

# Together, we build a better working world

EY Brasil - Management Report - Ethics and  
Compliance Committee

**Year ended December 31, 2020**





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# Message from our CEO

## Ethics and values always on our minds

"Times change, therefore presenting mankind with new challenges and new opportunities to change our business and create value for our stakeholders (professionals, partners, clients, suppliers, community and the society in general). In 2020, we were surprised by the Covid-19 pandemic, brought by the novel coronavirus SARS-CoV-2, which suddenly affected our work processes as well as personal routines. New manners in which to interact, manage, control, and especially to communicate, were adopted. We have managed to adjust to this new reality and continue working in order to transform our business, always in compliance with our values.

- ▶ Integrity in each word, gesture, opinion and result that we present.
- ▶ Mutual respect, including the format in which we communicate, the quality of our interactions and concern about the well-being of our colleagues.
- ▶ Teaming as we encourage consultation, listen to other people's opinions and supporting one another on a daily basis.
- ▶ Inclusion embedded in all attitudes that we adopt and believe in, which makes our differences one of our greatest differentials as EY.

Since 2014, the Ethics and Compliance Committee has been supporting EY Brazil in developing an environment that actually enables us to live our purpose of building a better working world and makes us proud and confident.

In 2020, the Ethics and Compliance Committee members and all EY professionals persevered and believed that we could cultivate EY ethics and values in each action taken, even when faced with adversities.

In the next pages, we will share with all of you some initiatives taken by EY Brazil Ethics and Compliance Committee. Enjoy your reading!"



**Luiz Sergio Vieira**  
CEO EY Brasil

# Message from our Ethics and Compliance Committee leader

EY keeps its whistleblowing channels continuously open

In Brazil, EY provides five different channels through which behaviors that are or appear to be unethical, illegal or inappropriate may be reported.

These channels are as follows:

- ▶ EY Ethics Hotline ([www.eyethics.com](http://www.eyethics.com))

EY keeps a permanently-open whistleblowing channel. EY Ethics Hotline is an exclusive global line that provides our professionals, clients and people outside our Organization with a confidential means to report any activity that constitutes or may constitute unethical, illegal or inappropriate behavior. This hotline may be contacted through use of EY hotline personnel or virtually, by filling out a form containing specific questions. EY Ethics hotline is available non-stop, i.e. 24/7, in various languages, including Portuguese. EY professionals, business partners and other stakeholders are regularly informed that they may express their concerns through this channel. EY Ethics Hotline is also available on EY intranet.

- ▶ Our leadership  
Any EY leader may receive complaints and must immediately report them to the ethics compliance team.
- ▶ Talent Team (Human Resources)  
The Talent Team professionals may also receive complaints and must immediately report them to the ethics compliance team.
- ▶ EY Brazil General Counsel Officer  
EY Brazil General Counsel Officer may receive complaints and forward them to the ethics compliance team.
- ▶ Email address of the Ethics and Compliance Committee ([comite.etica-conformidade@br.ey.com](mailto:comite.etica-conformidade@br.ey.com))  
By this email, the ethics compliance team receives reports that constitute or may constitute unethical, illegal or inappropriate behavior.

EY Brazil Ethics and Compliance Committee is solely responsible for analyzing the information peculiarities and begin investigating. Reporters, denounced professionals and other persons that cooperate with the investigations are offered confidentiality and non-retaliation guarantees.

Although EY Brazil Ethics and Compliance Committee members are exclusively responsible for conducting the whistleblowing investigation process, all EY professionals, of all ranks and Service Lines, must behave ethically on personal and professional matters, and are equally responsible for strengthening our values and fulfilling our purpose.

Thank you all for your commitment and responsibility over another year of hard work.



**Alexandre Hoepfers**  
Ethics and Compliance Committee and  
Risk Management Leader - EY Brazil

# EY Brazil Ethics and Compliance Committee

EY has manifested its commitment to ethics and integrity

The advancement of EY Brazil Integrity Program and the actions taken by EY Brazil Ethics and Compliance Committee have represented the Brazilian firm's commitment to support a social and economic environment that is sustainable and efficient, provides streamlined solutions and encourages a most varied range of skills, always based on EY values, i.e. respect, integrity, teaming and inclusion.

This Report prepared by the Ethics and Compliance Committee management, which is available to be read by anyone in the new Ethics and Compliance Committee page created in EY's website ([Click here](#)), shows some of the initiatives under way and actions still to be adopted.

EY Brazil encourages our stakeholders (business partners, suppliers, clients and other third parties) to create their own integrity programs or adhere to our program. Third parties whose integrity programs have already been implemented are awarded a differential in our relationship analysis.

We have delivered online training courses on EY Global Code of Conduct to our stakeholders, through the following link ([Click here](#)), in which we share our values, commitments and reciprocal duties.

We have been disclosing our perceptions to the external public, highlighting the manner in which EY Global Code of Conduct strengthens our reputation and business

([Click here](#)). EY Brazil Service Line leaders have manifested their support to the Integrity Program, by means of internal communications published in newsletters and posted in social networks, which may also be found on EY's website, specifically the new page of the Ethics Committee.

We have participated in and been widely recognized for being a firm that voluntarily adopts integrity measures to prevent and fight corruption. We are a Pro-Ethics Company recognized by the Office of the Comptroller General (CGU), in the 2018-2019 Pro-Ethics Company Program. EY is participating in the 2020-2021 edition of the Pro-Ethics Company Program, which is currently under way.

We were certified in the Anti-corruption due diligence promoted by TRACE, an entity that recognizes ethical companies that are socially and economically responsible throughout the world. Since 2017, we have been recognized by this certification entity, which is in line with anti-corruption legislation currently in force, including the Foreign Corrupt Practices Act (FCPA), and means that EY Brazil conducts a comprehensive anti-corruption due diligence process that is internationally accepted.

With a view to the new digital communication formats, we have been publishing messages on ethics and compliance in various social networks. Confidentiality, data privacy, independence and promotion of diversity and inclusion are aspects that drive our interactions in social networks.

# Introduction

## Formation

The Ethics and Compliance Committee (ECC) of EY Brazil was created in January 2014 as a strategic body aimed at supporting the dissemination of the culture of compliance with laws and ethics, seeking conformity with applicable rules, especially Brazil's Federal Anti-corruption Law No. 12846/13 and global anti-bribery guidelines, by all EY Brazil professionals, in addition to promoting EY's ethics and compliance culture and the values set out in the firm's Global Code of Conduct.

## General principle

In the exercise of its duties, ECC complies with EY's global values, promoting integrity, respect, teaming and an environment that is free of any type of discrimination and intimidation.

## Ethics and Compliance Committee main duties

Assessing, monitoring, reviewing and recommending improvements on the following matters:

- ▶ Global anti-bribery rules and guidelines;
- ▶ EY Global Code of Conduct
- ▶ Laws, especially Federal Anti-corruption Law No. 12846/2013 and related legislation

### Including:

- ▶ Policies
- ▶ Processes and procedures
- ▶ Professionals' qualification
- ▶ Internal controls within the scope of EY Brazil
- ▶ Promoting the adoption and improvement of best practices on corporate ethics, compliance and integrity, in line with the matters mentioned in the prior item;
- ▶ Offering manners in which EY Brazil professionals may seek guidance, especially relating to the Global Anti-bribery Law and Brazil's Federal Anti-corruption Law No. 12846/2013;
- ▶ Promoting appropriate communication with EY Brazil professionals;
- ▶ Monitoring ethics and conduct aspects, including effectiveness of the Whistleblowing Channel (as well as treatment of the reports received);
- ▶ Supervising the development and maintenance of the online content on anti-bribery, ethics and compliance rules;
- ▶ Evaluating and responding to violations of the firm's global principles and values, Global Code of Conduct and global and local guidelines;



- ▶ Encouraging a business environment that allows all EY Brazil professionals to act in harmony with the firm's global principles and values, and report violations in a proactive manner, with no fear of reprisals;
- ▶ Preserving the no-retaliation policy for whistleblowers;
- ▶ Issuing recommendations on ethics, compliance and integrity, when deemed necessary or upon request by EY Brazil CEO, LAS and/or the Executive Committee;
- ▶ From time to time, providing EY Brazil CEO and EY Brazil Executive Committee with updates on anti-bribery, ethics and compliance rules, at least on an annual basis and whenever the circumstances require extraordinary reports.
- ▶ three members that have mandates, assigned by EY Brazil CEO and approved by simple majority by EY Brazil Executive Committee members;
- ▶ a local Legal Counsel representative, who shall be EY Brasil Legal Counsel or a professional assigned by the Legal Counsel;
- ▶ a Talent Team representative, to support the duties performed by ECC, assigned by the Ethics and Compliance Committee Chairman;
- ▶ a secretary, to support the duties performed by ECC, assigned by the Ethics and Compliance Committee Chairman.

## Structure

ECC is an internal, autonomous and independent body in the structure of EY Brazil, and reports directly to EY Brasil CEO and EY Brazil Executive Committee.

The Ethics and Compliance Committee has six members, to wit:

The mandate of the Committee's non-permanent members is of three years. The mandate of any member of the Ethics and Compliance Committee may be renewed for an equal period. This renewal, in a consecutive period, is only allowed once. Mandates shall be renewed by EY Brazil CEO and approved by simple majority by EY Brazil Executive Committee members.

One of ECC members is also a member of the firm's Executive Committee. This member shall act as a link between ECC and the Executive Committee, and shall always be the chairman of the Ethics and Compliance Committee.



# Significant aspects

## Training applicable to the Ethics Compliance Program

The Ethics and Compliance Committee, together with EY Brazil Corporate University, are responsible for identifying the need for and proposing the creation and execution of training courses on Ethics Compliance. The Ethics and Compliance Committee and EY Brazil Corporate University deliver and supervise this training.

Ethics Compliance training takes into consideration the ethics-related risks to which EY business is exposed and includes the risks identified in qualitative surveys, periodically answered by our professionals, and aimed at identifying risks and improving action plans.

All EY professionals are required to complete the training courses relating to Ethics Compliance, which have a theoretical content as well as case studies to check the participants' content retention.

The training compliance indicators are periodically shared with the Ethics and Compliance Committee for purposes of monitoring and improvement decisions. In calendar year 2020, four specific training courses on ethics and compliance were promoted:

- ▶ Global Code of Conduct
- ▶ Anti bribery and You
- ▶ Brazil's Federal Law No. 12846/13
- ▶ Anti-Money Laundering

### **EY Global Code of Conduct**

This training addresses EY global values, which are respect, integrity, teaming and inclusion. Our Global Code of Conduct is organized into five categories, focused on our driving principles, which must be observed by everyone at EY, to guide our behavior in all aspects of our activity:

- ▶ Working with one another
- ▶ Working with clients and other people
- ▶ Acting with professional integrity
- ▶ Preserving our objectivity and independence
- ▶ Protecting data, information and intellectual capital

We build relationships with one another based on mutual trust and with absolute certainty that each of us is personally and professionally committed to doing the right thing.

We respect one another, value differences and strive to build an inclusive environment that is free of discrimination, intimidation and harassment. We commit to open straight-forward communication.

We rely on one another to offer quality services to EY clients and for our individual development, and are personally accountable to other team members for the contributions that we make.

As professionals, we commit to maintaining the trust that other people place on us.

We behave firmly and courageously when faced with challenges posed by our clients and are not afraid of providing undesired information to these clients.

Not only do we consider whether we can perform a service, but also if we should perform such service.

We support EY people and will stop working for any clients who put undue pressure on or threaten our professionals in the exercise of their professional duties. We avoid working with clients and other people whose standards are not compatible with our Global Code of Conduct.

We comply with the laws, rules and regulations that apply to us in our professional conduct. We preserve EY's reputation. We do not distort the position assumed by EY on professional and other matters.

We promote a culture of consultation. We address ethical matters and consult appropriately in order to help resolve these matters. We do not hide or ignore problems. We understand and comply with all EY policies, guidance and procedures. We have an Ethics Channel for sensitive ethical matters to be reported (**comite.etica-conformidade@br.ey.com**).

We acknowledge that each of us is responsible for updating our professional knowledge and sharing best practices and innovations.

We do not offer personal favors to ensure that our services are engaged.

We appropriately document, file and store the works performed for our clients and our commercial transactions.

We never destroy or change documents, or recommend that documents be destructed or changed for illegal or inappropriate reasons.

We maintain our objectivity and independence, and recognize that objectivity and Independence are critical for our professional responsibilities. We use appropriate professional skepticism.

We comply with EY Independence rules, including restrictions applicable to our families, report any matters on a timely basis and comply with any other Independence rules, laws and professional regulations in effect. We avoid relationships that bear - or may seem to bear - on our objectivity and Independence. We continuously monitor our Independence. We protect confidential data and information obtained from clients or third parties, or related thereto, as well as personal data and information on EY professionals.

We use social media and technology responsibly and respect the confidentiality of everyone with whom we work.

## **Anti-bribery and You**

This training course provides guidance on EY's anti-bribery posture and its relation with EY values, identifying major bribery risks that we may face in the firm and how to mitigate such risks, adopting adequate measures when faced with suspicious situations, and identifying the sources of information and support provided by EY. Case studies are used for better knowledge retention.

## **Federal Law No. 12846/13 (Brazilian Anti-corruption Law)**

In this training course, we clarify matters relating to Brazilian Anti-corruption Law (Federal Law No. 12846/13) and highlight the strict liability principle, which is peculiar in our legislation among all other anti-corruption rules.

Detailed information is provided on Operação Lava Jato ("Car Wash Operation") and its activities.

Acts that are harmful to Brazilian or foreign public administration, presented in article 5 of this law, the applicable sanctions, and leniency programs are also clarified. Case studies are used for better knowledge retention.

## **Anti-Money Laundering**

What is money laundering; how to fight money laundering; which entities should act for preventing money laundering, the role played by Accounting Organizations in adopting policies, procedures and internal controls; legal and regulatory classification in Brazil; operations that must be analyzed with special attention and, if considered suspicious, communicated to EY Brazil's UIF Reporting Committee, in charge of reporting these matters to Brazil's Financial Intelligence Unit (UIF); operations that must be reported to EY Brazil's UIF Reporting Committee irrespective of analysis or any other consideration; conduct recommended to our Professionals; and case studies comprise this training course, which was implemented in 2020.

# Highlights

## EY Global Code of Conduct training

Since 2015, the Ethics and Compliance Committee has been offering our Professionals face-to-face or remote training courses on EY Global Code of Conduct. In 2020, despite the pandemic, we delivered this training course to approximately 2,900 EY Professionals, in 27 groups.

Professionals of all EY offices in Brazil, of all Service Lines and of all ranks may now more closely interact with the Ethics and Compliance Committee, and share their experiences and questions, which mainly allows for better assimilation of the Firm's values. In these training courses, cases are discussed, which encourages everyone's effective participation and better content retention.

In 2020, we also launched a remote training course on our Global Code of Conduct aimed at third parties that act in conjunction with EY. This course may be found at <https://go.ey.com/etica...> This course may be found at .

## 2020 Trace International Anti-corruption Certification

In 2017, 2018, 2019 and 2020, EY was certified in Anti-corruption Due Diligence by TRACE International, a not-for-profit organization that recognizes socially and economically responsible ethical companies the world over. This certification entity works in compliance with prevailing anti-corruption rules, including the Foreign Corrupt Practices Act (FCPA).

Being certified by Trace International means that we have complete a comprehensive anti-corruption due diligence process that is internationally accepted. This certification provides us with a valuable compliance credential, which is a competition differential widely recognized in the international business Community. EY was included in TRACE Intermediary Directory, a publicly-available data bank of potential business partners for multinational companies.



# 2020 management

## Ethics and Compliance Committee members - EY Brazil - 2020

In March 2020, Camila Mendes Ribeiro, Consulting partner and LAS Consulting Quality Leader replaced Assurance partner Adilvo França, whose tenure as member of EY Brazil Ethics and Compliance Committee ended in February 2020.



**Camila Mendes Ribeiro**  
Consulting Partner

**Adilvo França**  
Audit Partner

Camila Mendes Ribeiro's experience is quite significant. In the last twenty years, Camila was involved in internal audit engagements and corporate risk management, among others for large companies in the Health, Mining, Power, Entertainment and Telecommunication industry.

Adilvo França, who has almost 26 years' experience, 16 of which at EY, leads audit services for key Power and Chemistry clients, and is now more focused on serving and coordinating Power & Utilities clients, as well as supporting market actions for this industry.

In October 2020, Talent senior manager Patricia Fechio joined EY Brazil Ethics and Compliance Committee. Patrícia joined EY in September 2019, as a Talent Consultant and Onboarding & Alumni leader for LAS. She has a wide range of experience in Consulting, as well as in Human Resources, Ethics and Compliance.

For Alexandre Hoeppers, Ethics and Compliance Committee leader, "diversity in ECC formation represents the firm's concern and responsibility in supporting our Professionals in building their careers and personal experience in an environment that fosters respect, integrity and equity".

# Ethics and Compliance Committee members - EY Brazil



**Alexandre Hoepfers**  
Ethics and Compliance Committee and  
Risk Management Leader - EY Brazil



**Tatiana da Ponte**  
Ethics and Compliance Committee  
Vice-leader



**Carla Correia**  
Legal Counsel Officer - EY Brasil



**Raul Memória Neto**  
Senior Manager - Risk Management



**Patrícia Fecho**  
Senior Manager - Talent



**Camila Mendes Ribeiro**  
Consulting Partner

## Professionals who support all initiatives of the Ethics and Compliance Committee - EY Brazil:

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**Stephanie Davanco**  
Risk Management Assistant



**Jessica Manoel**  
Risk Management Assistant



**Ana Alavarve**  
Risk Management Assistant



# Results and Conclusions

## Objectives achieved in 2020

Counting on the support and commitment of all EY Professionals, we were able to achieve the following key objectives:

- ▶ We conducted qualitative surveys with our Professionals to identify ethics risks and improve action plans;
- ▶ We monitored significant ethics risks and addressed aspects of our internal policies and Global Code of Conduct;
- ▶ We promoted internal training courses for our Professionals, either face-to-face or online;
- ▶ We obtained the 2020 Trace International Anti-corruption Certification;
- ▶ We participated in the 2020/2021 Pro-Ethics Company Program (under way).

## Main actions to be developed in 2021

In 2021, the main initiatives of EY Brazil Ethics and Compliance Committee are as follows:

- ▶ Create a debate agenda with EY Brazil affinity groups, notably the Black Professional Network, EY Able, Women in Tech, Women Network and Unity, aiming at the exchange of information and experience that will allow for an integrated, inclusive environment that favors equal opportunities for all;
- ▶ Create a debate agenda with the Executives of all EY Brazil Service Lines, on matters of interest and developing ethical integration actions;
- ▶ Promote internal training courses for our Professionals, either face-to-face or online;
- ▶ Continue monitoring companies investigated by official authorities due to the practice of acts of corruption, in order to mitigate risks relating to EY relationships with third parties;
- ▶ Improve and keep the Ethics Compliance Program constantly updated and effective.

## EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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