

# *Creating value through responsible business*

Corporate Responsibility  
Highlights 2012

*part  
of it:*



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## About PwC Canada

PwC Canada helps organizations and individuals create the value they're looking for. More than 5,700 partners and staff in offices across the country are committed to delivering quality in assurance, tax, consulting and deals services. PwC Canada is a member of the PwC network of firms with close to 180,000 people in 158 countries. Find out more by visiting us at [www.pwc.com/ca](http://www.pwc.com/ca).

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PwC refers to the Canadian member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

## About the *Corporate Responsibility Highlights 2012* publication

This document provides an overview of our corporate responsibility (CR) actions and performance for the period from July 1, 2011 to June 30, 2012. The *Corporate Responsibility Highlights 2012* document is our fourth annual publication and is for our stakeholders: PwC partners and people, potential and existing clients, new recruits, government and regulators, media, industry and professional associations, alumni and former partners, local communities, community organizations, suppliers and academia. To produce it, we pulled together the highlights from stakeholder engagement sessions and surveys conducted throughout the year. We hope you find it useful.

For additional information about our CR initiatives please visit [www.pwc.com/ca/corporateresponsibility](http://www.pwc.com/ca/corporateresponsibility).

Have a question or comment about our *Corporate Responsibility Highlights 2012* publication? Contact us at [corporate.responsibility@ca.pwc.com](mailto:corporate.responsibility@ca.pwc.com).

# A message from Bill McFarland

At PwC, we understand that we have a role to play in being part of the solution to global challenges. We have a responsibility to help strengthen trust and integrity within the debate on how to create a more sustainable future for generations to come. We take that responsibility seriously.

In this, our fourth annual Corporate Responsibility Highlights publication, we outline some of our achievements on this journey as well as some challenges we've faced and will face in the future.

Over the past year, we've established a new Corporate Responsibility (CR) strategy globally. We aim to:

- **Do the right thing**, which means playing our part in promoting responsible business practices that are central to our own business – from the quality of our services and building an inclusive workplace to our engagement with communities and our environmental footprint.
- **Be a catalyst for change**, which is about using our skills, voices and relationships to work with others and influence activities that make a difference, create change and have a lasting impact on the world around us.

In order to achieve these goals, we will continue to focus our efforts on four areas where we can make relevant and significant contributions: responsible business; people, diversity and inclusion; community engagement; and environmental stewardship.

In support of these priorities and during FY2012, we established a new Diversity and Inclusion strategy and appointed a Chief Inclusion Officer at the Canadian firm. We also increased the number of skills-based volunteer experiences through the PwC Canada Foundation to help achieve great community outcomes and impacts, and implemented our new Energy and Carbon reduction strategy which helps guide us in our environmental efforts. To help better understand the impact of our work on the Canadian economy, we also undertook an economic impact analysis that we have included here in this report.

While we achieved many successes, we have more work to do in supporting our employees through greater work/life flexibility initiatives to meet changing workforce expectations. Economic conditions continued to put pressure on our business model and the importance of trust in business continued to dominate the leadership agenda. Together, these challenges reinforced our need for our firm to have a key voice in the global conversation about the value of strong corporate responsibility practices and to lead by example and make a difference in the world around us.

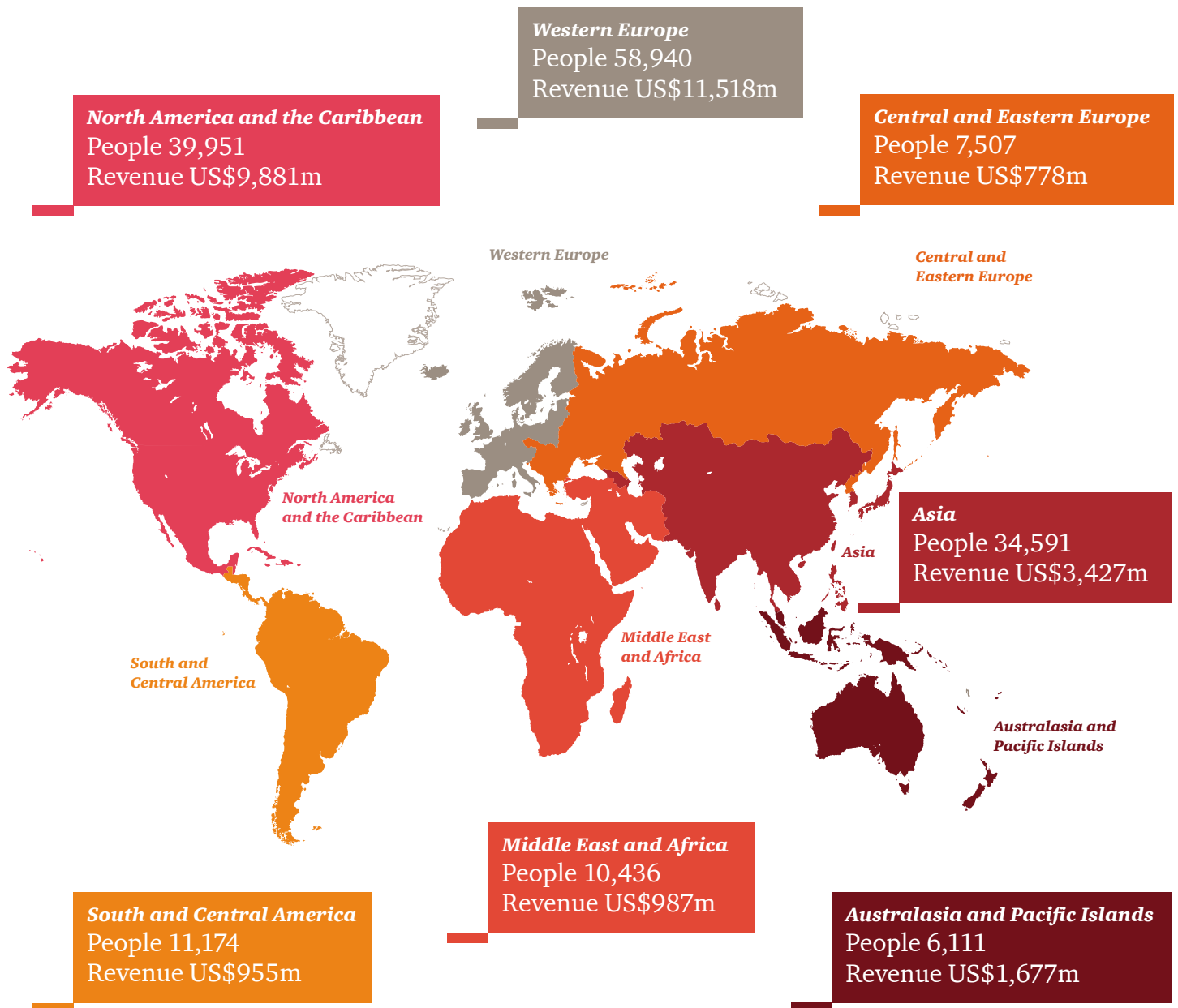
I'm confident that PwC has a strong vision and a clear path as we move along the journey of creating a more sustainable model for future generations. We are excited to share our next steps forward with you.



A handwritten signature in blue ink that reads "Bill". The signature is stylized and cursive.

Bill McFarland  
CEO and Canadian Senior Partner

# Our business



## Service offerings

Key industries and segments	Assurance	Tax	Deals	Consulting	Private Company Services
Financial Services	Financial Assurance	Corporate Tax Consulting & Compliance	Mergers & Acquisitions	Strategy & Customer	Personal & Business Taxation
Energy, Utilities and Mining	Regulatory Assurance	Indirect Taxes including GST, Employment Taxes & Customs Duties	Debt & Capital Advisory	Economics & Policy	Financial Assurance
Public Sector, Health Care and Infrastructure	Financial Reporting Advice	International Assignment Solutions	Corporate & Project Finance	Actuarial	Business Funding & Structuring
Private Companies	Climate Change Reporting	Research & Development	Due Diligence	Analytics & Business Intelligence Projects	Personal Estate Planning & Wealth Management
Real Estate	Non-financial Assurance	Transfer Pricing	Corporate Restructuring & Simplifications	Technology Risk & Security	Succession Planning
Retail & Consumer and Industrial Products	Cloud Assurance	Tax Controversy	Carve-outs & Divestments	People & Change Management	Personal & Business Mentoring
Technology, Information, Communications & Entertainment	Internal Audit	Legal Services	Valuations & Value Advisory Services	Operations & Finance Improvements	Deals
	Controls Design & Assurance	Employment Taxes	Insolvency & Administrations	Sustainable Business Solutions	Strategy
	Project Assurance			Forensics	Operations Improvement
	Third Party Assurance			Regulatory, Credit, Market & Operational Risk Management	Emerging Company Services

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M5J 0B2

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### Our other key locations include:

Atlantic Provinces – Corner Brook, Halifax, Moncton, Saint John, St. John's, Sydney, Truro

Québec – Montréal and Québec City

Ontario – Concord, Hamilton, Kitchener/Waterloo, London, Mississauga, North York, Ottawa, Windsor

Manitoba – Winnipeg

Saskatchewan – Saskatoon

Alberta – Calgary and Edmonton

British Columbia – Vancouver and Fraser Valley



# Stakeholders and materiality

*To create the most value for our business and communities, we consult our stakeholders and our own people to help decide the priorities for our business.*

Engaging with all of our stakeholders is essential for us to understand our stakeholders' needs and create the value they're seeking. So we're listening and responding to their views on responsible business. Dialogue with our stakeholder groups is central to *being* a responsible business.

Because there are so many possible priorities for our corporate responsibility programs, we focus on the material issues to our business – the things that matter most.

Within Canada we've chosen to focus on four quadrants where we feel we can achieve the most significant outcomes and impacts: responsible business; people, diversity and inclusion; community engagement; and environmental stewardship – areas that have also been agreed upon globally.

The approach for defining material issues, generally involves dialogue with our stakeholders and leadership, as well as an assessment of our market conditions.

For further details on our initial materiality assessment, please visit our website: [pwc.com/ca/cr](http://pwc.com/ca/cr)

In FY2013 we plan to broaden our engagement with our stakeholders and conduct an updated materiality assessment to better link our CR approach, reassess our risks and opportunities, ensure alignment with our business goals and guide the implementation of our new CR strategy. We will report back on the results of these efforts in our next Corporate Responsibility Highlights document.

## **Our Stakeholders:**

- Partners and staff
- Existing and potential clients
- Potential recruits
- Government and regulators
- Media
- Industry and professional associations
- Alumni and former partners
- Local communities
- Community organizations
- Suppliers
- Academia



# CR Strategy

*At PwC we commit to do the right thing in our own business and to be a catalyst for change in the world around us.*

Our commitment to corporate responsibility goes well beyond embedding social, environmental and economic integrity into the fabric of our business.

We aim to leverage our core skills and activities to help our clients address CR issues while acknowledging the need to also address them in our own business.

We want to be part of the global conversation and movement towards responsible business practices that create positive change in the world. We want to be part of the solution.

Our new CR strategy focuses on two key elements:

**Do the right thing**, which means playing our part in promoting responsible business issues that are central to our business – from the quality of our services and building an inclusive workplace, to our engagement with communities and our environmental footprint.

**Be a catalyst for change**, which is about using our skills, voice, and relationships to work with others and influence activities that make a difference, create change and have a lasting impact on the world around us.

Today we're helping organizations around the world strengthen their own corporate responsibility agendas through the many services we provide every day.

- We review, consult and transform thousands of businesses around the globe every year.
- We offer services that focus on enhancing trust and transparency between government, business and society.
- We contribute to the development of the standards that underpin financial systems and industries.
- We're developing new ways of measuring environmental, social and economic impacts, managing risks and providing assurance to our clients through our Sustainable Business Solutions practice.
- We're managing our own impact, but we're also uniquely positioned as a professional services firm to help integrate and foster change around corporate responsibility issues in ways that have more widespread effects.

**View our CR Strategy video on YouTube:**

<http://bit.ly/CR-strategy>



Across our network, PwC firms support these network-wide goals and align with our commitment to do the right thing and be a catalyst for change. To give our global activities further focus, we developed a framework in FY2012 that shows how people across Canada can play their part across the four key areas. We also embedded this framework into PwC Canada's new vision statement and business strategy, aligning CR with business priorities. The framework provides an effective way to engage in a meaningful dialogue with our people about how corporate responsibility impacts our employees' day-to-day work.

We have made significant progress within the people dimension of our CR strategy thanks to the development of a new approach to Diversity and Inclusion. This new strategy includes holistic targets, a workforce census, an equitable leadership assessment tool and the introduction of formal opportunities to engage in dialogue about diversity across the country. By naming a Chief Inclusion Officer and establishing a Diversity and Inclusion Council comprised of senior leadership to oversee these efforts, we have demonstrated to our people and external stakeholders that we are committed to creating more inclusive workplaces.

We also launched a new program called Dare to Doubt. This program is designed to help client facing teams apply professional skepticism on all engagements, highlighting our commitment to transparency and operating with integrity.

The PwC Canada Foundation continued to deepen our firm's commitments within the community. A definition for 'skilled volunteering' was created to help us better manage and measure our volunteer efforts. We began to focus our initiatives in a few key ways: providing financial literacy training, life skills coaching and mentoring to youth. As a result, the number of volunteer activities we engaged in on these fronts jumped from 5 in FY2011 to 46 in FY2012.

We experienced a decline in membership of our environmental committees during FY2012, which resulted in a lower number of hours invested by our people. We also continued to experience a decline in the number of responses to our annual commuter survey. We're currently investigating the reasons why fewer people took part and are working with our stakeholders to create an action plan, including: communications regarding our enhanced corporate responsibility initiatives; and the opportunities for staff to deliver sustainability services to our clients.

New to this year's marketplace dimension is a model outlining the firm's economic impact on the Canadian economy. This is our first step in quantifying some of the firm's impacts on the community.

Over the next year, we'll be talking about our CR work in a different way. We'll be bringing everything together under the banner of 'part of it:', a campaign focused on highlighting the ways our knowledge, services, people and relationships are interconnected and help to build trust and create solutions to society's challenges.

Our strategy will also keep us focused on our medium and longer term goals: to use our combined skills, voice and relationships to build trust, ethics and integrity within the marketplace, and enhance our impacts associated with measurement frameworks, community education and capacity building initiatives. We will be working with our stakeholders all along the way to illustrate how we're all part of this important global conversation.



# Governance

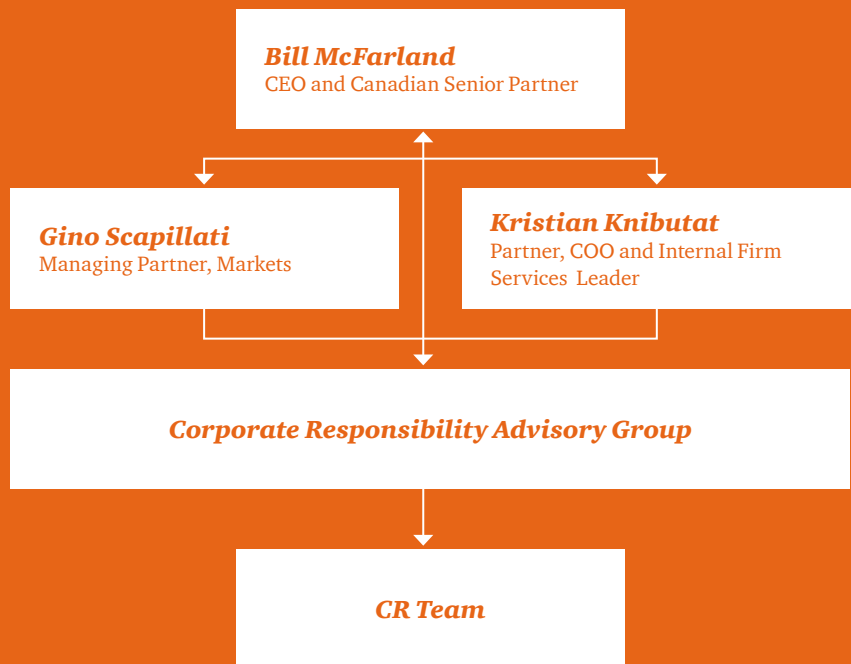
*PwC is a global network of firms, owned and operated locally in countries around the world. This structure provides PwC firms with the flexibility to operate simultaneously as the most local and the most global of businesses.*

Corporate responsibility at PwC is similarly governed at global and local levels and includes the top of local and network leadership. Responsibility for local corporate responsibility strategy and operations ultimately rests with our Corporate Responsibility Advisory Group, chaired by Bill McFarland, our Canadian CEO. At the network level it is led by the Global Corporate Responsibility Board (GCRB), which is chaired by Moira Elms, a member of the firm's Network Executive Team. Mike Harris, our National Corporate Responsibility Leader, also sits on that board.

The GCRB comprises leaders from our largest PwC member firms, regional corporate responsibility leaders and sustainability subject matter experts from our Assurance and Advisory practices. In keeping with best practices, the GCRB also includes an external independent advisor.

The GCRB meets quarterly and its role is to provide governance, oversight, input and direction to PwC's global CR strategy ensuring it is aligned with the firm's overall business strategy. It also serves as the forum for alignment across our network.

At PwC Canada, we're streamlining the ways in which we govern our Corporate Responsibility portfolio. The graphic below describes our governance structure which includes oversight from our leadership team and an advisory group. The advisory group is made of up of senior partners from across the firm's lines of business and functional units and represent diversity of thought, age, career level, ethnicity, gender, backgrounds and geographies and meets at least six times per year.



# Community engagement



*PwC has been working with community stakeholders to find out how we can achieve greater social impacts through our business operations.*

Those conversations led to the creation of a five-year community plan that we finalized in FY2011 and began to implement in FY2012. The plan focuses on using our skills, voice and relationships to work with others and to influence and create tangible change to help make communities better.

We turned attention to four key areas:

- engage PwC employees in meaningful community experiences that help build capabilities
- develop strategic relationships across sectors (public, private, government, not-for-profit)
- demonstrate how we are a responsible business
- share our community journey

We began to integrate new initiatives into our Volunteer Continuum, the strategy that helps guide our work in the community. For example, we created a series of webinars on the role of the not-for-profit board treasurer. We identified opportunities for skilled volunteer experiences for our employees where they could make a difference while developing their own leadership skills and capacity. And we helped fund national dialogues and round tables on issues impacting the not-for-profit sector.

We also fine-tuned the community scorecard we established in FY2011 and refined the output measurements from our community activities to prepare for a “Theory of Change” process to be completed in FY2013. This process will help us review our current strategy and look for the best path forward in reporting outcome and impact measurements associated with our community efforts.

## **Not-for-profit Apprentices Program**

Our Not-For-Profit Apprentices program is a skills-based volunteer initiative bringing together employees from across the firm to brainstorm options to help not-for-profit leadership teams have a “eureka” moment and provide simple paths forward that address critical organizational issues. We completed 12 of these brainstorm sessions across the country in FY2012, up from a total of five in FY2011.

This call to action inspired a PwC team to volunteer with the Heart and Stroke Foundation of Alberta. Donna Hastings, the charity’s CEO said that “the time PwC spent with our staff was a gift that will bring the focus we need to use our donor dollars to their very best advantage. Every hour and dollar you and your employees donate is greatly valued. The ongoing commitment of PwC is helping the Heart and Stroke Foundation come closer to achieving our mission to Make Death Wait.”



## Volunteering

In FY2012, we used our Volunteer Continuum to help map out the ways our volunteer programs enhance employee leadership skills while simultaneously maximizing their level of commitment and effectiveness within the charitable sector. We did this by introducing “skilled volunteering,” an initiative that involves the use of an individual’s professional skills but in an informal way that does not involve the delivery of a professional service. For example, our people provided life skills coaching to youth and taught financial literacy workshops to new Canadians. By formalizing this definition, we increased the number of skilled volunteer experiences from 5 in FY2011 to 46 in FY2012, accounting for 15% of total volunteer activities.

Our commitment to volunteerism continues. In FY2012, 2,287 staff and partners participated in 315 firm-led team volunteer initiatives contributing 17,100 total volunteer hours back to the community. We also took the next step and started to measure the socio-economic outputs related to our volunteer experiences using the scorecard created in FY2011. Based on those metrics and in order to ensure we are creating positive change, in FY2013 PwC will undergo a “Theory of Change” process to help the firm think differently about its community initiatives and map out a strategy to maximize the social outcomes and impacts of its work, including measurement and evaluation methods.

In FY2012, 65 PwC employees were nominated for a Volunteer of the Year Award, a result that was slightly down from the previous year (FY2011: 81). Nominees were chosen from a pool of 145 recipients from our Volunteer Grant Program (FY2011: 220), who each received \$300 awards for the not-for-profits where they volunteered and in recognition of their outstanding commitment to the community. Feedback from our employees suggests part of the reason for the lower numbers was the time necessary to complete the grant

applications. Based on those responses, we will be simplifying the grant application in FY2013. As a further improvement, starting in October 2012, the Volunteer of the Year Award will be integrated into the firm’s CEO Awards – the national employee awards program.

This will increase engagement and show employees that volunteerism and community commitment are key aspects of PwC’s corporate culture and how we choose to conduct our business.

### Ana Surio FY2012 National Volunteer of the Year



PwC named Ana Surio the 2011 National Volunteer of the Year and presented \$10,000 to her charity partner, the Restoration Church of Quebec. PwC honoured Ana, a member of the Tax Services practice in PwC’s Quebec City office, for her outstanding volunteer efforts as a board member for the church, and a mentor to families impacted by domestic violence, divorce or in need of financial advice or support.

For more than 15 years, Ana has dedicated thousands of hours of her time leading programs including Women of Virtue, an annual conference supporting women’s roles in our society, and Young in Action, a youth-based music program. She has also lent her skills to help strengthen the charity’s fundraising and operational plans to ensure these social programs can be delivered to everyone in need.

When asked about Ana’s accomplishments, Byron Quevedo, from the Restoration Church of Quebec, responded: “Ana is a cornerstone of our past achievements, our present projects and our future dreams for immigrant families. Because of her outstanding qualities and her natural leadership in organizational planning and direction, she has been a valuable asset to our team.”

*To learn more about the programs for family and women at Restoration Church of Quebec, please visit [www.irqc.net](http://www.irqc.net).*

### Sharing our expertise

In FY2012, we partnered with Imagine Canada, Community Foundations of Canada, Philanthropic Foundations Canada and United Way Centraide Canada to provide financial support for the National Summit for the Charitable and Nonprofit Sector. We brought together more than 500 participants from across Canada to engage in a dialogue about what is needed to help strengthen sustainability for charities and nonprofit organizations and to develop action plans for the sector's key priorities:

- priority one: improved conditions for the attraction and retention of paid staff (Human Resources)
- priority two: more diversified and sustainable financing of the sector (Funding)
- priority three: better understanding of the sector and its impact (The narrative)
- priority four: enhanced support for organizations to engage volunteers / external talent (Volunteerism)

Based on what we learned, we worked with our partners to present a follow-up case study to the HR Council for the nonprofit sector, the country's premier source for HR management resources for not-for-profit employees, managers and board members. We convened funders from the public, private, corporate and government sectors to look at ways we can enhance the case for supporting HR issues and maintain this organization's intellectual property in light of funding cuts. We will continue this work in FY2013. One of our goals is to establish a strong, cross-sector funder network and a process to help strengthen our abilities to work together on each of the priority projects identified at the National Summit.

We also built internal capacity on this front, developing not-for-profit training and education for our own employees. We delivered webinars related to the basic responsibilities of a not-for-profit board director and the role of the treasurer to our employees, helping to augment knowledge and move people along our Volunteer Continuum. In FY2012, 238 PwC employees from across Canada served on a not-for-profit or registered charitable board of directors or board committee, representing a total of 397 directorships (including individuals who held multiple postings). These results are down slightly from FY2011 (337 individuals totaling 488 directorships) and are based on each individual's unique commitments with the boards they serve. In FY2013 the firm is committed to significantly increasing these results through in house training, education and board matching programs.

### Sharing skills to enhance board development



Julie Thomson is PwC's National Leader for the Not-for-profit Audit and Assurance practice and a member of the Canadian Institute of Chartered Accountants (CICA's) Risk Oversight and Governance Board's Not-for-Profit Committee.

As part of this Committee she provides advice and guidance to boards and senior management of not-for-profit organizations on governance and oversight of risk management.

During FY2012, Julie was instrumental in the creation of the Committee's most recent publication, *A Guide to Financial Statements of Not-for-Profit Organizations: Questions for Directors to Ask*, providing technical advice

and review to the author and editors. She also volunteered her time with the CICA to create a seminar based on the publication, which she presented to more than 350 attendees at sessions in Vancouver and Calgary.

During FY2013, Julie will be delivering the session to an estimated 250 participants in Halifax and Toronto, and will be sharing her story with PwC employees across the country as a case study on how to utilize professional skills as part of a high impact volunteer experience – a key focus for the PwC Canada Foundation's new strategic plan.

### Our philanthropic initiatives

In FY2012, PwC awarded a total of \$200,000 in grants to 49 registered charities across Canada in support of leadership and professional development. The Leadership Grants program is a PwC Canada Foundation initiative and is completed through a request for proposal once each year. We received a total of 387 applications—consistent with the 391 applications received in FY2011. The message is clear: charities need professional development funding.

Our own Foundation team attended round table discussions through the HR Council for the nonprofit sector to better understand what material information could be shared within this report, and to help augment the base of information related to training and development experiences that could be utilized by the charitable community. The social outputs, outcomes and impacts of the program are included in **table 1**.

We also provided a total of \$100,000 in grants to registered charities whose work focuses on strengthening organizational effectiveness and dialogues across sectors. We call this capacity building and it's a core component of our work.

- We provided funding to Canadahelps to deliver training seminars on social media policy development, digital communications and online fundraising to 223 leaders at not-for-profit organizations across Canada.
- We worked collaboratively with the Framework Foundation on a new initiative called 'Sharesies': a program focused on real-time information sharing in the cloud to help strengthen communications and governance practices for not-for-profit boards.
- We continued to be the exclusive sponsor of the Voluntary Sector Reporting awards in Ontario: a competitive review of annual reports published by registered charities outlining best practices in good governance.

All combined, PwC contributed a total of \$2,399,000 in charitable donations and sponsorships to community organizations across Canada.

In FY2012, our employees raised a total of \$2,200,000 for United Ways across Canada, up from \$2,182,000 in FY2011. These funds were directed to the United Way Community Funds, which support strategies to help improve the social conditions in towns and cities across Canada by taking a systematic approach to addressing the root causes of social problems. We will be working with the United Way in FY2013 to understand how we can continue to direct our funds in a way that maximizes social impacts, and our CEO, Bill McFarland, is currently the co-chair of the United Way Major Individual Gifts Program.

Table 1: FY2012 Leadership Grant program outcomes and impacts



We helped to send **25 not-for-profit leaders to 11 professional development conferences and events**. These individuals brought new skills back to their organizations, with **38% undertaking a 'train the trainer'** when they got back to their communities to help share and augment the impact of their new knowledge. In total, over **200 people were impacted by training and development programs** initiated by our grantees.



Over **96% of our grantees agreed or strongly agreed that our grants helped** them advance their organizational and leadership goals, enhancing their capacity and allowing them to better serve their communities.



One of our grantees told us that the training they received this year helped them to develop a new business plan, **saving their organization an estimated \$20,000** in operating costs.



# Environmental stewardship



*When asked what he would do for Project Make [it] Count, Soody said: "I feel tree planting is one of the most effective ways to confront global warming. Trees absorb and store greenhouse gases, filter pollution from the air and recycle water and prevent soil erosion. It is also a great way for organizations like Art of Living to help preserve and sustain our urban forest."*

Soody Thayaparan, Associate,  
Consulting and Deals

## **Engaging our people**

PwC's environmental network is the foundation of our environmental stewardship strategy. It is made up of 14 local committees across 22 offices in Canada. This volunteer-based network is driven by enthusiastic staff who strive to be catalysts for change. These environmental committees provide opportunities for employees passionate about environmental stewardship to connect with others and share their ideas about how to bring this work to life. Our committee members are driving change both within PwC and out into our broader community, raising awareness among colleagues and clients and building skills as responsible leaders.

In FY2012 these committees saw a decline in membership, which resulted in a much lower number of hours invested (280 down from 500 in FY2011) by our people. In FY2013, our priority is to investigate the cause of this decline and work with our stakeholders to develop an action plan to address it. We will be focusing on developing new measures to better understand the outcomes of our employee's effort.

## **Project Make [it] Count**

In FY2012, PwC Canada took part in a project with several other member firms located in the western hemisphere. We asked our people what they would do if they were given a few hundred dollars and a video camera to show how they could make a difference in their local community.

Soody Thayaparan, an associate in our Consulting and Deals practice was awarded a \$500 donation for the Art of Living Foundation and championed a team of local volunteers to plant trees in Applewood Park in Mississauga, Ontario.

As an avid volunteer with the Art of Living, Soody plants between 1,000 and 1,500 trees in Mississauga every year. The impacts and benefits of his efforts are tangible: a cleaner more welcoming city and more engaged youth who are learning about how to take responsibility for their environmental impacts. Through volunteering, Soody is developing leadership skills which he uses to inspire his fellow volunteers, his colleagues and clients. Soody also received funds from our volunteer grant program as an additional way to help provide Art of Living with additional financial support from the firm.

# 280

**hours dedicated by  
volunteers in  
PwC Environmental  
Committees**

# 90%

**participation of office space  
in Earth Hour**

## Earth Hour

On March 31, 2012, for the fifth consecutive year, PwC worked with our landlords and turned off the lights in 90% of our office space to show our support for Earth Hour, a World Wildlife Fund (WWF) event designed to raise awareness about climate change.

## Corporate Responsibility Week

In FY2012, we took a significant step toward integrating CR into our overall business plan by revolutionizing our Green Week and transforming it into PwC's first CR Week. While our environmental committees continued to raise awareness about our environmental stewardship initiatives through social events, 'lunch and learns' and other activities, we expanded our efforts to include other elements of our CR framework.

In FY2012, we added educational programming related to community engagement; people, diversity and inclusion; and responsible business. We launched webinars about the roles and responsibilities of a not-for-profit board director, capacity building in the community sector, enhanced working practices at PwC, and information sessions on cultural diversity awareness. Feedback from our people was positive and attendance was strong.



*“Corporate responsibility is something we both value highly in any potential employer so we research organizations before applying for a job. We were both very impressed by PwC’s corporate responsibility practices and the PwC Canada Foundation. This influenced our decision to work here. We feel that it’s important that the commitment we have for the environment in our personal lives is reflected in the values and business practices of the organization in which we choose to work. We are proud to say we work for PwC and that it is recognized as one of the best places to work in Canada.”*

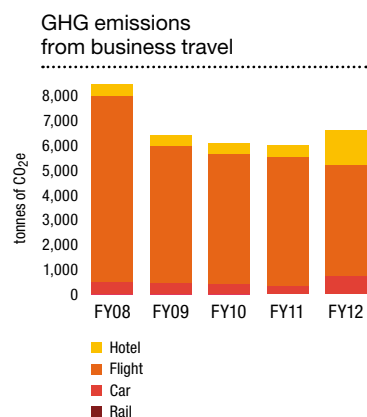
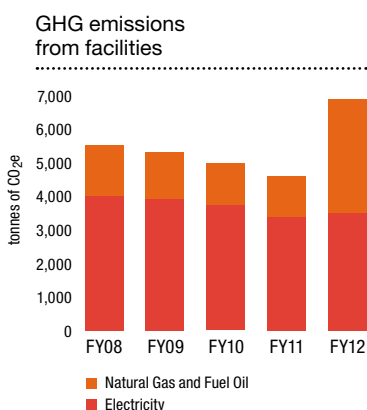
Andrea Alexander and François Duguay,  
Vancouver Environmental Committee



## Climate Change

Heightened public concern and international pressure make climate change one of the most significant sustainability issues facing Canada today.

In order to understand and mitigate our impact on climate change, one of our goals is to track our carbon footprint and invest in actions to reduce it. We do this by capturing data related to our energy use and the sources of our greenhouse gas (GHG) emissions, such as the energy consumed by the many buildings we occupy and business travel. In FY2012, the GHG emissions related our buildings operations were 6,992 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), while the GHG emissions generated by our business travel were 6,575 tCO<sub>2</sub>e.



In addition to understanding our environmental impact, we also work to understand how climate change impacts our business and operations as well as that of our clients, from both a physical and regulatory standpoint. This holistic approach drives how our Sustainable Business Solutions practice works with clients to identify risks and make the most of opportunities to reduce their environmental impact and ensure they are in compliance with national and global standards and regulatory requirements.

## Energy and Carbon Reduction Strategy

PwC's plan to reduce our carbon footprint is described in detail in our Energy and Carbon Reduction Strategy, introduced in the beginning of FY2012. Our first year under this strategy had some successes and some challenges as we worked through the implementation process.

A key success was the development of PwC's Environmental Policy statement, which outlines our commitment to environmental stewardship (please visit our website at [www.pwc.com/ca/corporateresponsibility](http://www.pwc.com/ca/corporateresponsibility) to view the policy). This was the first deliverable and provides the foundational framework to move the strategy forward.

One of the challenges we faced was trying to boost participation in our annual commuter survey, where we try to gain a better understanding of our people's travel behaviours. To improve participation we reworked the survey with a focus on usability and the quality of the data, but wound up with similar participation rates as last year. In FY2013 we will be working with a group of stakeholders to rethink our approach and revamp the survey in order to encourage better participation and arrive at better data.

## What gets measured gets managed

As part of our Energy and Carbon Reduction Strategy, we have implemented a new measurement and reporting framework to better track our performance (see **table 2**). We also set targets associated with those measurements.

To improve our performance we will continue to:

- drive our energy awareness campaigns
- create alternative options to air travel including video-conferencing solutions
- increase use of our technology solutions that enable employees to work remotely

## Waste Reduction/Recycling

Reducing the amount of waste we generate and increasing recycling are key focus areas for FY2013. To identify opportunities to achieve both these goals, we will conduct waste audits at a representative sample of offices across the country. Because of the nature of our business, paper consumption has been targeted as a priority and we have already started to roll out a national initiative with respect to shredding that will capture all of the paper from the waste stream and divert it from landfills through recycling.

In FY2012, our paper consumption remained stable at 58,350,000 sheets in comparison to 58,915,000 in FY2011.



**Table 2: Energy and carbon reduction targets**

Aspect or Measure	FY2011	FY2012	YoY Comparison	Target	Performance
Energy Consumption (GJ/ FTE)	18.50	23.90	+29%	-2% annually	Did not meet due to transitions to new office space
Scope 1 & 2 GHG Emissions (tCO2e/FTE)	0.83	0.80	-4%	-2% annually	Achieved
Scope 3 Air Travel (km/FTE)	8.40	7.60	-10%	-2% annually	Achieved

### Facilities

In the first half of FY2012, PwC moved its head office into PwC Tower at 18 York Street. Targeting LEED® Gold certification for the building and our workspace, we have been actively involved in the process right from design phase to completion. To accomplish this goal, we established a volunteer based environmental committee to review the plans and make recommendations for making this space more environmentally friendly. Engaging our employees in this way fostered an inclusive conversation that encouraged people who are passionate about the environment to educate those around them and influence our decision making.

Many of the suggestions raised through that committee were incorporated into the building envelope and interior designs. Key areas of consideration included waste management, energy and water consumption, indoor environmental and air quality, materials and resource use, transportation, and raising employee awareness. Some key successes in these categories included:

- Implemented recycling and waste management program for construction phase and improved waste management practices during occupation.
- Optimized energy performance with effective use of daylight, installation of motion sensor lighting controls, and implementation of energy efficient light bulbs and appliances.
- Provided ultra low flow water fixtures including dual flushing option toilets.
- Developed a program to green our cleaning process including the use of EcoLogo™ cleaning products.

We are in the process of collecting data on our waste generation and energy use to benchmark against prior consumption values (where available) from our previous facilities. We will also use this data to ensure we are meeting targets established for this space. FY2013 data will be used as our baseline for comparisons since it will be the first full year in this space.

We are also in the process of planning new space in Oakville to replace our Mississauga, and Hamilton locations at the end of their leases. We are targeting LEED® Gold certification for that space as well and will provide an update on our progress in our FY2013 document.



# Focusing on people, diversity and inclusion



*Developing responsible leaders is a fundamental component of our overall approach to Corporate Responsibility.*



Responsible leaders are trusted advisors who are committed to taking into account both current and future stakeholder needs in delivering value to our clients and each other. Enriching professional experiences, everyday coaching and high-quality learning and development opportunities equip our people with the knowledge to engage others in a meaningful and inspiring way.

In FY2012, we continued to help our people develop new skills through enhanced working practices, diversity and inclusion initiatives, coaching and supporting work/life flexibility. We also encouraged the development of a strong responsibility mindset by engaging our people in conversations related to both our environmental and marketplace initiatives. By giving our people the right tools, they can understand the impact of their actions on others, and the interconnectedness of our society.

## **Diversity and Inclusion**

Diverse perspectives lead to better decisions. That simple and basic truth underlies PwC's Diversity and Inclusion strategy whose aim is to fully move to a culture that recognizes and values everyone for their differences. And it is for that reason that PwC has chosen inclusion as the guiding principle for its strategy—a decision our newly appointed CEO fully supports and champions.

In order to build a truly inclusive environment where differences are valued, PwC decided in FY2012 to take an integrated approach and embed our new Diversity and Inclusion strategy into our business operations. We started first by formalizing our governance framework, looking for opportunities to strengthen our evaluation methods, and focusing our efforts on our most material employee engagement initiatives. This work will continue in FY2013.

## **Governance: appointment of a Chief Inclusion Officer and establishment of a Canadian Diversity and Inclusion Council**

- Our CEO appointed our National Managing Partner, Strategy & Operations, Saul Plener, as Chief Inclusion Officer. Mr. Plener has day-to-day oversight of our Diversity and Inclusion strategy. We also established a Diversity and Inclusion Council made up of senior leaders in the firm, including the CEO and high potential partners who reflect the diversity of our people. Members are accountable for setting our Diversity and Inclusion strategy and ensuring execution within their respective lines of service or business units. The CEO and Chief Inclusion Officer co-chair the Council.

## **Accountability and measurement: setting diversity and inclusion targets**

- **Setting targets:** We know that “what gets measured gets done” so Leadership has established tangible targets for the advancement of women into partnership and leadership roles. In 2015, it's our goal for women to comprise 22% of equity partners and 25% of named leadership positions. Our targets do not represent quotas but rather they are aspirational goals that have been set to measure our progress.
- **Communicating our targets:** Our targets have been communicated broadly to all staff and partners. Our business unit and site leaders set the tone at the top for all partners by holding themselves and their peers accountable for being responsive to the needs of our women and supporting them through their words and actions.



- **Workforce census:** We agreed to launch a workforce census in early FY2013 to collect both quantitative and qualitative data to help align our strategies to better reflect our current workforce and their needs.
- **360 Equitable Leadership Assessment (ELA):** Our Extended Leadership Team and Diversity and Inclusion Council members will undergo an assessment in FY2013 of their inclusive leadership competencies. The ELA, a TWI Inc. delivered tool, is a unique performance management tool designed to measure behaviours and competencies that are consistent with inclusive and equitable leadership. The goal is to develop more inclusive leaders who can role model and be a catalyst for change.
- **Diversity dialogue sessions:** We will be holding focus-group-like sessions in a number of our offices across Canada with our staff to understand what our people feel are the real or perceived key issues around diversity and inclusion.
- **Coaching with a gender lens:** In past years we provided coaches with guidance and advice to consider during coaching conversations and employee evaluations to ensure they are conscious of the impact of gender differences as well as any unintentional gender biases. This guidance prepares coaches to support women in defining their goals, promoting themselves for stretch assignments, completing their self-assessments and articulating further experiences and skills they are looking to gain. This year we updated this coaching tool and had members of our Diversity and Inclusion team sit in on a number of our Annual Review Performance Group meetings as diversity monitors to help ensure that reviews were conducted fairly and equitably.



### ***Supporting our employees who speak out***

Robyn Hooper, currently a fourth-year senior associate in Audit and Assurance, began experiencing feelings of anxiety and unhappiness nearly eight years ago. Although she had a great boyfriend, a supportive family and was training to be a pilot, she simply didn't feel like herself. When Robyn was first diagnosed with clinical major depression and anxiety, she fought through feelings of anger, confusion and frustration.

*“You think that it’s an attack on you as a person, not a chemical imbalance. You think it’s a lack of perseverance, a lack of effort, a lack of strength. And when I was diagnosed, I succumbed to the stigma and judged myself a lot.”*

By the time Robyn began working at PwC, she had learned to manage her illness and her confidence had returned, but she still didn't know if she felt comfortable telling her colleagues about her mental health struggle. In a setting like a professional services firm, she felt she could still be stigmatized – why would someone with such a good job and benefits be depressed? What was there to worry about? But it was her volunteer work with the Vancouver-Burnaby branch of the Canadian Mental Health Association (CMHA) that led Robyn to be more vocal about her condition. She became passionate about getting people to accept mental illness because she had accepted it herself.

*“You would never tell a child with Type I diabetes to stop taking his insulin. Yet we have a hard time accepting that those of us with depression need medication, too. Not because we’re weak but because we deserve to feel like ourselves. We deserve the same quality of life as anyone else.”*

City Leader John DeLucchi saw Robyn speak for the first time at a CMHA breakfast fundraiser and asked her to talk about volunteering at the next PwC Town Hall. But Robyn decided to share her story and talk about awareness instead, a decision John supported. “John is a genuine leader,” says Robyn. “He cares about how his people are feeling, about their goals both inside and outside of the firm.”

The support from the firm did not stop there. Robyn received several phone calls from colleagues praising her bravery and thanking her for making it okay to talk about their own experiences battling mental health issues. She was also asked to sit on the city's diversity committee. This role gives her the chance to raise awareness and let people know that differences come in many forms, some visible, some not.

*“I believe that in our profession we need to take the time to be compassionate not only about mental health conditions but about anything that makes people feel like an outsider. I really appreciate that the culture at PwC is so open and accepting.”*

***Employee engagement and client initiatives: embedding our values into our business***

**Bringing together our Women in Leadership/Retention of Women initiative (WIL/ROW) and our broader diversity strategy**

Historically at PwC, our WIL/ROW initiative and broader diversity strategy were separate initiatives. Our WIL/ROW initiative reported directly to our CEO and the Leadership Group and broader diversity reported indirectly to the CEO and Leadership group through Human Capital. Upon careful consideration and examining best practices within our industry and in general, we decided to bring WIL/ROW and broader diversity together under one umbrella: The Office of Diversity and Inclusion.

The Office operates separately from our Human Capital group and reports directly to our CEO and Leadership Group. This new structure brings a renewed focus and allows us to better leverage the work that we are doing in both areas. It ensures we're working to move everyone forward along the equity continuum. Women themselves are diverse and we need to recognize this diversity as part of our approach to attracting, retaining and ensuring women are represented in our leadership.

**Focused approach to creating more Employee Resource Groups (ERGs)**

We recognize the great value our current ERGs provide to our staff and to our understanding of various diversity and inclusion issues. As a result, we are taking a targeted approach to establishing more ERGs in FY2013. We will select influential partners to act as executive sponsors for new groups and we will develop a communications strategy and a webinar explaining how to start an ERG. All of our ERGs are also supported by the Office of Diversity and Inclusion.

**Accessible Client Service**

We've implemented policies and procedures to ensure that all of our client service is accessible for persons with disabilities.

In FY2012 we created an accessibility page on our website. This page contains information about our commitment to providing accessible service and contact information should a client feel they have not received accessible service.

We also created temporary disruption notices, which we now post on our external website so clients are aware of any temporary barriers to entering our building or to accessing our services. All of our Ontario staff and partners received a guide on how to provide accessible client service, which includes information about various disabilities and how to interact with both clients and colleagues who have these disabilities.

***PwC Canada becomes a founding partner of Ascend Canada***

We are one of the founding partners bringing Ascend to Canada. Ascend is a non-profit organization with the mission to enhance the presence, influence and visibility of current and future Pan-Asian business leaders. Pan-Asians are "anyone of Asian origin, including South Asian (Indian/Pakistani), Asia-Pacific Islanders, Southeast Asians, North Asians, East Asians and multi-racial, multi-cultural, mixed heritage background." Ascend has origins in the US and was started to address the shortage of Asian leaders in corporate America. We're excited to be a part of its expansion into Canada.

Rani Turna, a partner in our Consulting & Deals practice, is a board member of Ascend. We have a team of six to eight PwC staff volunteering their time to advance the work of Ascend, which will include leadership sessions, executive coaching and networking sessions of Pan-Asian professionals.



## **Global Mobility**

In FY2012 we focused our efforts on providing opportunities for secondments to and from emerging markets. We look to match our high-performing talent with opportunities that allow them to connect with people, build new skills and broaden their perspective on the global economy. These secondments help build skill sets and capacity not only for the people taking part but also in their co-workers both in the host country and in their home region. In FY2012, 67 people (33 outbound, 34 inbound) participated in a Global Mobility secondment – a decrease of 21 people (21%) from FY2011. This reduction reflects the global economic challenges of the year and our change in focus to emerging markets.

## **Enhanced Working Practices and experiential learning**

In FY2012, we continued to look for ways to embed Enhanced Working Practices (EWP) across all of our lines of service and placed increased emphasis on using EWP to deliver strong client service.

In this spirit, we launched a new program called Dare to Doubt to help our partners and managers coach their engagement teams to apply professional scepticism when working with audit clients. We collaborated with our chief auditor to ensure the program focused on areas that would have the greatest impact with participants and we produced a video where he shared real stories and experiences. The video proved to be a powerful teaching tool.

We also developed a case study with our in-house Office of General Counsel that was used in a simulated court case in the classroom. After the classroom event, participants organized engagement team workshops where all team members identified and discussed areas of professional scepticism as it related to their clients.

One of the most effective programs we launched in FY2012 was Profile, an easy-to-use platform where people can share their subject matter expertise, professional designations, education,

language proficiencies, engagement history and more. It is accessed from our Portal and allows each partner and staff member to showcase their skills and experience. Profile's powerful search engine enables us to search for PwC expertise locally, nationally and across the network of member firms.

In FY2013, we will focus on collecting supporting data including more outcome-based information from each of these programs and analyzing this information to better understand how the programs are working and their impact.

## **Coaching**

One of our business objectives is to continually enhance the leadership skills of our staff, and we are using coaching to achieve that goal. In fact, we use coaching to develop and inspire people and align their goals with the firm's strategy. We view it as an enabler. In FY2012 we employed coaching delivered via a series of highly successful train the trainers sessions. The impact was immediate, resulting in better on-the-ground support for coaches and coachees, which in turn improved the frequency and quality of coaching conversations that support the ongoing development of our people.

We also started down the path of revising our coaching program for practice staff in Consulting & Deals. In FY2012 we launched a pilot in the GTA which realigned our people to a select group of coaches and provided additional training, tools and other support for those coaches to help deliver a better quality coaching experience for our people. We also revised our year-end evaluation tools to increase transparency around how our people are measured and evaluated against their peers. The preliminary feedback with respect to the direction of the program has been positive and our Global People Survey scores have improved. There have also been some critical lessons that will help us to enhance and refine the program going forward.

*“Dare to Doubt was a blended learning program that provided our more senior team members with a renewed focus on professional skepticism and helped them better coach and address skepticism with their team. The program was a great venue to openly discuss ‘war stories’ and successes around skepticism and then bring that insight back to share with their teams. We got a lot of positive feedback from senior team members who welcomed the opportunity to reflect on how and why we must be professionally skeptical as auditors.”*

Karin Muchall, Senior Director,  
Development Leader

## Staff Council

During FY2012, a Staff Council was created to develop innovative and unique solutions that make a difference to our people. Members seek input from their colleagues about specific topics and issues and bring those ideas to Council meetings, where potential solutions are discussed. The Council is comprised of 20 members representing different staff levels, lines of service and regions, all bringing different perspectives. It is co-chaired by Extended Leadership Team Council member Sonia Boisvert and our CEO, Bill McFarland.

*“What’s great about the Staff Council is that it makes sure our leaders are tuned in to the opinions of people at different levels across the firm. Our leaders are bringing us their thoughts on how they would like to deal with business issues and asking our opinions to get buy-in. We all have a voice and our leaders are listening. As a result, we’re able to put innovative ideas into action to make PwC a better place to work. I know we’re making a difference and making changes that our people want. Success to me would be continuing to grow our Staff Council network and ensuring all our people are feeling more empowered to have their own voices heard.”*

Rosemarie Pouzar, Manager, Consulting and Deals, Staff Council member

## Measuring our success

In our FY2012 Global People Survey (GPS), we got high marks and/or saw improvements in several areas, including learning and development, providing constructive feedback, creating an inclusive environment and collaborating to bring fresh insights to our clients. We also received positive comments about our focus on Enhanced Working Practices (EWP) and our Marquee rewards program.

We were able to achieve these strong results because we listened closely to the feedback from the FY2011 GPS and put a few key actions into place:

- **Open and transparent environment:** we actively solicited and encouraged staff feedback including live Q&A in Town Halls; conducted various staff focus groups; developed a new CEO’s Suggestion Box on our Portal; and created a Staff Council, which provides a means for two-way dialogue and input to our CEO and his Canadian Leadership Team (CLT) on matters of importance to our staff. We also focused heavily on transparency around compensation and related discussions, including a new portal site with transparent information around compensation, held local office sessions to demystify performance appraisal processes, and held training sessions to enhance our people’s understanding of our human capital programs.
- **Performance management:** we simplified and streamlined a number of our performance management processes, tools and forms to be more readily available and accessible and provide quicker written feedback on client engagements, tasks and projects. We still have more work to do, but are well on our way to making a difference. Some examples of actions we’ve already taken and will continue to take in response to this specific feedback include:

- **Work/life flexibility:** we increased monitoring of workloads, looked more closely at our resource levels and staffing models to identify options to better address peak period needs; asked partners and senior staff to support and help manage workloads and day-to-day informal flexibility; and promoted and supported participation in our various flexibility programs.
- **Total rewards:** we increased the use of our Marquee rewards program including greater recognition through Spotlight bonuses; provided staff below manager with more Acclaim points to improve recognition of their peers efforts; and increased the transparency around compensation decisions so that people have a better understanding of their total rewards and how it links to their performance and progress in their career.

For a sample of our results, please see the Key Performance Indicator table on page 28.



# Responsible business & the marketplace



## ***Our role as professional service providers***

At PwC, we play a significant role in the world's capital markets and take pride that our services, help to improve the credibility, transparency and reliability of financial statements and information that help guide investors and stakeholders to make informed decisions.

We have a responsibility to uphold and embody ethics, transparency and integrity within every aspect of our work. We have an ability to be leaders in developing trust within business, and to use our skills and relationships to influence the marketplace to promote more ethical and responsible behaviour. By exemplifying responsible leadership, we can make a difference to the success of our clients, people and communities combined, and illustrate the ways that sustainability is a core component of strong governance and organizational accountability.

Our marketplace initiatives in FY2012 reflect our ongoing efforts to integrate good corporate responsibility practices into our own business operations, and to look for opportunities to lead the debate on issues impacting our profession. To that end, we have continued to develop thought leadership publications on a variety of topics that utilize our people's diversity of experience—including business, science, the arts and engineering—which provide our clients with a depth of perspectives to help them tackle complex organizational issues. We have also undertaken an economic impact analysis to help quantify our firm's impact on the marketplace, as well as provided a detailed summary of how our firm's sponsorships are creating tangible impacts for our communities (see page 24).

## ***How we do business***

In FY2012, we developed new and enhanced policies and processes within the firm to help improve our governance frameworks and to ensure we provided formal opportunities for dialogue amongst our employees around important workplace issues.

We also developed an environmental policy that includes a number of overarching principles and provides guidelines on how to address environmental issues related to our operations. To read our environmental policy, please visit our website at [www.pwc.com/ca/cr](http://www.pwc.com/ca/cr).

In order to ensure continued compliance with our global, national and corporate responsibility reporting requirements, we undertook a review of our corporate contributions policies. This included a review of current definitions, current spending and alignment of our national and local donation, sponsorship and business development initiatives.

We launched a Health & Safety microsite on our Portal. The site includes the video "Ergonomic Essentials for the Office" that helps staff arrange their work stations and provides tips to avoid muscular skeletal injuries. The Health & Safety microsite is also a spot where our Health & Safety committee can post meeting minutes, share updates and information and promote wellness events taking place in a particular office or across the country. We will be monitoring the site during FY2013 to understand how staff are using and acting on the information shared.

In FY2012, we delivered interactive virtual training on Tax Knowledge over a one-week period to 658 partners and managers. Participants were offered 11 tax technical sessions developed and facilitated by industry experts. The use of a virtual classroom environment allowed our people in every office to learn from and consult with our industry experts in live interactive sessions and strengthen their industry knowledge.

The Audit and Assurance Technical Update Program was also revised in FY2012. This flagship program provides key technical accounting and auditing updates to more than 1,500 partners and staff in our Audit and Assurance Group. We used an e-learning design to ensure that our people obtained key technical updates in a consistent way and combined it with an engagement team workshop that helped each team apply the new knowledge to their unique client situation. This blended approach maximized transfer of learning as each engagement team developed an action plan that outlined how the technical updates are applied to the work performed on such clients.



### ***Our focus on ethics and transparency***

A key component of our overall CR strategy is supporting strong ethical and transparent business practices across the entire enterprise and all that we do. One of the ways we do this is by developing our people's responsible leadership skills, but we have numerous other initiatives. These include:

- our code of conduct
- ethics hotlines
- e-learn sessions
- risk management
- Canadian independence training
- anti-money laundering training
- privacy policies
- obligations to report under rules of professional conduct

We also have an ethics and business conduct leader who provides oversight to our reporting processes. Each year, all of our people are required to participate in interactive independence training sessions as well as complete an annual confirmation with respect to their personal responsibilities as they relate to independence and firm compliance. In FY2012, we achieved a 100% completion of compliance confirmation (FY2011: 99.8%).

### ***Our role in creating a sustainable society***

PwC is the market leader in providing sustainability services to large global organizations. Our sustainability teams operate in over 40 countries helping organizations integrate sustainable business practices into the very fabric of their processes, systems and supply chains.

We provide assistance to clients to build business value by evaluating the entire sustainability picture—both challenges and opportunities—and incorporating effective solutions for CR programs, climate change, CR reporting, and chain of custody/supply chain risk management and sustainability management systems. Our Canadian practice is part of a Global Sustainable Business Solutions (SBS) network comprised of 500 practitioners in 40 countries, serving 50 of the Fortune 100 companies.

As we strive to be catalysts for change, we have provided Consulting & Deals, Tax and Audit and Assurance services through our SBS practice to a wide range of clients since the 1990s. Our clients are from a range of industries including retail, entertainment and media, mining, energy and utilities, and forest and paper.

We are also proud to have achieved accreditation from the American National Standards Institute (ANSI) as a Greenhouse Gas Verification body in FY2012, as well as accreditation as a certification body for the Forest Stewardship Council Chain of Custody Standard.

### ***Climate Change Services – CCEMC***

In April 2007, Alberta became the first jurisdiction in North America to pass climate change legislation requiring large emitters to reduce emissions. Alberta's Climate Change and Emissions Management Fund is a key element of Alberta's overall Climate Change strategy and the Fund is intended to support investment in innovation and step change technologies that will lead to substantive reductions in Alberta's greenhouse gas emissions.

To assist in meeting Alberta's overarching climate change goals, investments are managed by a member-based, arm's length not-for-profit entity – The Climate Change and Emissions Management (CCEMC) Corporation. The CCEMC was created to be a key part of Alberta's movement toward cleaner energy, a greener economy and a greener environment. Its policy roots are in Alberta's Climate Change

Strategy, the Climate Change Emissions Management Act and the mandate of Alberta's Department of Environment and Sustainable Resource Development. The CCEMC receives funds from the Government of Alberta and allocates those funds to the most promising project proposals.

PwC is responsible for providing financial management, accounting, funded project monitoring, information management system development and maintenance, internal audit services, organizational performance management, climate change policy advice, carbon accounting and various other advisory services. PwC has been instrumental in supporting the development of this innovative model based on core strengths in the areas of climate change, public policy and business process and delivery and has been a key service provider to the CCEMC since 2009.

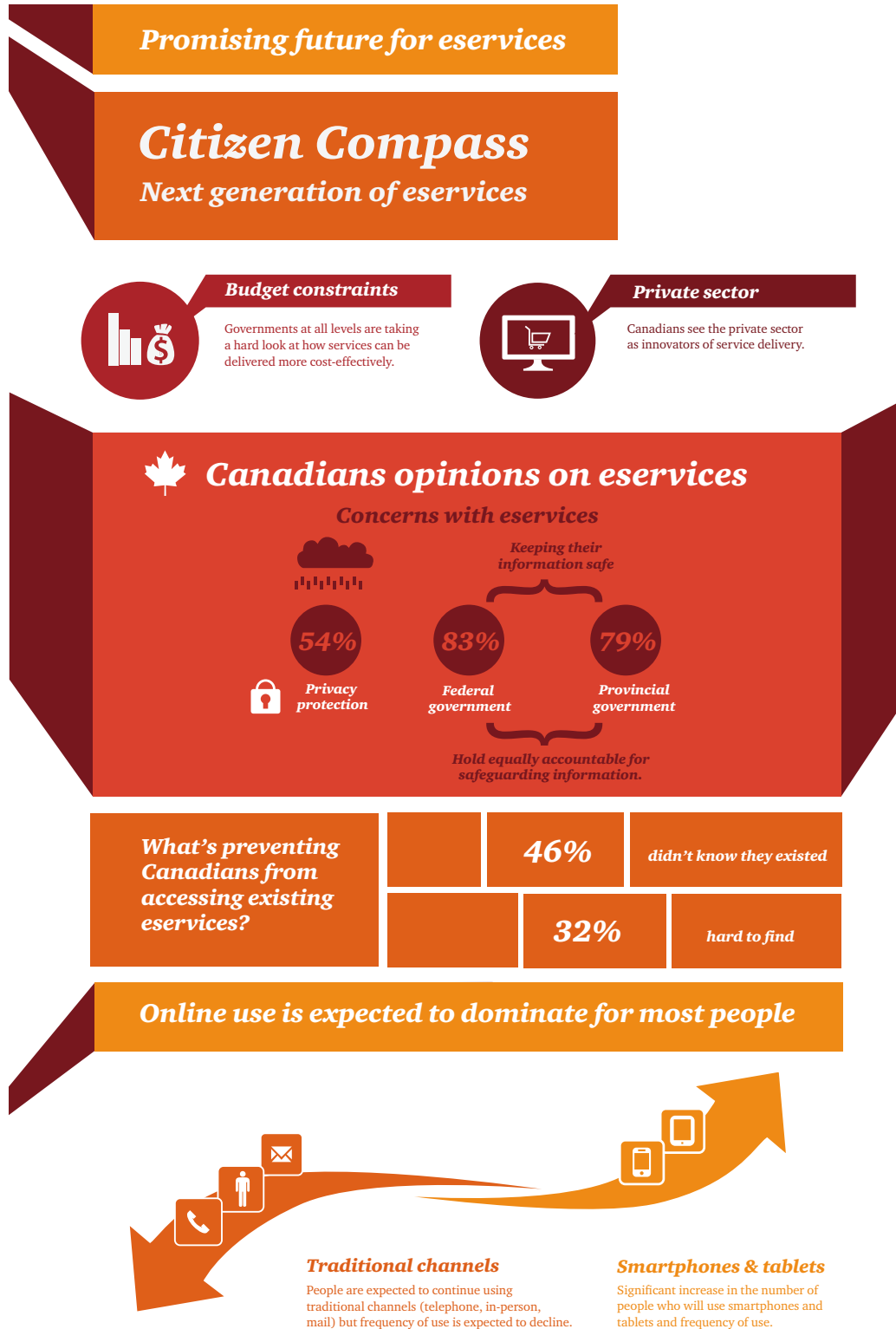


**Connecting with the market and thought leadership**

As a way to help lead conversations related to our corporate responsibility initiatives and the ways we've integrated this into our business operations, we launched the following initiatives in FY2012:

- PwC's Public Sector practice launched the 'Citizen Compass', an online initiative designed to provide Canadians with a platform to voice their opinions on current issues and events through informed participation and deliberation (see **table 3**). Over a three-week period in FY2012, a total of 3,147 every-day Canadians addressed the central question, "What does the future of government e-services look like?" The results of the dialogue are shown in the info-graphics and spell out the role that PwC can play during FY2013 in working with government stakeholders to communicate and disseminate these important views.
- *Upfront*™ is a new multi-channel program that brings leading executives together to discuss the critical trends impacting the direction of Canadian business. With a focus on growth and competitiveness; new dimensions for talent; technology and innovation; risk resilience; and business and sustaining trust; the publication aligns well with the new Corporate Responsibility strategy and highlights how CR is already embedded into smart and strategic decision making in the c-suite. The publication was distributed to over 4,000 c-suite executives in FY2012, with plans on developing an ongoing and updated dialogue each quarter in FY2013.
- PwC NextGen Global Study: During FY2012, we participated in a PwC global study conducted by the University of Southern California (USC) and the London Business School. The study was designed to help us better understand how the motivations and values of our people differ across generations.

Table 3: Citizen Compass infographic



The results will help us create actionable solutions to improve PwC and remain an employer of choice for young professionals in Canada and around the world.

The study included interviews across Canada and focus groups in certain offices. As well, 50 of our millennial staff were invited to participate in NextGen Live, a global Jam session that included more than 1,000 PwC millennials from around the world. The Jam took place over three days with one hour each day dedicated to giving the next generation the opportunity to engage in a dialogue around how to thrive in one's career, unique work styles, use of technology and social media, emerging styles of leadership and how life and career are intertwined. Several Canadian leaders, including our CEO, line of service (LoS) and Human Capital leaders, also participated.

The Jam sessions built upon the ongoing results from PwC's annual Millennials at Work survey: a total of 4,364 university graduates from across 75 countries took part in the study between 31 August and 7 October 2011. The results of the study found that millennials are attracted to employer brands that they admire as consumers. In 2008, 88% were looking for employers with CSR values that matched their own, and 86% would consider leaving an employer whose values no longer met their expectations. Fast forward three years and just over half are attracted to employers because of their CSR position and 56% would consider leaving an employer that didn't have the values they expected.

### ***PwC's Workshop on CSR Trends in the Extractive Industries, May 2012***

In May 2012, PwC hosted a workshop focused on trends in the extractive industries related to transparency, scarcity and public perception. The workshop was hosted in partnership with the Canadian Institute of Mining (CIM) and the Centre for Excellence in Corporate Social Responsibility.

PwC's National Leader of our Sustainable Business Solutions Practice, Bruce McIntyre, along with team member Janice Plumstead presented the results from two recent PwC thought leadership papers on topics related to sustainability reporting trends in the mining industry and minerals and metals scarcity.

PwC co-hosted the afternoon session with the Centre for Excellence in Corporate Social Responsibility on the topic of transparency issues within the extractive industry. Stakeholders from non-governmental organizations (NGOs), academia, government, First Nations, and industry associations attended the conversation. Their thoughts and experiences will be used to inform future events and publications.

### ***Sponsorships***

During FY2012, we continued our sponsorship of Team PwC, our support for high-level Canadian athletes who reflect the diversity of our people and the values of our business: leadership, excellence and team work. One of the goals of this program is to help our athletes go beyond sport and strengthen their interpersonal and business skills through media appearances, speaking engagements, client hosting events and meeting PwC employees from across the country to share their experiences.

In FY2012 we connected our athletes with almost 1,000 PwC employees through 15 local office appearances. We want to double these results in the next fiscal year and create at least three integrated community events to showcase how our athletes give back through sport.



**Matt Hallat** was excited to be part of a "Kick-off to London" event organized by PwC with the Boys and Girls Clubs of Canada. He and several other Team PwC athletes attended the event, but Matt had the opportunity to stay afterward to interact with the boys and girls in person and help them make posters for the baseball game they were attending later that afternoon.

"The best part of the day was going up to a little boy who was sitting alone and talking with him. I was told later that our little conversation had a huge impact on him and it's those moments that impact me and make me want to be more involved."

Matt is currently working with the Boys and Girls clubs of Canada to find more opportunities where he can make a difference and interact with the kids in a more personal way.

PwC also continued to invest in education. In FY2012 we donated \$364,000 to post-secondary institutions across Canada, down 36% from FY2011 (\$571,000). While this number is down, our total support for non-charitable sponsorships rose by 55% this year. In FY2012 we began developing a policy for identifying sponsorship opportunities that better align to our business strategy and our goals for outcomes from these investments. In FY2013, we will be implementing this policy.

The National Business Book Award is a prestigious \$20,000 award sponsored by PwC, recognizing outstanding talent in Canadian business writing. The winner of this year's National Business Book Award was Bruce Philip for his book, *Consumer Republic: Using Brands to Get What You Want, Make Corporations Behave, and Maybe Even Save the World*, published by McClelland & Stewart Ltd.

PwC Canada is also a founding sponsor of Canada's CFO of the Year Award. This annual accolade is given to a senior financial leader who has made an outstanding contribution to business in Canada through vision and leadership, corporate reporting and performance, social responsibility, innovation and business complexity. This year's winner was Colleen Johnston, CFO at TD Bank Financial Group. "For me, the joy in this award is the recognition of our team. A world-class finance team is important to the success of an organization, and I'm incredibly proud of the team and of TD. It's a very important award, and I think it's terrific the sponsors are putting a spotlight on finance and how important the work that's done is to the success of an organization."

## PwC's economic contribution to the Canadian economy

PwC's day-to-day business activities in Canada generate important economic benefits to the communities and the Canadian economy in general. PwC focuses on building sustainable economic growth for the benefit of our clients, suppliers, partners, staff, and ultimately the communities where we live, work and serve.

Some economic benefits include:

- contributing to Canadian GDP
- purchasing from Canadian suppliers
- paying government taxes

PwC plays an important role in the Canadian economy as demonstrated in the table below. In addition, PwC generates significant qualitative economic benefits not captured in these numbers which are discussed in other sections of this report.

### Estimated economic impacts to the Canadian economy

Estimates of the total direct and indirect economic impacts of PwC's business activities presented in Table 2 are based on PwC operating expenditures in Canada for FY2012.

**Table 4: Total Economic Impact of PwC's Business Operating Expenditures, Canada (FY2012)**

Indicators	Total Economic Impact – Direct and Indirect (\$ millions)
Output	\$1,279
GDP	\$1,074
Wages and Salaries	\$830
Government Revenues	\$183
Employment (FTE)	9,953

In FY2012, PwC had operating expenditures and investments that generated an estimated \$1.3 billion of direct and indirect spending in the Canadian economy. These expenditures and investments resulted in an estimated direct and indirect spending of \$1.1 billion in GDP. Over the FY2012 period, total economic contributions represented approximately 0.05% of the national GDP and 1% of the professional, scientific and technical services industry<sup>1</sup>. PwC supported an estimated \$830 million in total direct and indirect wages and salaries in Canada. In terms of employment, PwC operating expenditures supported an estimated 9,953 full time equivalent jobs across Canada and employed 5,528 of these jobs<sup>2</sup>. As a result of purchasing from Canadian suppliers, PwC has supported an additional 4,425 full time equivalent jobs in other industries. Total government tax contributions generated from economic activity was an estimated \$183 million which contributes to providing services to Canadians.



For details on the methodology used in our analysis and definitions of each key indicator, please visit: [www.pwc.com/ca/cr](http://www.pwc.com/ca/cr).



<sup>1</sup> North American Industry Classification System - NAICS 54  
<sup>2</sup> Including PwC partners, employment totaled 5,945.



# Our corporate responsibility performance

This table represents our progress against priorities identified in our 2011 Highlights report and defines our key priorities moving forward.

Quadrant	FY2012 priorities	FY2012 Update	FY2013 Priorities
<b>Community engagement</b> 	<p>Develop a logic model to better understand what inputs, outputs, outcomes and impacts we hope to achieve through our community investment activities.</p>	<p><b>ACHIEVED</b>            We fine-tuned our community scorecard with regards to outputs. We entered into a partnership with not-for-profit organizations to undertake an assessment of our measurement techniques to ensure appropriate outcomes are realized.</p>	<p>Develop new models to measure how our Foundation strengthens employee capabilities while driving business value, and creating community social impacts.</p>
	<p>Deepen our people and firm's relationships within the not-for-profit sector to help build capacity through strengthening organizational effectiveness and empowering community leadership.</p>	<p><b>ONGOING</b>            We continued to deepen our skill-based volunteer initiative. We successfully brought together not-for-profit organizations to help foster the dialogue on strengthening sustainability efforts in these types of organizations.</p>	<p>Align and embed PwC's community strategy with the PwC Experience.</p>
<b>Environmental stewardship</b> 	<p>Increase the breadth and depth of the integration of our environmental programs and initiatives across our offices in Canada and increase our people's engagement in environmental activities.</p>	<p><b>DID NOT ACHIEVE</b>            We did not see the growth in engagement that we had anticipated and planned for. Please see 'Engaging Our People' in the Environmental Stewardship section.</p>	<p>Develop a strategic action plan to identify how we can re-engage our people and expand the focus of action to encompass the broader corporate responsibility initiative.</p>
	<p>Build out the specific actions we need to take in order to meet the targets set out in our energy and carbon reduction strategy and begin to implement those actions and measure the results and impacts.</p>	<p><b>ACHIEVED</b>            As a key driver of our energy and carbon reduction strategy, we developed our Environmental Policy Statement. This document outlines our commitment to environmental stewardship and provides the framework through which actions necessary to achieve targets will be developed. For the first time, we were able to report on our progress against identified energy and carbon reduction targets.</p>	<p>Enhance the ways we manage and measure our environmental impacts in alignment with our energy and carbon reduction strategy while driving value for the business.</p>

Quadrant	FY2012 priorities	FY2012 Update	FY2013 Priorities
<p data-bbox="131 705 347 768">People, diversity and inclusion</p> 	<p data-bbox="380 705 678 779">Continue our efforts to operationalize our diversity and inclusion strategy.</p> <hr/> <p data-bbox="380 915 656 1010">Manage our global mobility program to better meet our strategic business and talent needs.</p> <hr/> <p data-bbox="380 1073 704 1167">Continue to differentiate our talent pools and build robust development plans for our people with the greatest potential.</p>	<p data-bbox="748 705 1174 884"><b>ONGOING</b> We formalized our governance framework by appointing a Chief Inclusion Officer to provide day-to-day oversight of our Diversity and Inclusion strategy. We also established a Diversity and Inclusion Council made up of senior leaders of the firm, including the CEO.</p> <hr/> <p data-bbox="748 915 1174 1041"><b>ACHIEVED</b> We successfully realigned our global mobility program to focus on emerging markets to better meet our strategic business and talent needs.</p> <hr/> <p data-bbox="748 1073 1157 1220"><b>ONGOING</b> With the launch of EWP and improvements to our coaching and performance management programs, we continue to enhance the ways in which we develop our people.</p>	<p data-bbox="1198 705 1515 831">Through the development of new programs and tools, build upon the diversity of our workforce so it is representative of the communities we live and work in.</p> <hr/> <p data-bbox="1198 1073 1507 1167">Enhance and embed our coaching priorities and measure impacts related to the PwC Experience.</p>
<p data-bbox="131 1272 289 1325">Responsible business</p> 	<p data-bbox="380 1272 688 1346">Continue to review and enhance our procurement practices on a firm-wide basis.</p> <hr/> <p data-bbox="380 1430 688 1629">Refine our marketplace strategy to identify further opportunities to: lead the debate on issues impacting our profession; and, help our clients embed sustainability into their business strategies, operations and practices.</p>	<p data-bbox="748 1272 1146 1367"><b>ONGOING</b> Procurement and facilities management processes were reviewed as part of the development of our Environmental Policy.</p> <hr/> <p data-bbox="748 1430 1138 1629"><b>ONGOING</b> We continued to look for strategic opportunities and markets in which to provide services. Highlights include our accreditation as a Greenhouse Gas Verification body as well as Certification Body for the Forest Stewardship Council (FSC) Chain of Custody Standard.</p>	<p data-bbox="1198 1272 1507 1398">In line with the new Environmental Policy, identify opportunities to further improve on our responsible procurement practices.</p> <hr/> <p data-bbox="1198 1430 1507 1503">Develop a cross-line-of-service approach to how we go to market and deliver our services.</p>

## Key performance indicators

Quadrant	Performance Indicator	Unit	FY2012	FY2011	FY2010	FY2009	FY2008
<b>Community engagement</b>							
Giving	Charitable donations and sponsorships	Thousands of CAD	2,399	2,533	2,030	2,192	2,203 <sup>1</sup>
	Contributions by partners and staff to United Way <sup>2</sup>	Thousands of CAD	2,200	2,182	2,156	1,917	1,826
Employee engagement	Participation in team volunteering events	Number of staff & partners	2,287	2,275	2,283	2,400	2,182
	Time spent by partners and staff in team volunteering events <sup>6</sup>	Hours	17,100	17,100	17,100	18,000	16,400
	Volunteer grants	Number of grants	145	220	224	262	214
<b>Environmental stewardship</b>							
Employee engagement	Time dedicated by volunteers in PwC Environmental Committees	Hours	280	550	800	1,030	970
Earth Hour	Participation in Earth Hour	% of office space	90	89	90	92	75
Greenhouse gas emissions <sup>3</sup>	Scope 1 (natural gas and fuel oil consumption)	Tonnes of CO <sub>2</sub> e	3,474	1,330	1,360	1,440	1,450
	Scope 2 (electricity consumption)	Tonnes of CO <sub>2</sub> e	3,518	3,440	3,670	3,890	4,040
	Scope 3 (air travel, car rentals, rail travel and hotel stays)	Tonnes of CO <sub>2</sub> e	6,575	5,940	5,970	6,380	8,420
Business air travel	Distance flown by PwC partners and staff	Thousands of kilometers	4,424	48,034	48,232	48,660	60,340
Paper usage	Office paper consumption <sup>6</sup>	Thousands of sheets	58,350	58,915	66,348	68,350	93,600 <sup>4</sup>
<b>People, diversity and inclusion</b>							
Workforce	Partners	Number of partners	417	420	425	413	423
	Staff	Number of staff	5,528	5,311	5,303	4,973	4,837
	Voluntary departures	% Staff	16	16	12	12	15
Employee satisfaction	"I would recommend PwC as a great place to work."	% Favourable	70	71	70	78	77
	"I am proud to work at PwC."	% Favourable	80	81	80	86	87
Diversity and inclusion	Women <sup>6</sup>	% Staff & partners	55	56	57	58	59
	Members of a visible minority <sup>6</sup>	% Staff & partners	28	28	27	27	26
Work/life flexibility	Reduced schedule	% Staff	3	4	4	4	4
Coaching, learning and development	"I have the opportunity to work on challenging assignments that contribute to my development."	% Favourable	75	74	73	76	78
	"The learning and development I receive at PwC have adequately prepared me for the work I do."	% Favourable	74	74	75	77	76
<b>Responsible business &amp; the marketplace</b>							
Revenues	PwC Canada revenues	Millions of CAD	1,108	1,096	1,034	1,030	986
Non-charitable sponsorships	Education sponsorships	Thousands of CAD	364	571	545	475	505
	Other sponsorships	Thousands of CAD	2,882	1,517	1,826	1,604	1,612 <sup>1</sup>
Business conduct	Completion of annual compliance confirmation <sup>5</sup>	% Staff & partners	100	99.8	100	100	100

1 For FY2008, total "Charitable donations and sponsorships" and "Other sponsorships" represent actual costs incurred. Apportionment between community and marketplace was estimated.

2 FY2012 value corresponds to the calendar year 2011 campaign. FY2011, FY2010, FY2009 and FY2008 values correspond to the 2010, 2009, 2008 and 2007 calendar year campaigns respectively.

3 Due to rounding, the subtotals may not add to the total. Emissions were calculated using the "GHG Protocol®: A Corporate Accounting and Reporting Standard (Revised Edition)" developed by the World Resource Institute and the World Business Council for Sustainable Development. Scope 1 and 2 calculations are based on consumption data provided by third parties. Where this information was not available, estimates were made based on average

consumption. As a result, GHG emissions have been estimated for approximately 17% of PwC's total square footage. Scope 3 emissions related to business travel were calculated using data provided by Amex Canada Inc and calculation model provided by Data Insights for FY2012 and Atmosfair for FY2008-FY2010. GHG emissions from Hotel stays, Rental Cars and Rail have been estimated in FY2011 based on averages of prior years. In FY2012, they are based on hotel nights, rental service provider reports, and VIA Rail utilization reports. Emission factor sources used in calculating the carbon footprint are taken from: National Inventory Report 1990 – 2010: Greenhouse Gas Sources and Sinks in Canada, Environment Canada, April, 2012; and Climate Change 1995, The Science of Climate Change: Summary for Policymakers and Technical Summary of the Working Group I Report, IPCC, 1995.

4 FY2008 value was estimated for the first half of the year.

5 The annual compliance cycle is from September 1st to August 31st. Therefore, the FY2012 value refers to the cycle ended August 31, 2011.

6 In FY2011, previously reported values were re-calculated due to changes in indicator definition or calculation methodology, to enable year-over-year comparison.

# Looking ahead

We are proud of the progress we have made this year and look forward to the opportunities going forward. In FY2013, we will focus our efforts on continuing to embed good corporate responsibility practices into our business operations and to lead the debate on the role of strengthening trust, integrity and accountability within the capital markets, business and society. At PwC, we understand that a deep commitment to sustainable and responsible business practices underpins this important conversation. We embrace this commitment and will play a leading role in helping others do the same.

## United Nations Global Compact

As a global network, PwC is a signatory to the UN Global Compact, which consists of 10 core principles focused on the areas of anti-corruption, human rights, labour standards and the environment. Through this participation, PwC globally has committed to aligning the UN Global Compact's principles into our decision-making processes, business strategy and daily business activities throughout all levels of the firm.





## Forward-looking information

Certain information included in the *Corporate Responsibility Highlights 2012* publication and related information on our website contains “forward-looking information.”

Forward-looking information means disclosure regarding our expectations concerning future events, conditions or results based on assumptions about future economic conditions and courses of action. In some cases, forward-looking information can be identified by terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” “plan” and similar expressions or the negative of these terms or other comparable terminology. Although the firm believes that it has a reasonable basis for the forward-looking information included in this *Corporate Responsibility Highlights 2012* publication and in the related information on our website, such information is subject to a number of risks, uncertainties and assumptions that may cause actual events, conditions or results to differ materially from those contemplated by the forward-looking information. Some of the factors that could cause such differences include social, legislative or regulatory developments, financial market conditions and general economic conditions. The firm does not undertake any obligation to update publicly or to revise any of the forward-looking information included in this *Corporate Responsibility Highlights 2012* publication and in the related information on our website after the date thereof, whether as a result of new information, future events or circumstances or otherwise.