.

The firm also produces publications on subjects relevant for the development of society and the economy. We are a benchmark in several topics, as for example, those involving accounting activities. We also participate and foster discussions on the issues that are relevant for the national agenda on several strategic issues as transparency, governance, regulations, taxes as well as corporate and public management challenges.

Additionally, we develop analyses and research on different sectors of the economy, focusing on the opportunities and challenges of each area, as well as on their specific market trends.

EY’s most important impact and its highest value generated are linked to the services delivered. The firm provides intelligence on issues related to climate change through its interdisciplinary teams, organized according to the clients’ needs. We work with companies and organizations in general to diagnose the ways in which sustainability is inserted in their processes, and create policies and initiatives to manage them in a responsible and efficient manner.

EY Brazil believes that low-carbon economy is the most effective solution to reduce the negative impacts of climate change. In this regard, we provide services in the areas of sustainability and clean technology that help deal with the environmental, social and economic impact arising from climate change and our client’s activities.

Our professionals in the areas of Climate Change and Sustainability Services (CCaSS) and Clean Technology have the skills required to assist companies, and they work to advise them on complying with their sustainability goals. Additionally, we measure and try to control our own carbon footprint.

Our practices cover the most important aspects related to this topic. This knowledge is critical to ensure good business performance at a time when extreme climate phenomena pose an actual risk to the operational stability of companies.

To support our clients in the adoption of clean Technologies, EY Brazil has an Excellence Center to carry out studies, conduct analyses and develop products and services that improve the use of natural resources. The Energy, Natural Resources and Cleantech Center is located in the city of Rio de Janeiro, and it seeks to identify companies in this sector, to advise them as regards business and risk management, governance, corporate transactions and the capturing of investments.

The Center is a global reference within the EY structure, and it gathers professionals with deep knowledge and expertise in the areas of oil and gas, mining and metals, clean technology and the supply of energy and public utilities. The mission of the Center is to provide innovative and customized services to meet the specific needs of each client.

Additionally, we monitor the displacements of our teams as they travel to carry out the activities that are inherent to the business. The use of means of transport for trips or to attend meetings, mainly cars and airplanes, has a direct impact on the firm’s carbon emissions, and we implement internally the same recommendations made to our clients. This continues to be a challenge for EY, since fuel burning – whether fossil fuel or other - contributes to raise the temperature on the planet and, consequently, to climate change.

It should be highlighted that, in fiscal year 2015, EY did not receive any complaints as regards environmental impacts, neither was the firm subject to any significant fines or non-monetary sanctions resulting from non-compliance with environmental rules and regulations.
Manufactured capital

Although EY does not own any manufacturing plants, the services we provide have a direct impact on the customers of these industries and, consequently, on society as a whole. By supporting productivity and innovation through our advisory services, ensuring the reliability of financial reports through our assurance services, or supporting our clients to solve their tax and capital issues, EY exerts an impact on society. This impact is reflected in the creation of jobs and income, the enhancement of trust and the capacity of our clients to attract investments. This, in turn, has an impact on market credibility, thus helping to create a better working world as stated in Vision 2020.

All the rapport built with the stakeholders and generated by the other capitals, as the human and financial ones, is transformed into knowledge that is used in the relationship between the firm and its clients. EY is not yet measuring the size of this impact, but this is a challenge shared by the firm’s top management.

This responsibility may also be correlated with the priority EY sets on the financial investment made to train the firm’s employees on different topics, be they of a technical or methodological nature, as well as on current matters, as for example, corporate governance, ethics, macroeconomics, the environment and tax issues. EYU has a staff of 830 technical instructors, both internal and outsourced, who update our professionals on a continued basis. The partners are responsible for defining the training courses to be held each year, according to the external demand or that of specific clients.

Corporate Information

Jorge Menegassi
CEO - South America and Brazil until 06/30/2016

Luiz Sérgio Vieira
Vice-Chair - Markets, Brazil

Sérgio Romani
Assurance Managing Partner CEO - South America from 07/01/2016

Tatiana Ponte
Tax Managing Partner

Rogério Villa
Transaction Advisory Services Managing Partner

Antônio Vita
Advisory Managing Partner - South America and Brazil

Rodrigoantas
Advisory Services for the Financial Sector

Contacts in the Sustainability area

Elisa Carra
Director Talent, Team Brazil and South America
(11) 2573 3773
elisa.g.carra@br.ey.com

Zunara Carvalho
Partner Climate Change and Sustainability Services
(11) 2573 4165
zunara.carvalho@br.ey.com

Our offices

São Paulo/SP

Headquarters
Condomínio São Luiz - Av. Presidente Juscelino Kubitschek, 1.830 - Torre I - 5º ao 10º and. / Torre II - 4º ao 7º and. / Torre III - 6º e 7º and. / Torre IV - 4º, 6º e 7º and. Itaim Bibi - CEP 04543-900 - Phone: +55 11 2573 3000

Centro Empresarial de São Paulo
Av. Maria Coelho Aguiar, 215 - Bloco B, 4º andar - Jardim São Luís - CEP 05804-900
Phone: +55 11 2573 3000

Rio de Janeiro/RJ

Condomínio Edifício PB 370
Praia de Botafogo, 370 - 5º ao 10º andar - Botafogo - CEP 22250-040 - Phone: +55 21 3263 7000

For information or comments on this report, please contact EY Brazil’s Corporate Sustainability area through e-mail: ey.sustentavel@br.ey.com
EY is a global leader in Assurance, Tax, Advisory and Transaction Advisory Services. Our insights and the quality services we deliver help create confidence in capital markets and economies around the world. We develop exceptional leaders who perform team work to meet our commitments to stakeholders. This way, we play a fundamental role in building a better working world for our people, clients and communities.

In Brazil, EY is the most complete Assurance, Tax, Advisory and Transaction Advisory Services firm, with 5,000 professionals that assist and serve over 3,400 small, medium and large size clients.

EY Brazilian Official Supporter of the Rio 2016 Olympics and Paralympic Games and exclusive provider of Advisory services to The Organization Committee. The alignment of the Olympic Movement and EY was decisive for this initiative.

EY refers to the global organization, and may refer to one or more, off the member firms of Ernst & Young Global Limited (EYG), each of which is a separate legal entity. Ernst& Young Global Limited, a UK company limited by guarantee, does not provide services to clients.

© 2016 Ernst & Young Assessoria Empresarial. All rights reserved.

This is a publication of the Brand, Marketing and Communication Department. Reproduction of this content, in whole or in part, is permitted, provided that the source is mentioned.

ey.com.br