

# *Creating catalysts for change*

Corporate Responsibility Highlights 2013

*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 more than 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 2013* publication

This document provides an overview of our Corporate Responsibility (CR) actions and performance for the period from July 1, 2012 to June 30, 2013. The *Corporate Responsibility Highlights 2013* document is our fifth 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 2013* publication? Contact us at [corporate.responsibility@ca.pwc.com](mailto:corporate.responsibility@ca.pwc.com).

# A message from Bill McFarland



At PwC, we understand the important role we have to play in being part of the solution to global challenges. We have a responsibility to help create a more sustainable future for generations to come.

We take this role seriously which is why our commitment to making a difference to the success of our communities is a key part of our Canadian firm's vision and business strategy.

In this, our fifth annual *Corporate Responsibility Highlights* publication, we outline some of our achievements along our Corporate Responsibility (CR) journey as well as some challenges we've faced and will face in the future.

Our CR strategy is focused on promoting responsible business practices. That includes providing high quality services, building an inclusive workplace, engaging with the communities where we work and live, and being sensitive to our environmental footprint. We aspire to be catalysts for change, using our skills, voices and relationships to work with others and influence activities that make a difference and have a lasting positive impact on the world around us.

For example, in FY13, we asked our people to complete a National Inclusion Survey to help us better understand how we celebrate our differences and create a truly inclusive workplace. Through our National Staff Council, we also took action on feedback from our employees about important business issues, including providing more work life flexibility options. And our recent Global People Survey scores highlighted significant increases in our employees' satisfaction with our firm being a great place to work.

The PwC Canada Foundation also achieved great community outcomes with our skills-based volunteer initiative having significant impacts. We also strengthened our Green House Gas emissions monitoring by reporting quarterly rather than once per year.

We're always working to improve our responsible business practices. We undertook an analysis of our business practices to identify risks extending from environmental, social and governance issues.

We achieved many successes in FY13. We also have lots of work to do to continue to earn the trust of our stakeholders.

I'm confident that PwC has the vision and commitment to create a more sustainable model for future generations. We're excited to share our process and next steps with you in this report. Working together we will make a difference.

A handwritten signature in black ink that reads "Bill McFarland".

Bill McFarland  
CEO and Canadian Senior Partner

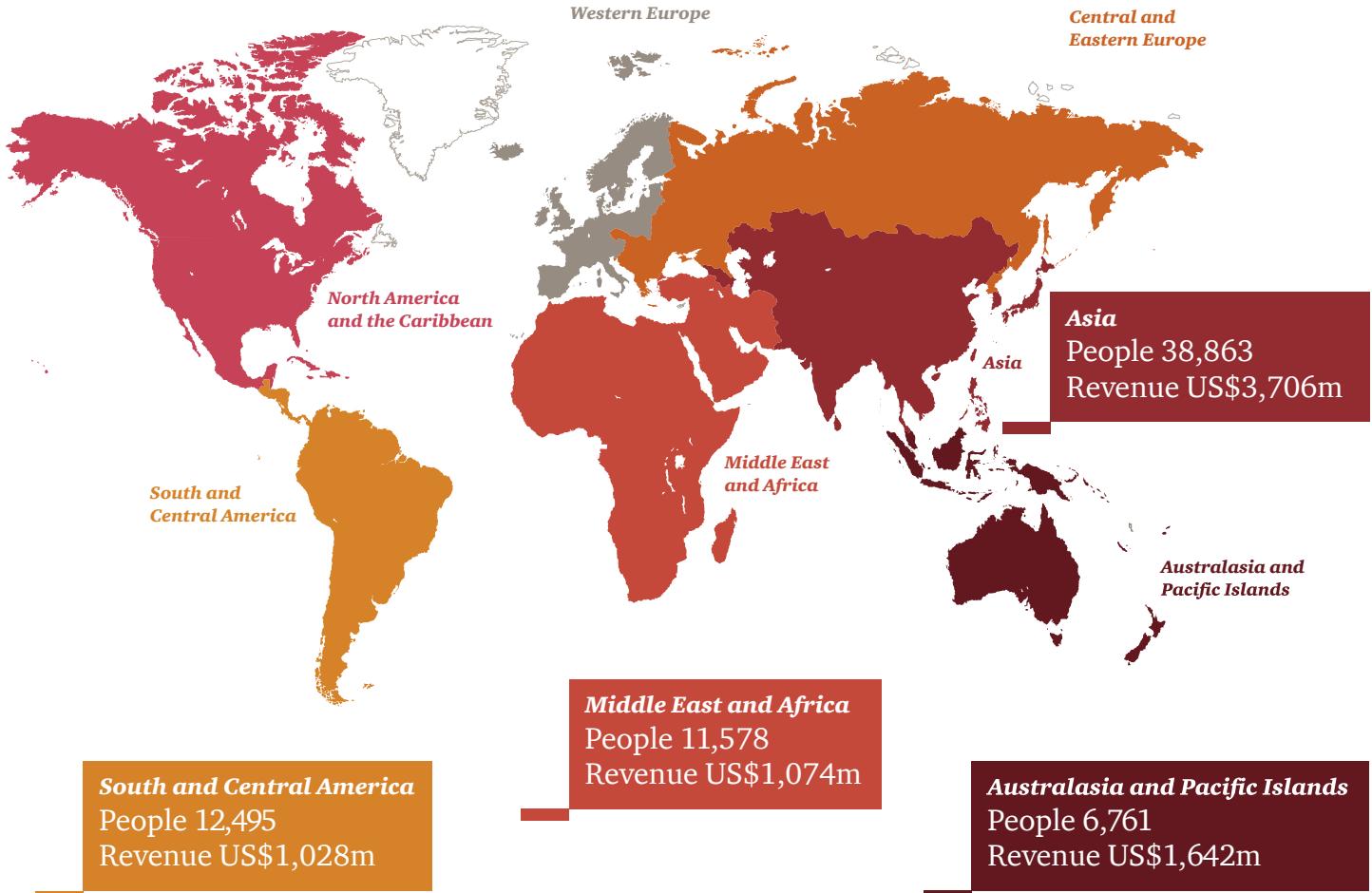
# Our business

Regional figures are for the year ended 30 June 2013

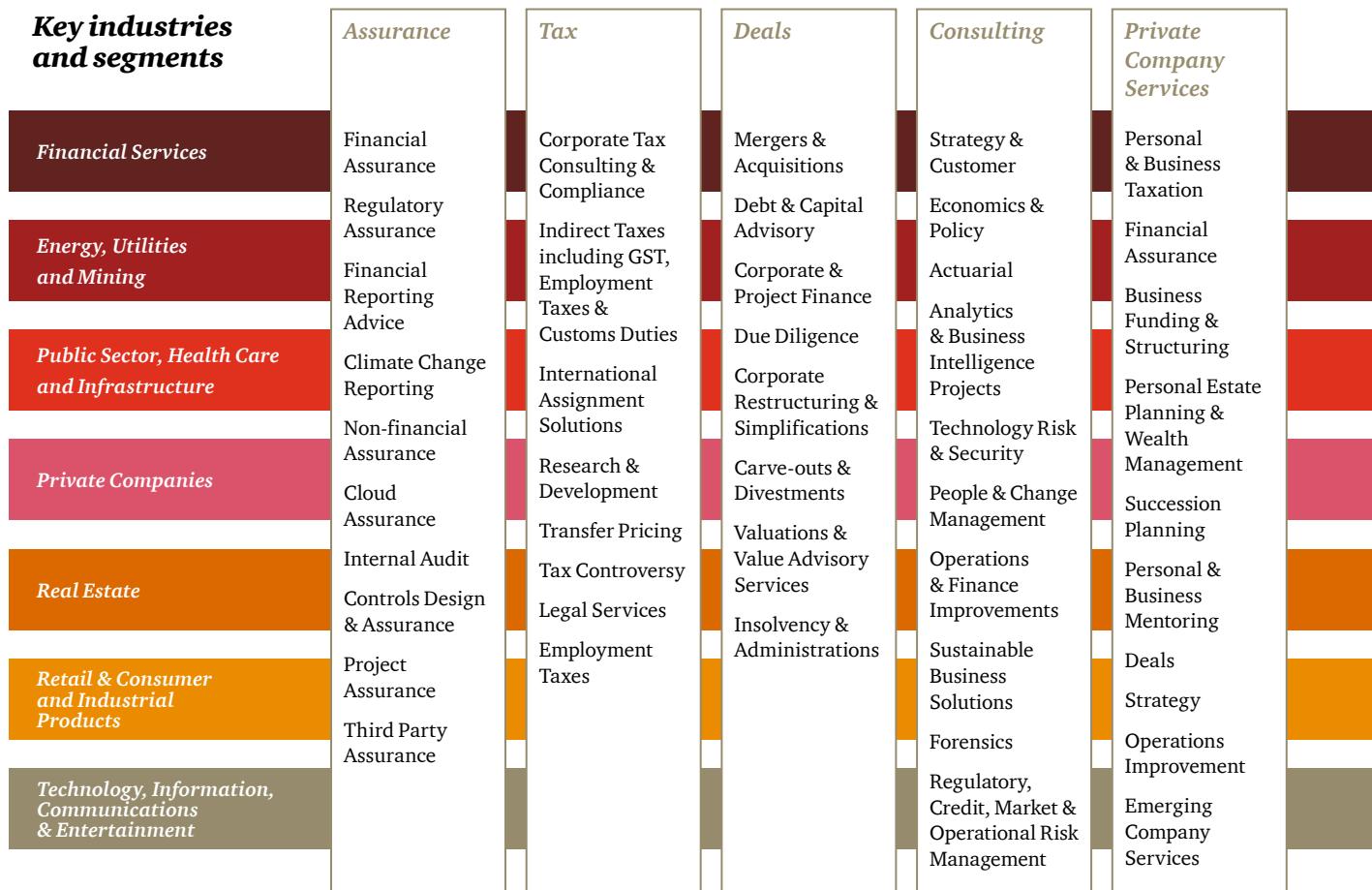
**North America and the Caribbean**  
People 46,608  
Revenue US\$12,000m

**Western Europe**  
People 60,441  
Revenue US\$11,828m

**Central and Eastern Europe**  
People 7,490  
Revenue US\$809m



## Service offerings



### Our Canadian head office:

PwC Tower  
 18 York Street, Suite 2600  
 Toronto, Ontario  
 M5J 0B2  
 Telephone: +1 416 863 1133  
 Fax: +1 416 365 8215

### 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, Kitchener/Waterloo, London, Oakville, Ottawa, Toronto – Metro North, Windsor

**Manitoba** – Winnipeg

**Saskatchewan** – Saskatoon, Regina

**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 important 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; diversity and having an inclusive environment; community engagement; and environmental stewardship.

The approach for defining important 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: [www.pwc.com/ca/cr](http://www.pwc.com/ca/cr)

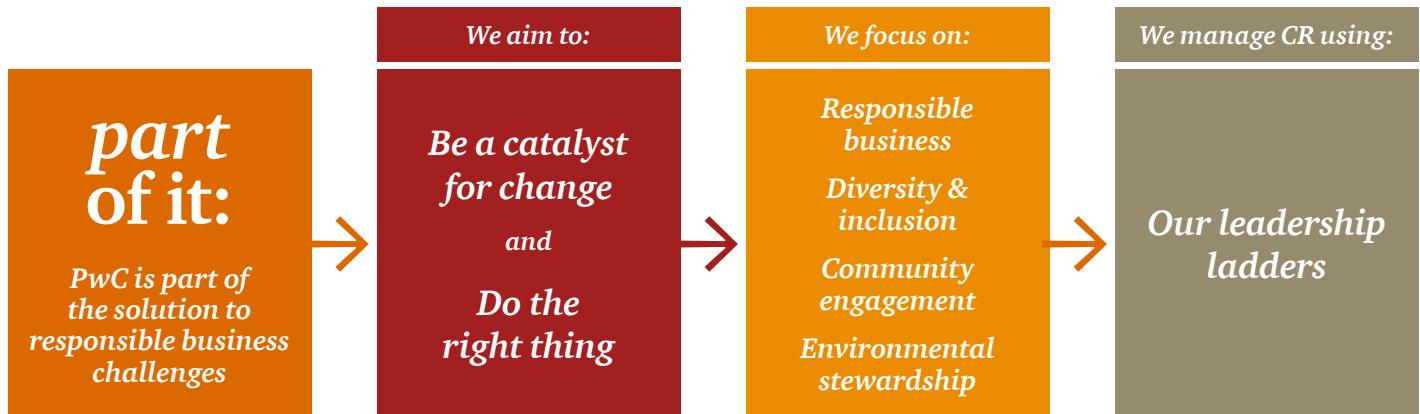
In FY2013 we committed to broaden our engagement with our stakeholders and conduct an updated assessment to better link our CR approach, reassess our risks and opportunities, ensure alignment with our business goals and guide the implementation of our new CR strategy. This work was deferred due to resource constraints. We recently hired a dedicated Sustainability Manager who will lead this process during FY2014. 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 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.

PwC firms support these network-wide goals. During FY2013, we worked collaboratively with firms from across our global network to develop a set of leadership ladders to provide practical yet flexible guidance on Corporate Responsibility strategy implementation.



**Watch our video**

A strengthened approach to Corporate Responsibility at PwC

Our leadership ladders set minimum standards and provide guidance for each focus area about how PwC firms can achieve leadership in corporate responsibility. Each of the four steps of the ladder considers four dimensions: behaviour change; strategy and policy; measurement and engagement; and impact assessment. All PwC firms are required to fulfill foundation level requirements highlighted below. Our 21 largest firms, including PwC Canada, are committed to progress to the next levels of the ladder over the course of the next two years.

We also launched a new global PwC communications initiative called 'part of it' to help articulate tangible ways our employees can integrate CR into their day-to-day work with clients, each other

and our communities. This initiative, combined with continued work embedding CR into our Canadian vision and business strategy, has helped us increase our Global People Survey scores and our employees' perception of our CR efforts.

We have made significant progress within the people dimension of CR thanks to the implementation of a diversity and inclusion strategy. We launched a National Inclusion survey and workforce census; rolled out our 360 equitable leadership assessment tool; and took important steps forward in understanding bias within recruitment, performance and career advancement processes. We also began monitoring our progress through a new diversity & inclusion dashboard.

Our employee resource circles were able to enhance their profile and effectiveness by supporting our teams in rolling out a first ever diversity & inclusion week celebration. We also launched a Communities CEO award in recognition of the ways our employees work with multiple stakeholder groups to make a difference.

Our focus on enhancing employee leadership capabilities through community volunteering led to an increase in the number of PwC employees serving on not-for-profit boards from 238 in FY2012 to 368 in FY2013. We also increased our ratio of skills-based volunteering offered through the PwC Canada Foundation from 14% to 28% of total volunteer experiences year over year. These successes earned

#### PwC Corporate Responsibility Leadership Ladders

	<b>Leadership</b>	<ul style="list-style-type: none"> <li>• CR is integral to the business strategy and is embedded into operational policies</li> <li>• Demonstrates leadership in public debates on relevant issues – acts as a catalyst for broader action</li> <li>• CR performance metrics cover direct and indirect impacts along the business value chain and are integrated into management information</li> </ul>
	<b>Good practice</b>	<ul style="list-style-type: none"> <li>• Programmes include strategic partnerships and reflect a multi stakeholder approach</li> <li>• Robust stakeholder engagement is in place with clear communication of outcomes</li> <li>• Regular engagement in public debate on relevant issues</li> <li>• Measurement and data systems are further developed and reflect leading global good practice methodologies</li> <li>• Demonstrable progress on CR targets is achieved</li> </ul>
	<b>Moving further</b>	<ul style="list-style-type: none"> <li>• Strategic rationale for all programmes is in place which consider the results of stakeholder engagement</li> <li>• Programmes are in place to improve the PwC firm's CR impact through increased people engagement including the use of PwC skills and core competencies</li> <li>• Some engagement in public debate on relevant issues</li> <li>• Performance baselines and targets are in place</li> </ul>
	<b>Foundations</b>	<ul style="list-style-type: none"> <li>• Leadership is accountable for CR</li> <li>• Local CR strategy and business case is in place which is aligned to the global strategy and reflects local priorities</li> <li>• Basic level of stakeholder engagement is in place</li> <li>• Programmes to manage and improve CR impact are underway</li> <li>• Programmes provide opportunities for PwC people to engage and be involved in CR efforts</li> <li>• Basic CR measurement systems are in place in accordance with PwC Network CR Reporting Manual</li> </ul>

external recognition for our thought leadership, including a 2012 Excellence in Corporate Responsibility Award from Green Living Enterprises.

Our achievements were not without challenges. We planned to complete a Theory of Change – a road map to help leadership teams better understand how to measure their inputs, outputs, outcomes and impacts – to help refine our social impact measurement processes but put the project on hold because of resource constraints. More work will be completed in FY2014.

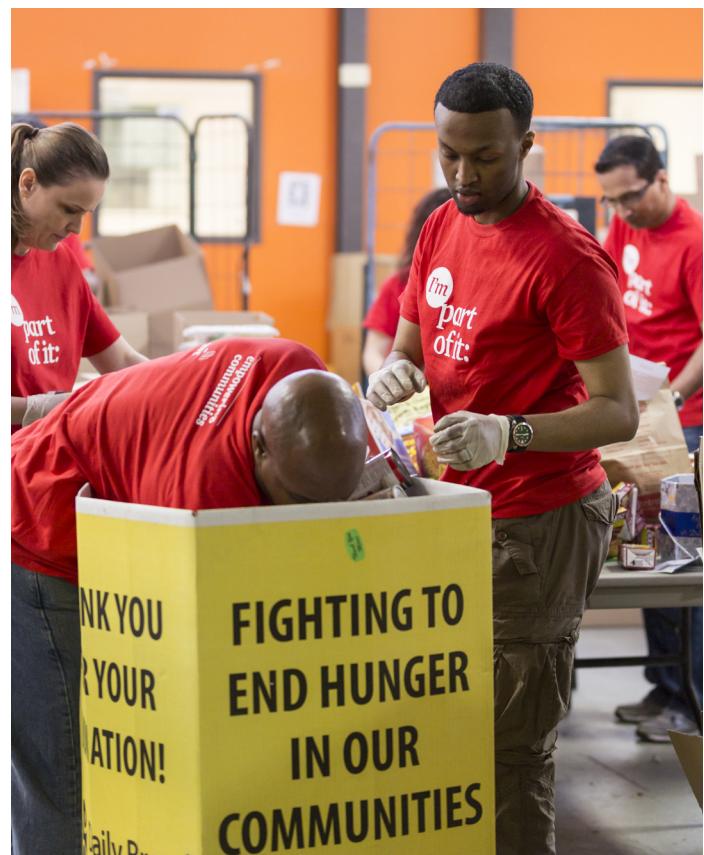
After experiencing a decline in membership of our environmental committees during FY2012, we were able to stabilize membership during FY2013 by streamlining our support for local

employees to assist with time management, local communications and employee recognition. We brought everything under the banner of Corporate Responsibility committees to help us focus our efforts. We chose to discontinue our annual commuter survey, shifting our focus on engaging employees in locally based health and wellness campaigns to help transform behaviours.

We completed an analysis of our firm's economic impact on the Canadian economy for the second year and have highlighted the results within the responsible business section of this report. New this year is a responsible business heat map: an analysis of PwC's own core services, defined sectors and competencies highlighting those that are

most exposed to risks extending from social, environmental and governance issues.

Over the next year, we will continue to take action on priorities identified within our FY2013 to FY2015 strategy plan. We will stay 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 emphasizing a focus on working with our stakeholders throughout FY2014 and have made additional resource investments to affirm our commitment to this important work.



## **Global PwC CR Commitments FY 2014–FY 2016**

These commitments reflect our strategy implementation timeline (FY 2014–FY 2016) for our 21 largest firms and relate to the implementation of our network CR strategy and enhancements to our CR reporting at the network level. Many of these commitments have already been achieved by our larger firms; however, we know that only by aligning behind a unified vision and approach across the network and collaborating to measure and manage what we do, will we maximise the impacts of our efforts.

To have a positive impact on the world around us, we will:

### **1. Harness the power of our network to scale responsible business behaviours**

By the end of FY 2014, our 21 largest firms will align to the global CR strategy and use their skills, voice and relationships to be a catalyst for change through their CR activities. They will assess themselves against our CR leadership ladders and develop clear progression plans. Our largest firms will also set targets for improved performance in the questions relating to CR in PwC's Global People Survey.

### **3. Increase the positive social impact of our community activities**

By the end of FY 2014, our largest 21 firms will provide opportunities for their people to take part in volunteering activities that involve the contribution of their professional skills.

By the end of FY 2015, our largest 21 firms will pilot output and outcome-based performance measurement for their community activities.

### **2. Build an even more inclusive culture that values difference**

By the end of FY 2014, the leadership teams of our largest 21 firms will have conducted blind-spot awareness training in their businesses and a thorough demographic analysis to identify key local populations and understand barriers and enablers to diverse leadership. They will also undertake efforts to raise their people's awareness of the importance of diversity and engage them in efforts to increase cultural dexterity.

By the end of FY 2016, our largest 21 firms will put programmes in place to drive increased leadership diversity and the development of diverse staff.

### **4. Manage our impact on the environment**

In line with our new global environmental statement, by the end of FY 2014, our largest 21 firms will each implement a local environmental policy and environmental management approach to minimise negative impacts.

### **5. Enhance the transparency and relevance of our CR reporting**

By the end of FY 2014, our reporting at the network level will be enhanced to include stakeholder engagement efforts undertaken by our largest 21 firms. These firms will also put in place enhanced internal reporting structures to improve the efficiency and accuracy of reporting on their CR performance.

By the end of FY 2015, we will introduce performance-based targets for the network as a whole and during FY 2017, we will gain assurance on FY 2016 priority network key performance indicators (KPIs).

Refer to our priorities table on page 29 to see how PwC Canada is working towards realizing these commitments.

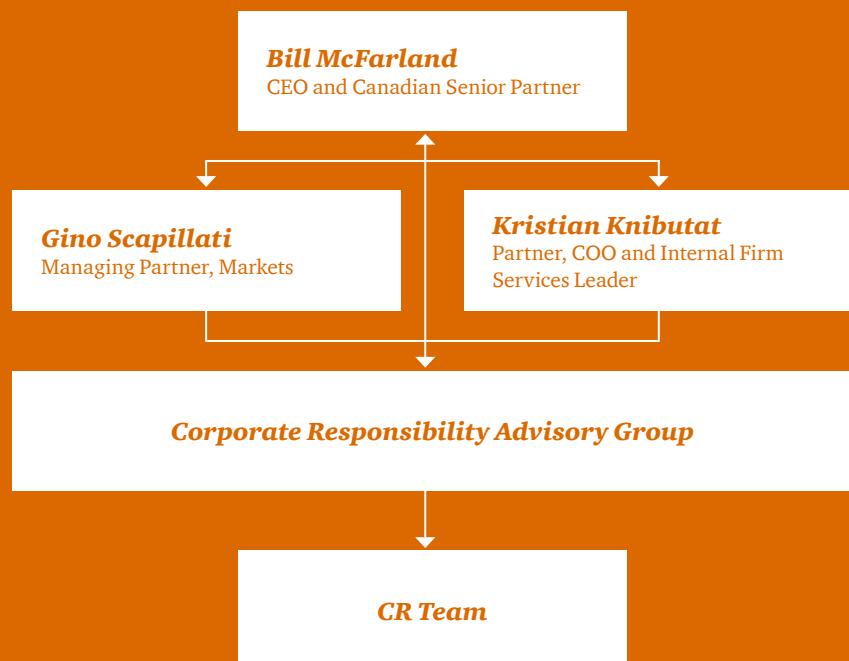
# Governance

*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 local and global businesses.*

Corporate responsibility at PwC is similarly governed at global and local levels and includes local and network leadership teams. Responsibility for the 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 Richard Collier-Keywood, 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.

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 works with community stakeholders to find out how we can achieve greater social impacts through our business operations.*

During FY2013, we moved into year three of our five-year strategic plan. We continued to implement plans and initiatives focused on using our skills, voice and relationships to work with others and to influence and create tangible change to help make communities better. We focused our efforts in 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 deepened our employees' understanding of issues related to the not-for-profit sector through our Volunteer Continuum, the strategy that helps guide our work in the community. For example, we enhanced our not-for-profit board training program and launched a new board match initiative and also increased our proportion of skills-based volunteer experiences within our team volunteering program.

We were also able to illustrate new socio-economic impacts related to multi-stakeholder roundtables through the *Innoweave* project cited within this section of the document, and made headway into the integration of 'communities' thinking into our Canadian

business strategy and vision statement: *To make a difference to the success of our clients, people and communities.* We are proud to have won an Excellence in Corporate Responsibility Award from Green Living Enterprises™ for thought leadership with our roundtable approach. That said, we still have more to do. During FY2012 we set a goal to complete a Theory of Change process to help refine our output, outcome and impact measurements related to our community efforts. We put the project on hold until FY2014 to ensure our work is in alignment with other PwC firms from across our global network.

## ***Making a difference through volunteering***

During FY2013, 2,297 staff and partners participated in 313 firm-led team volunteer initiatives, contributing 17,200 total volunteer hours back to the community. These results were consistent year over year and represented an employee engagement rate of approximately 40% of the total firm's population.

We used our Volunteer Continuum to help deepen and expand the ways our volunteer programs enhance employee leadership skills while simultaneously maximizing their level of commitment and effectiveness within the charitable sector. We formalized a definition for skills-based volunteering across our global PwC network: Skilled volunteering involves the use of an individual's

professional skills but in an informal way that does not involve the delivery of a service for which the firm is liable. This could include but is not limited to mentorship, coaching or financial literacy training. We increased the number of skills-based volunteer experiences from 46 in FY2012 to 89 in FY2013. Our goal for FY2014 is that 40% of total volunteer experiences be skills-based.

A key priority during FY2013 was to understand how we could strengthen our back-end reporting systems. New program innovations including customized team volunteer experiences and half-day experiences may have a material impact on how we report on our total volunteer hours during FY2014. We plan on reporting back on the processes we use to strengthen our internal controls.

In FY2013 we transformed our National Volunteer of the Year Awards by integrating it within our National CEO Awards as a new 'Communities' category. This was an important step forward to help integrate this form of recognition into our business strategy. We re-framed the award by taking on a broad view of what the word 'communities' could mean, including the ways people could make a difference through volunteering or using their skills, voice or relationships to help create a shared value between business and society. A total of 33 PwC employees were nominated for a Communities CEO Award during its first year.

In addition, our firm was able to provide 131 volunteer grants to employees who each received \$300 awards for the not-for-profits where they volunteered in recognition of their outstanding commitment to the community. These results were down slightly (FY2012: 145), reinforcing feedback from our employees about the time commitment needed to complete the grant application. During FY2013 we worked to simplify the application process.

### **Strengthening not-for-profit board governance**

Training and development initiatives on not-for-profit board governance remained a priority 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 FY2013 we

trained a total of 135 PwC employees from across Canada. Our goal is to train at least 150 employees in FY2014 and to develop a new training module focused on board diversity and inclusion.

In FY2013, 368 PwC employees from across Canada served on not-for-profits or registered charitable boards of directors or board committees, representing a total of 505 directorships (including individuals who held multiple postings).



### **FY2013 National Volunteer of the Year**

PwC named Jaclyn Demianyk the 2012 National Volunteer of the Year and presented \$10,000 to her charity partner, Camp Kakepitay.

For more than five years, Jaclyn has volunteered as treasurer on the board of directors for Camp Kakepitay, a camp built by members of the Deaf community. As treasurer, Jaclyn uses her accounting skills to manage the camp's donations and frequently volunteers at fundraising events.

As a Child of Deaf Adults (CODA) growing up in the Deaf community, volunteering on the Camp Kakepitay Board has allowed Jaclyn to give back to the community that has supported her throughout her childhood. She is grateful that she can contribute her skills and knowledge of accounting to something that is valuable to her family and to the Deaf community.

"Jaclyn has been a great asset to have on our Church Camp Board Camp Kakepitay," says David Burke, Chairperson of the Winnipeg Church of the Deaf. "Her passion, expertise and enthusiasm have led her to volunteer, specifically in taking care of the financial work for our team. She has greatly helped us with our ongoing work for the Deaf community at large and has also helped us to adapt to new technologies bringing new life to our non-profit organization."

These results have increased significantly from FY2012 (238 individuals totaling 397 directorships). Results are based on each individual's unique commitments with the boards they serve; however, this increase can also be attributed to a new board match program initiated in early FY2013 in collaboration with Altruvest Charitable Services to help match PwC employees with community boards. During FY2013 the firm made a public commitment to help match 200 new employees with community boards over the next three years. We will report back on our progress next year and continue to build on our momentum.

#### ***Sharing our expertise to be catalysts for change***

In FY2013, we strengthened key relationships with the HR Council for the Nonprofit Sector (HR Council), Imagine Canada and the Community Foundations of Canada (CFC) to help take action on key priorities identified at the 2012 National Summit for the Charitable and Nonprofit Sectors. Our work was focused

in two key areas related to system level change: strengthening human resources support and enhancing the public's understanding of the not-for-profit sector and its impacts.

Building on our work in FY2012, PwC hosted a series of round tables in FY2013 to bring together key corporate, private foundation and public sector funders to discuss how to successfully steward the HR Council's intellectual capital in light of the changes to government funding. Through PwC's leadership and support, this stakeholder engagement process wrapped up in October 2012. Following this work and in conjunction with other activities, the HR Council chose to close and to transfer its assets to CFC. In April 2013, CFC took on safeguarding the work and announced a visioning exercise to determine the work moving forward and the development of a shared leadership platform to support it. PwC will play a key role in this process throughout FY2014.

#### ***Innoweave: strengthening not-for-profit social impacts***

In Canada's community sector, business as usual isn't enough to deliver the results. Fortunately, new approaches such as developmental evaluation, social enterprise, social finance, impact and strategic clarity, and cloud computing are helping charities and not-for-profits generate greater impact, more quickly, and at less cost.

During FY2013, PwC joined a collaboration spearheaded by the J.W. McConnell Family Foundation called Innoweave. Innoweave helps community organizations learn about, assess, and implement new approaches to achieving social impact. PwC provided funding for 10 organizations to develop a 'Theory of Change' – a road map to help leadership teams connect their activities with their desired impact that will help them make better decisions on what they will and will not do. They also developed an implementation plan of changes that they would make and a learning agenda of issues that they still needed to explore.

Our work included using our skills and expertise to strengthen the initial request for proposal, hosting in person learning sessions at Toronto offices, providing hands on coaching throughout the 'Theory of Change' process, and working with key stakeholders from across the public, private and not-for-profit sectors to foster new collaborations.

PwC's contributions have been cited as catalytic in helping the Innoweave project create a sustainable funding model. Our work has helped to secure an additional \$2.25MM in financial support for the initiative; assisting over 400 people in more than 80 organizations to enhance their impact.

For more information on the Innoweave project, please visit [www.innoweave.ca](http://www.innoweave.ca).



## **Our philanthropic initiatives focused on capacity building**

PwC awarded a total of \$200,000 in grants to 48 registered charities across Canada in support of leadership and professional development in FY2013. 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 204 applications—down from 387 in FY2012. This was a planned reduction based on feedback from stakeholders highlighting the need to increase our grant to application ratio. This ratio was 13% in FY2012 and has increased to 22% in FY2013. Results were achieved by spending more time with potential applicants prior to submission to better manage expectations and the determination of potential fit. This saved applicants time, money and provided important coaching on grant application development. 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. An example of this kind of support includes Imagine Canada, the country's national voice for the charitable and not-for-profit community. Our contributions in FY2013 included funding for the new Chief Economist for the charitable and not-for-profit sectors, and strengthening connectivity between our PwC Economics Practice through volunteer and advisory support. A goal for FY2014 includes looking for ways we can align our thought leadership and research to complement the Chief Economist's work.

All combined, PwC contributed a total of \$1,998,000 in charitable donations and sponsorships to community organizations across Canada.

In FY2013, our employees raised a total of \$2,128,000 for United Ways across Canada, a slight decline from \$2,200,000 in FY2012. 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. During FY2013, our Corporate Responsibility Director joined the United Way of Canada's Shared Services Advisory Group to help the United Way movement look at collaborative organizational structures to enhance their combined effectiveness. Impacts of this work will be reported in FY2014.

**Table 1: FY2013 Leadership Grant program outcomes and impacts**



In total, more than 283 people were impacted by training and development programs initiated by our grantees in FY2013, up 41% from FY2012.



Improving communication skills amongst teams and with external stakeholders was a key trend in FY2013. Nearly 40% of grantees participated in these sorts of experiences.



One of our grantees was able to apply their new knowledge and skills to expand their Artist Educator Training Program, strengthening the capacity of their organization and raising an additional \$15,000 in support for youth programming that had never been achieved before.

# Environmental stewardship



*We believe that we can create value for our business and communities by respecting the environment and understanding how our actions impact the world around us. During FY2013 we continued to focus on how to engage our employees in a dialogue about environmental stewardship and made headway on our energy and carbon reduction targets, including paper and travel reductions. We are proud to have been named one of Canada's Greenest Companies this past year for the second year running.*

## **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 employees who strive to be catalysts for change. These environmental committees provide opportunities for staff 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 FY2013 we stabilized our committee membership after experiencing a decline during FY2012. Feedback from employees suggested we needed to come up with new approaches to help them with time management, local communication and recognition programs. In response to this feedback, we brought together our environmental and community engagement committees under one banner. Our renewed Corporate Responsibility (CR) committees were

provided with streamlined templates for communications, along with a dedicated staff member on our national CR team to provide ongoing coaching and support. Employees were encouraged to focus on deepening their knowledge about CR issues and sharing their time in ways that worked around their schedule and passions. We reduced the pressure to deliver results.

This approach supported an increase in our local committees' effectiveness and their ability to engage our employees in environmental activities. You can read more about one example from our Vancouver Office within this section of the document. In this year's Global People Survey (GPS), we saw a five point increase in our question related to their perception about the firm's commitment to environmental sustainability (see Key Performance Indicator Table on page 30). During FY2014 our goal is to build on this success and further increase our GPS results. Empowering our employees to make a difference remains a top priority.

## Going green with a growing team

Marc Dubord likes to make good things happen. He wasted no time doing just that when he joined Audit and Assurance as a new associate in 2010 and quickly signed on to the Vancouver office's CR team. He was passionate about employee-led environmental programs and saw them as a way to make a positive difference in the community. Marc has taken the opportunity to heart. In fact, since being elected the CR Committee Co-chair in 2012, Marc has used his just-do-it approach to encourage get hundreds of people involved.

"I wanted to implement programs that would be fun, interesting and active rather than traditional Lunch and Learns about the environment. For example, one new initiative called *Locavore* encourages people to reduce their carbon footprint by eating locally grown food whenever possible."

To promote this way of thinking, Marc organizes monthly outings to the market while PwC provides "market money" to purchase local produce. People visit the markets wearing their PwC t-shirts and re-usable PwC grocery bags.

"I love our trips to the market," says regular Theresa Blanchett. "It's a great way to lower my carbon footprint, change my eating habits and get a chance to know people who I don't normally get to work with at the office."

The initiative has been a great success, attracting more and more employees each month. The CR committee also identified an opportunity to encourage environmentally responsible commuting habits. The committee approached the City of Vancouver to install PwC-branded bike racks outside the office.

"Once installed, the racks will create space for an extra 15 bikes, reducing the office's carbon footprint by taking up to 15 cars off the road," says Marc. "It's the little things like this that we can do every day that add up to really make a big difference for the environment." Sporting PwC's logo, the bikes demonstrate PwC's commitment to being a CR leader.

To engage even more employees into making sustainable choices, Marc's CR committee led several green initiatives for PwC's annual CR Week this past June. The Lamb Trophy contest awards an individual with the best home-cooked meal made of locally grown ingredients with a gift certificate and a trophy. Staff that bring their lunch to work will be eligible to enter a draw for a local market gift certificate and a gift package that they can give to homeless people in need. Employees are also encouraged to support a local charity by buying urban-farmed trees and plants to place in their office and homes.

"The opportunity to serve on our CR committee and to be part of this strong team to create change is one of the advantages of working at PwC," says Marc. "I am proud to be part of an organization that believes as I do environmental stewardship plays a critical role in helping to a make a positive difference to the success of our communities."



## Corporate Responsibility Week

In FY2013, we continued to build on the success of our annual CR Week by broadening our programs to help more employees engage in environmental stewardship, the community, responsible business and inclusion activities.

In total, 1,765 PwC employees from across Canada participated in CR Week activities. This represents almost 30% of the firm's employee population. Some of the combined impacts of our employees' are included in **table 2**. We plan to strengthen our measurement and evaluation processes going forward.

## **What gets measured gets managed**

Throughout the second year of our energy and carbon reduction strategy, we continued to track, measure and report on the key areas targeted by the strategy. To improve our performance we:

- drive our energy awareness campaigns through our CR committees
- support our alternatives to air travel such as video-conferencing solutions
- increase the opportunities for our employees to partake in flexible work arrangements by using technology solutions

We also transitioned to quarterly data collection and internal reporting of our carbon footprint to help us better manage these key performance indicators and to improve the quality of the data we collect.

## **Waste reduction/recycling**

We worked with our landlords to understand the waste practices at a sample of our offices across the country. This included reviewing the results of current and, when available, past waste audits conducted by the landlords. In FY2014, we will continue working to identify ways we can track this type of data on a more consistent basis with a higher degree of detail in order to build a plan to reduce the amount of waste we generate and increase our recycling efforts. Because of the nature of our business, reducing paper consumption is a key priority. We track consumption by monitoring the amount of paper we purchase. In FY2013, our paper consumption declined by more than 11% to 51,868,000 sheets in comparison to 58,350,000 in FY2012.

**Table 2: Enhancing our impacts during 2013 Corporate Responsibility Week**



We hosted a series of educational webinars related to the roles and responsibilities of not-for-profit board directors; building a career with purpose; and lessons learned from our Women in Leadership, Gays, Lesbians and Everyone Else (GLEE) and Black Professionals circles.



We launched a new health and wellness campaign called the Global Corporate Challenge. It's all about being active and getting people walking to, from and at work. During CR week, a total of 371 of our employees took part in the campaign walking a combined 20 million steps!



We launched bike-to-work campaigns in Winnipeg and Vancouver, engaging more than 150 employees to help them change their commuter habits. Most have continued to use alternative modes of transportation to their car to get to work.



We hosted more than 20 environmentally focused team volunteer experiences generating almost 2,000 community volunteer hours.

## 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, business travel and, new this year, our paper consumption. In FY2013, the GHG emissions related to our operations were as follows:

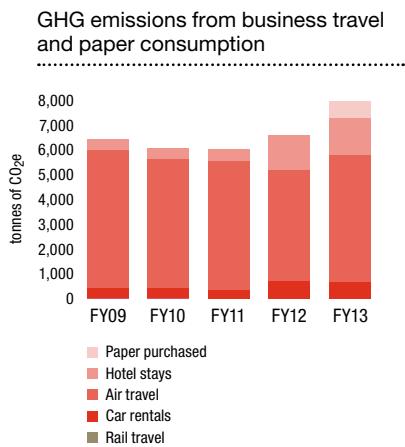
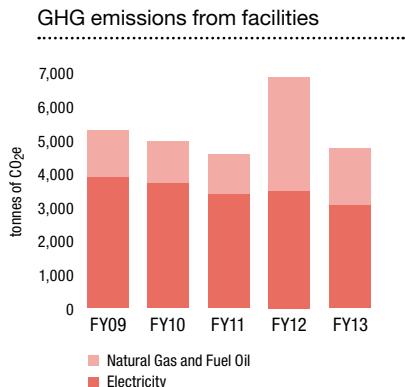
- 4,860 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) from buildings operations (natural gas, oil and electricity);
- 7,140 tCO<sub>2</sub>e generated by our business travel (air travel, rail travel, car rental and hotel nights); and
- 600 tCO<sub>2</sub>e from the amount of paper we purchased.

In addition to understanding our environmental impact, we continued to 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 throughout FY2013. 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 while ensuring 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 second year under this strategy had some successes and some challenges as we worked through the implementation process. In FY2013 we re-evaluated our options with respect to our commuter survey and soon realized that data quality is a common challenge in the long-term implementation of this kind of survey. With this in mind, we decided not to pursue the annual collection of this data and instead to focus our efforts on implementing the other elements of our strategy.

Some of the successes in FY2013 include the addition of paper consumption in our carbon footprint, the move to quarterly internal reporting of our carbon footprint data and gaining a better understanding of our waste profile. In FY2014, our final year of the strategy, we will continue to move forward with the programs we have already implemented and focus our efforts on creating greater alignment between our Energy and Carbon Reduction Strategy and global policies and practices through the adoption of the environmental stewardship leadership ladder as outlined in the governance section of this document.



## **PwC Tower achieves LEED® Gold certification**

We celebrated our first anniversary at PwC Tower at 18 York Street, our new head office location and received LEED® Gold certification for the building in the first half of FY2013. Building on the commitments we made during FY2012, we continue to actively look for ways to improve processes and facilities. To that end we benchmarked waste generation and energy use against prior data to ensure we are meeting targets established for this new space. These results are included within our GHG emissions report.

Our local Corporate Responsibility committee continued to engage employees in green office tours (including our green roof), and has put a particular focus on educating people about the building's key environmental stewardship initiatives:

- optimized energy performance with effective use of daylight, installation of motion sensor lighting controls and implementation of energy efficient light bulbs and appliances;
- low flow water fixtures including dual flushing option toilets using rain water collected on our green roof;
- our green cleaning process including the use of EcoLogo™ cleaning products.

During FY2014 we will take possession of a new space in Oakville to replace our Mississauga and Hamilton, Ontario locations at the end of their leases. The new building is guaranteed LEED Silver but through our current construction process we're aiming to achieve LEED Gold status, similar to the PwC Tower. Some of the environmental initiatives we're taking include a storm water management system that will capture and treat 90% of average rainfall, use of regionally manufactured materials and a process called "right to light", which ensures all workspaces will receive a significant amount of natural light.



# Focusing on people, diversity and inclusion



*Making teamwork and collaboration a catalyst to creating a more responsible business.*

Whether it's submitting a group proposal to clients, learning from each other's ideas and experiences or participating in a volunteer day with colleagues, the backbone of everything we do is based on teamwork and collaboration. This is how we create a high-performance culture, where everyone challenges and supports each other to be the best we can be and to play our individual parts in our collective success.

In FY2013, 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. We were proud to be named one of Canada's Top 100 Employers for the ninth consecutive year and one of Canada's Top Diversity Employers for the first year.

## **Diversity and Inclusion**

We strive to recognize the value of each and every one of our people. We realize that on our inclusion journey we need to address challenges and barriers faced by different groups within our firm. For this reason, within our broader inclusion strategy, we took specific actions in FY2013 on the following dimensions of

diversity building: gender, visible minorities, LGBT, disability and Aboriginals. We also recognized and supported religious diversity, generational diversity and encouraged flexible working arrangements in order to accommodate the diversity of outside work commitments and family life of our people.

We continued to strengthen our governance and accountability frameworks during FY2013. We were successful in having Diversity & Inclusion set as a standing agenda item for our Extended Leadership Team meetings each quarter. We also named a new Chief Inclusion Officer during the second half of the year. Our work also focused on the following key areas:

- **Understand bias and monitoring our progress through a new Diversity & Inclusion (D&I) dashboard:** Using information from our employment equity survey, we created a new D&I dashboard to better understand our differences across geographies, lines of service, sub-competencies and within localized teams. This allowed us to understand if there are existing biases within recruitment, performance and career advancement processes. We will continue to monitor this work during FY2014 and plan on rolling out additional training on unconscious bias awareness.



**2013 Canada's Best Diversity Employers**

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BMO Financial Group



**2013  
Canada's Greenest  
Employers**

- **360 Equitable Leadership Assessment (ELA):**

Building on commitments made in FY2012, we were successful in rolling out our Equitable Leadership Assessment tool to the firm's Extended Leadership Team (ELT), comprised of 21 of the firm's most senior leaders. They used a tool from TWI Inc. called the Equitable Leadership Assessment (ELA), which is a unique performance management tool designed to measure behaviours and competencies that are consistent with inclusive and equitable leadership. The goal was to develop more inclusive leaders who can role model and be a catalyst for change and communicate the firm's commitment to inclusion. Following the assessment, each ELT member devised their ELA action plan for the year with TWI's ELA coach, Trevor Wilson. Trevor is working closely with each ELT member to follow up on their plans and help them achieve their goals. We will report on progress related to this program during FY2014.

- **National Inclusion Survey and workforce census:**

During the first half of FY2013, we launched a firm-wide Inclusion Survey. The objective was to collect more detailed demographic information about our people along with feedback on their experience of inclusion at PwC. To ensure a strong response rate, our CEO and Chief Inclusion Officer created a video message reiterating their commitment to inclusion and the importance of participating in the Inclusion Survey. In addition, our CEO made a request to display the D&I strategy and promote the Inclusion Survey on all screen savers across the firm, whereas normally our screen savers display our national strategy. In this instance, our CEO believed this to be of national importance and for two weeks the screen savers encouraged all of our staff to participate in the inclusion survey.

- **Diversity dialogue sessions:** We augmented our inaugural National Inclusion survey with a series of Diversity dialogue sessions during FY2013. We attained more than a 50% response rate from our survey and reached out to more than 200 staff members from each line of service at all staff levels to conduct face to face conversations focused on enhancing inclusiveness in the workplace. Based on these results and direct interaction with our people, we'll be focusing on further embedding inclusion in our key people processes during FY2014. In order to achieve greater impact, the Office of Diversity & Inclusion will work collaboratively with the Human Capital leadership team to jointly devise the right action plan.

- **Diversity & Inclusion Week and strengthening our Employee**

**Resource groups:** Building on best practices we learned during our FY2012 Corporate Responsibility Week, we created an independent Diversity & Inclusion Week celebration. This week raised awareness about our Employee Resource Circles (ERC) and took the opportunity to promote two new inclusion-focused PwC publications: *Inclusion Matters* and *You're not what I expected*.

Throughout FY2013 we supported our ERCs in securing new executive sponsors for their work and helped them engage our employees and clients in networking and celebration events. Here are a few highlights:

- Our GLEE circle hosted the firm's first GLBT Pride celebrations in Toronto engaging more than 100 employees, allies and clients.
- Our Women in Leadership circle in Montreal created a networking group for women in mining helping to strengthen relationships between emerging leaders in Quebec.



**Lori-Ann Beausoleil** is our new Chief Inclusion Officer. Lori-Ann is a partner in our Deals practice and leads our National Real Estate & Construction team. She is also co-leader of our Forensic Services practice. Lori-Ann has a background in market leadership and success in driving new business in many diverse markets, including Canada, Australia, Dubai and the United States.

The CIO is responsible for leading the Office of Diversity and Inclusion, working with the Extended Leadership Team to further our diversity and inclusion vision and drive and cascade Diversity and Inclusion (D&I) within PwC's leadership and across lines of service.

- Our Black Professionals Circle hosted a series of roundtable discussions about career development workplace diversity opportunities. They also presented their thoughts on a National PwC webinar for clients during Corporate Responsibility week.

## Accessible Client Service

During FY2013 we completed a variety of workplace accessibility audits and put in place programs and initiatives to enhance barrier-free access for individuals with mobility, visual or audio disabilities. We remain fully compliant with the Accessibility for Ontarians with Disability Act (2005). Some of the ways we strengthen this commitment include posting accessibility information on pwc.com, including temporary disruption notices and by providing training for all Ontario staff on accessible client service. We continued to make modifications to our office spaces during FY2013 to remove barriers and have ensured our new office building in Oakville, Ontario has been built in accordance with barrier-free regulations. We will continue this work in FY2014.

## Workplace wellness, health and safety

We strengthened the effectiveness of our Health and Safety microsite on our portal during FY2013. The site provides interactive tools and videos to educate staff about important workplace wellness initiatives including ergonomics assessments, employee assistance counseling, nutrition and working through life events. To enhance the usability of the site, a Spark page was launched during FY2013—an internal social networking tool to help our local Health and Safety committees better connect to share meeting minutes, employee feedback, updates and local promotional events. We also launched a new portal called LifeSpeak in collaboration with our employee assistance provider Shepell. LifeSpeak provides our employees and their families access to a video library of 6 to 10 minute podcasts covering a variety of wellness issues. We plan on strengthening these initiatives throughout FY2014 to help streamline our efforts across the country.

## You're not what I expected

As a firm, we realize that employees aren't just looking for a great work experience, they also want a workplace where they can feel comfortable expressing themselves without having to hide who they really are. Encouraging each other to be curious about the people we work with enhances relationships and team unity so we all benefit from the diversity of experiences and perspectives around us.



This was the thought behind last year's national campaign, You're not what I expected, launched by the Office of Diversity and Inclusion. The campaign set out to engage people in conversations about their life stories and demonstrate how diversity is multi-dimensional. Sixteen of our people were interviewed across Canada, representing all levels and lines of service.

"I believe this campaign has helped feed our need to tell our stories as well as pique our curiosity," says Tia Wetmore, Leader of Diversity and Inclusion. "It's only when we're open to sharing our personal stories at work, do we empower others to speak up and contribute their unique experiences. At the heart of all of us, we fundamentally like to get to know our peers and leaders a little bit better. Inclusion is about being able to tell our stories and feeling comfortable about being unique."

Some examples from the campaign were:

- Senior associate Jing Shi, who grew up in China, was the first in her family to go to university.
- Terry Capp, a manager in Consulting and Deals, was inducted into the Canadian Motorsports Hall of Fame.

After reading these stories and others, Reza Saljoughiam, a manager in Consulting, commented, "I'm relatively new to the firm and it's great to see how PwC encourages diversity and stands behind it. I think diversity is and will be one of the key success factors of any company now and going into the future."

## **Coaching**

We delivered a series of coaching training sessions for our staff including diversity and inclusion material. We also improved the frequency and quality of coaching conversations. One such example included our Coach Connect program piloted by our Consulting & Deals practice. The program focused on enhancing the impact of our coaching program by offering new tools and support to our team. The tools helped improve evaluation and measurement abilities and resulted in stronger coaching relationships and improved employee performance.

For PwC partners, we implemented a new external coaching strategy that provided focused support for key partner transitions and senior leadership roles. A total of 33% (137) of partner population received this specialized training during FY2013, compared to 18% (75) in the previous year. Feedback from the coaching experience yielded an overall net promoter score of 4.2 out of 5 and highlighted areas for future process improvements and integration to be implemented during FY2014.

Overall, we will continue to make coaching a strategic focus in FY2014. Our Consulting & Deals practice will be rolling out the Coach Connect program across the country, while our Audit and Assurance practice will be developing a similar series of programs. Our Tax and Internal Firm Services groups will focus on career and development coaching and are looking for virtual platforms to deliver the sessions.

## **Global mobility**

In FY2013 we continued to focus 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 for their co-workers both in the host country and in their home region. In FY2013, 82 people (16 outbound, 66 inbound) participated in a Global Mobility secondment – an increase of 15 people (22%) from FY2012.

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

In FY2013 we continued to expand Enhanced Working Practices (EWP) across all of our lines of service, placing increased emphasis on using EWP to deliver strong client service. Additionally, we started to embed the practices into formal learning programs, including a new program called Dare to Doubt, which helped our partners and managers coach their engagement teams to apply professional skepticism when working with audit clients. After the highly interactive classroom event, including a simulated court case, participants organized engagement team workshops where all team members identified and discussed areas of professional skepticism as it related to their clients. More than 55% of our Canadian employees experienced EWP on-the-job during FY2013 and many more were introduced to the practices through formal learning events. In FY2014 we will look to further cement EWP as part of our culture, branding EWP as our on-the-job coaching approach and embedding it into key people processes, such as on-boarding, recruitment and performance management.



## Measuring our success

In our FY2013 Global People Survey (GPS), we got high marks and/or saw improvements in several areas, including our efforts to ensure that people feel save to voice their opinions and the ways we are addressing enhancements to our work-life flexibility programs.

We were able to achieve these strong results because we listened closely to the feedback from the FY2012GPS and continue to 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 with our CEO and his Canadian Leadership Team (CLT) on matters of importance to our staff.
- **Work/life flexibility:** we increased monitoring of workloads and 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 level 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 30.



## Putting ideas into action: PwC Canada's National Staff Council

The National Staff Council is comprised of 20 members representing different staff levels, lines of service, regions and cultural backgrounds. It was formed to provide input to the senior leadership team around significant issues impacting staff so that the views of our people are considered in the decision-making process. Whether it's meeting face to face or through virtual interactive sessions, the group works as a team to bring together different perspectives and is charged with developing innovative and unique ideas that make a difference. During FY2013 we made great headway in strengthening our employee experience.

"It's been such an honour to be part of the staff council team," says Vancouver representative, Kristy Hislop. "I've met so many amazing people and learned so much about the other lines of service. It's also really nice to know that leadership is taking an active interest in hearing from the staff and is actually incorporating our ideas into national programs and action plans."

The Council has discussed several ideas this year that included enhancing the firm's thank you culture, work/life flexibility and non-monetary compensation. The most recent initiative put into action was a networking event with alumni to build PwC's sales culture.

"Managers and senior managers told us that having proper sales and

relationship skills are key to pursuing business and ultimately, to achieving success at the firm," says council-member Anthony Ampatzis, a senior manager in Tax. "So before we held the event, we had members of leadership work with the managers so they could better understand the various phases of client interaction." With this helpful preparation, managers were much more confident heading into the event to deal with CEOs and CFOs.

"Every action our people take has a domino effect on a client's decision to do business with us," continues Anthony. "Networking helps build trusted relationships and understanding of a person's needs. As credibility grows, our networks are more likely to refer PwC as they seek to assist their contacts."

The event was a great learning experience, teaching our people how to engage with others openly and honestly. "The best part of the evening are the success stories that our people bring back and share with their teams," says Anthony. "It's through collaboration that we're really going to see profitability and growth."

With that success, the Council is on to their next initiative: Appreciation Week. Kristy says, "I feel very lucky to work for a company that truly values its employees and their ideas. I'm proud of what the Council has accomplished as a team so far – taking methodologies and applying them to real-life business situations."

# 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 all aspects 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 and illustrate the ways that sustainability is a core component of strong governance and organizational accountability.

Our marketplace initiatives in FY2013 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 are strengthening our understanding of which PwC defined sectors are most exposed to risks extending from environmental, social and governance issues through the development of a new heat map. We are also continuing to develop thought leadership publications on a variety of topics including trust in business, marketplace transformations and regulatory compliance to support our clients in addressing emerging marketplace issues. For the second year, we have 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 27).

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

We continued to review our responsible business policies and processes within the firm during FY2013 to help improve our governance frameworks and to ensure we provided formal opportunities for our employees to talk about important workplace issues. We ascertained that no updates to our responsible business policies were required at this time.

Building on a review of our corporate contributions policies in FY2012, we standardized definitions, current spending and decision making frameworks at a local level in FY2013. This work has helped to improve communications with stakeholders and to enhance transparency related to our decision-making processes.

## ***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 training
- 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 FY2013 we achieved a 100% completion of compliance confirmation (FY2012: 100%).

### **Assurance Quality and Methodology webinars and shorts**

We continued to deliver our annual Audit and Assurance Technical Update Program during FY2013 and engaged more than 1,500 partners and staff in our Audit and Assurance Group through eight Assurance Quality and Methodology (AGM) webinars. New this year was the provision of a series of AQM shorts (5 to 15 minutes in length) for teams to use on the job to address common questions on key audit topics. A key focus in FY2013 was to provide this training to our staff working on client sites to help enhance the value and quality of our work.

### **Virtual Tax Training**

Building on our success in FY2012, we hosted a second Virtual Tax Conference and provided virtual training on Tax Knowledge over a one-week period to 590 PwC partners and managers. For the first time, this year we also included 40 external clients in the training programs and solicited feedback from all participants. Results were positive, with 80% of participants stating they would recommend the conference to others. In addition, we also received a 2012 Virtual Communication Excellence Award from ON24, a webcasting and virtual events solutions company. This award recognizes organizations that pushed the boundaries of virtual communication and defined best practices for the industry. Nominee evaluations were based on return on investment, immersiveness, branding impact and achievement of business objectives including quality.

### **Private Company Services (PCS) outlook**

We hosted a series of regional events throughout FY2013 with the purpose of sharing perspectives, learning and collaborating with colleagues across our lines of service specific to Private Company Services. The sessions focused on sharing the upcoming year's business priorities, the past year's lessons learned and wins, as well as key learnings to assist partners and staff in becoming highly effective in their roles and in client engagements. The sessions balanced national and regional priorities, focus areas and ran in their entirety in Montreal, Toronto, Calgary and Vancouver. Sessions also ran in various regional offices, either in entirety or portions key to that region's needs. This work will continue in FY2014.

### **Consulting foundations for the future**

We launched a new onboarding program for new graduates entering our Consulting practice in Calgary and Toronto called Foundations for the Future. Designed to build strong and consistent base-line consulting skills in our junior staff as well as create opportunities that empower them to deliver high-value client experiences, the program has two main components. First is an eight-day formal learning experience upon arrival to the firm, which introduces networking opportunities and real-life client simulations. The second component is on-the-job learning opportunities over the course of the year including rotations in different Consulting groups, numerous client engagements, monthly Lunch and Learn sessions and quarterly peer-to-peer review meetings with coaches, Learning and Development and Human Resources. We completed the first year of a two-year program during FY2013 and received positive feedback from participants as well as their business units. We will be looking at longer term measures of success during FY2014 and reporting back on our progress.



*"I really appreciated the format of this year's conference. While new to the digital platform, I found it extremely intuitive and easy to navigate. I was able to participate in my sessions without difficulty. I was especially grateful for the chance to connect with colleagues nationally without interruptions for travel or trip arrangements. As a result, I had the opportunity to maintain my intense client and family commitments over the same period. Congratulations on an awesome conference format!"*

Adam Freiheit  
Senior Manager, Tax

## ***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 more than 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—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 and 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, as well as accreditation as a certification body for the Forest Stewardship Council Chain of Custody Standard.

## ***Our responsible business heat map***

We strengthened our understanding about which PwC defined sectors, competencies and services are most exposed to risks extending from environmental, social and governance issues. We developed a responsible business heat map to help visualize these risks and opportunities and found that the top areas to embed sustainability in our current service offerings included Audit, Risk & Controls and Transaction Services practices. This work

complemented initiatives occurring at a PwC global level looking at Corporate Responsibility with the audit process, and we plan on creating a process document to help us embed this work more deeply in FY2014.

## ***Catalytic dialogues 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 conversations in FY2013:

- ***PwC's Vision to Reality Conference*** is our firm's exclusive forum for emerging Canadian technology companies. In FY2013, we provided an opportunity for 450 entrepreneurs from across Canada to forge new relationships, meet potential new business partners and to discuss the results of our annual survey and report on the emerging technology company space.

The morning sessions at this year's conference consisted of workshops for pre-selected applicants to access mentorship opportunities led by some of Canada's most successful entrepreneurs. Moving into the afternoon, there was an open session for the entire start-up community, consisting of a series of insightful and inspirational talks by leading entrepreneurs and innovators on themes affecting the industry. This conference will take place again in FY2014.

- ***PwC's 16th Annual Global CEO Survey*** aimed to inform and stimulate the debate on how businesses are facing today's challenges. The survey was conducted during FY2013 and interviewed more than 1,300 of the world's chief executives in 60 countries, including 120 in Canada. This year's survey looked at key items on CEO agendas around the world including confidence in growth, current threats like the availability of talent and approaches to leadership.

## ***The Mosaic Company: environmental, health and safety certification engagement***

PwC's Sustainable Business Solutions practice was engaged by The Mosaic Company to certify their Environmental, Health and Safety (EHS) management system to international standards. With its headquarters near Minneapolis and mines located in Canada and the U.S., Mosaic is a leading global producer of phosphate and potash used in the production of fertilizer.

After completing the initial certification project at selected sites in 2011, Mosaic engaged PwC to certify several additional mine sites in the U.S. and Canada, as well as distribution facilities in Brazil and Argentina, to two globally recognized standards: the ISO 14001 Environmental Management System standard and the OHSAS 18001 Occupational Health and Safety standard. Some of the positive outcomes of the engagement are illustrated in the following client citation:

"Mosaic has achieved a significant milestone with the implementation of our Environmental, Health and Safety Management System, which was certified to the ISO 14001 and OHSAS 18001 standards in 2011. The EHS MS represents a positive shift in operating culture at Mosaic, which was a key factor in achieving a 25% reduction in injuries in fiscal 2012, our best safety performance to date. PwC has provided excellent service in their role as our independent Certification Body, including insightful, value-added feedback to support the continual improvement of our EHS management system."

Canadian CEOs seem far more confident about their revenue prospects than their global counterparts, particularly when taking a longer term view. Some 60% of Canadian CEOs stated they were very confident about their revenue growth prospects over the next three years, despite a lukewarm trust in the global economy. About a quarter (26%) feel the global economy will improve over the next 12 months, with 24% believing it will decline.

Overall, talent remains a key issue as 63% of Canadian CEOs ranked the availability of key skills the biggest threat to growth prospects. Talent will continue to remain top-of-mind as more than three quarters of Canadian CEOs plan to increase investment in creating and supporting a skilled workforce.

Change continues to be a common theme for Canadian CEOs with 62% intending to change their strategy in the next 12 months. Customer growth, M&A and an increase in technology investments are the primary areas where changes are planned.

- ***The Directors' Cut – Cleaning up corruption: Why anti-corruption compliance should be on the board's agenda*** – We held a special Audit Committee Connect webinar in FY2013 focusing on anti-bribery and corruption (ABC) laws and their impact on Canadian companies. We hosted leading practitioners to speak about the US Foreign Corrupt Practices Act and top PwC Canadian and US experts reviewed ABC legislation in Canada, the US and the UK outlining the critical factors companies and directors should be considering in addressing their compliance with these requirements. In our briefing about the webinar, we summarized the key takeaways from the session and the results of polling questions we asked participants during the session. We also included the Top 10 questions to ask about bribery and corruption.

## **Sponsorships**

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 teamwork. 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.

PwC also continued to invest in education. In FY2013 we donated \$507,000 to post-secondary institutions across Canada, up from \$364,000 in FY2012. While this number has increased, our total support for non-charitable sponsorships has decreased by a similar amount from \$2,882,000 in FY2012 to \$2,689,000 this year.

The National Business Book Award is a prestigious \$20,000 award sponsored by PwC that recognizes outstanding talent in

Canadian business writing. The winner of this year's National Business Book Award was Chrystia Freeland for her book, *Plutocrats: The Rise of the New Global Super-Rich and the Fall of Everyone Else*, published by Doubleday Canada.

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. This year's winner was Brian Lawson, CFO at Brookfield Asset Management. Mr. Lawson was named Canada's CFO of the Year™ by an independent committee composed of several prominent members of Canada's business community. The judging criteria are as follows: vision and leadership; corporate reporting and performance; social responsibility; innovation and business complexity. Award candidates from a wide range of business sectors were nominated by CEOs, members of boards of directors, financial analysts and other senior executives.



## PwC's economic contribution to the Canadian economy

At PwC, we focus on building sustainable economic growth for the benefit of our clients, suppliers, partners, staff and ultimately the communities where we live, work and serve.

More specifically, the direct spending related to PwC Canada's day-to-day business activities generate important economic benefits to our communities, provinces and the broader Canadian economy. This direct spending in turn produces indirect spending by suppliers, thereby generating additional impacts to the economy. These spill-over activities also contribute to the national economy. Some of these economic benefits include:

- contributing to the Canadian GDP
- purchasing from Canadian suppliers
- supporting Canadian jobs
- paying government taxes

As demonstrated in the table below, PwC plays an important role in the Canadian economy. In addition, PwC generates significant qualitative economic benefits not captured in this table which are discussed in other sections of the 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 3 are based on PwC operating expenditures in Canada for FY2013. Our FY2012 results and impacts have also been included and presented for comparative purposes.

The total operating expenditures in FY2013 in relation to PwC's business activities generated an estimated \$1.3 billion of direct and indirect spending in the Canadian economy. Netting out purchases from these operating expenditures to identify a measure of "value added" we estimate these operating expenditures have generated an estimated \$1.1 billion to Canadian GDP. Over the FY2013 period, total economic contributions represented approximately 0.07% of the national GDP and 1.3% of the professional, scientific and technical services industry.<sup>1</sup> PwC supported an estimated \$852 million in total direct and indirect wages and

salaries in Canada. Government tax contributions generated from economic activity was an estimated \$187 million which contributes to providing public services to Canadians. In terms of employment, operating expenditures result in the support of 9,971 full time equivalent jobs across Canada and PwC employed 5,419 of these jobs.<sup>2</sup> As a result of purchasing from Canadian suppliers, PwC has supported an additional 4,552 full time equivalent jobs in other industries.

It should be noted that this section has focussed on the contributions PwC makes to the Canadian economy through its direct operational spending. From another perspective PwC contributes to Canada's economic performance by strengthening the economic and financial performance of its clients through its tax, audit and consulting work. These contributions can be significant, but measuring from this perspective is more difficult.

**Table 3: Total Economic Impact of PwC's Business Operating Expenditures, Canada**

\$ millions	Total Economic Impact FY2013	Total Economic Impact FY2012
Output	\$1,304	\$1,279
GDP	\$1,100	\$1,074
Wages and Salaries	\$852	\$830
Government Revenues	\$187	\$183
Employment (FTE)	9,971	9,953

<sup>1</sup> As defined by Statistics Canada's North American Industry Classification System (NAICS 54)

<sup>2</sup> Including PwC partners, employment totaled 5,932.

# Our corporate responsibility performance

This table represents our progress against priorities identified in our 2012 Highlights document and defines our key priorities moving forward.

Quadrant	FY2013 priorities	FY2013 update	FY2014 priorities
Community engagement	Develop new models to measure how our foundation strengthens employee capabilities while driving business value and creating community social impacts.	<b>ONGOING</b> We worked in collaboration with our global CR teams to develop new benchmarking systems and chose to put the development of other measurement and evaluation frameworks on hold.	Measure and enhance the impact of community volunteer activities by increasing the ratio of skills-based volunteer experiences.
	Align and embed PwC's community strategy with the PwC Experience.	<b>ACHIEVED</b> We integrated communities into our firm vision and business strategy. We also transformed our National Volunteer of the Year award into a communities CEO award to better align with our PwC Experience.	Deepen and enhance 'communities' thinking within PwC's business strategy.
Environmental stewardship	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.	<b>ACHIEVED</b> We transformed our local community and environmental employee groups as part of a broader CR committee. Our annual CR week and environment GPS scores saw higher engagement rates.	
	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.	<b>ACHIEVED</b> We undertook waste audits this year and added paper usage as part of our GHG emissions reporting metrics. In addition, we undertook an assessment of our broader environmental stewardship portfolio to benchmark alongside other firms across our global PwC network.	Demonstrate enhancements in our progress towards reduction targets in alignment with our energy and carbon reduction strategy.
People, diversity and inclusion	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.	<b>ACHIEVED</b> We undertook a National Inclusion survey and workforce census, reviewed results, took action on feedback and monitored progress through our new D&I dashboard.	Strengthen our employees' inclusive leadership competencies and communicate our impacts of our work.
	Enhance and embed our coaching priorities and measure impacts related to the PwC Experience.	<b>ONGOING</b>	Continue to embed CR into learning and education platforms to help support employee behavioural change.
Responsible business	In line with the new Environmental Policy, identify opportunities to further improve on our responsible procurement practices.	<b>ONGOING</b> We undertook ongoing reviews of our policies and determined that no updates were required at this time.	Continue to identify opportunities to improve responsible procurement policies and practices.
	Develop an across-line-of-service approach to how we go to market and deliver our services.	<b>ACHIEVED</b> We developed a responsible business heat map to help visualize CR risks and opportunities across our PwC competencies and service offerings.	Integrate CR risks and opportunities into PwC competencies and service offerings.

## Key performance indicators

We track and report the following figures as part of our overall commitment to being a responsible firm.

Quadrant	Performance Indicator	Unit	FY2013	FY2012	FY2011	FY2010	FY2009
<b>Community engagement</b>							
Giving	Charitable donations and sponsorships	Thousands of CAD	1,998	2,399	2,533	2,030	2,192
	Contributions by partners and staff to United Way <sup>1</sup>	Thousands of CAD	2,128	2,200	2,182	2,156	1,917
<b>Employee engagement</b>							
Employee engagement	Participation in team volunteering events	Number of staff and partners	2,297	2,287	2,275	2,283	2,400
	Time spent by partners and staff in team volunteering events <sup>2</sup>	Hours	17,200	17,100	17,100	17,100	18,000
	Skills based team volunteering events	% Total number of team volunteering events	29	15	n/a	n/a	n/a
Employee satisfaction	"I am satisfied with the actions PwC is taking to be socially responsible (e.g., supporting community events, organisations and charities)."	% Favourable	84	83	n/a	n/a	n/a
<b>Environmental stewardship</b>							
Greenhouse gas emissions <sup>3</sup>	Scope 1 (natural gas and fuel oil consumption)	Tonnes of CO <sub>2</sub> e	1,720	3,470 <sup>6</sup>	1,330	1,360	1,440
	Scope 2 (electricity consumption)	Tonnes of CO <sub>2</sub> e	3,150	3,520	3,440	3,670	3,890
	Scope 3 (air travel, car rentals, rail travel, hotel stays and paper consumption) <sup>4</sup>	Tonnes of CO <sub>2</sub> e	7,730	6,580	5,940	5,970	6,380
Business air travel	Distance flown by PwC partners and staff	Thousands of kilometers	50,182	44,963	48,034	48,232	48,660
Paper usage	Office paper consumption <sup>2</sup>	Thousands of sheets	51,868	58,350	58,915	66,348	68,350
Employee satisfaction	"I am satisfied that PwC is responding appropriately to address the impact of our business activities on the environment."	% Favourable	72	67	n/a	n/a	n/a
<b>People, diversity and inclusion</b>							
Workforce	Partners	Number of partners	513	417	420	425	413
	Staff	Number of staff	5,419	5,528	5,311	5,303	4,973
	Voluntary departures	% Staff	14	16	16	12	12
Employee satisfaction	"I would recommend PwC as a great place to work."	% Favourable	76	70	71	70	78
	"I am proud to work at PwC."	% Favourable	85	80	81	80	86
Diversity and inclusion	Women <sup>2</sup>	% Staff and partners	61	55	56	57	58
	Members of a visible minority <sup>2</sup>	% Staff and partners	23	28	28	27	27
Work/life flexibility	Reduced schedule	% Staff	3	3	4	4	4
Coaching, learning and development	"I have the opportunity to work on challenging assignments that contribute to my development."	% Favourable	79	75	74	73	76
	"The learning and development I receive at PwC has prepared me for the work I do."	% Favourable	70	74	74	75	77
<b>Responsible business &amp; the marketplace</b>							
Revenues	PwC Canada revenues	Millions of CAD	1,120	1,108	1,096	1,034	1,030
Non-charitable sponsorships	Education sponsorships	Thousands of CAD	507	364	571	545	475
	Other sponsorships	Thousands of CAD	2,689	2,882	1,517	1,826	1,604
Business conduct	Completion of annual compliance confirmation <sup>5</sup>	% Staff and partners	100	100	99.8	100	100

1 The United Way campaign is tracked based on a calendar year basis. Therefore, the FY2013 value refers to the January 1, 2012 - December 31, 2012 campaign.

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

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 FY2011 to current year and Atmosfair for FY2009-FY2010. GHG emissions from Hotel stays, Rental Cars and Rail have been estimated in FY2011 based on averages of prior years. In FY 2012 and FY2013, they are based on hotel nights, car rental service provider reports, and VIA rail utilization reports. Emission factor sources used in calculating the carbon footprint are taken from: annual National Inventory Reports:

Greenhouse Gas Sources and Sinks in Canada, Environment Canada; and Climate Change 1995, The Science of Climate Change: Summary for Policymakers and Technical Summary of the Working Group I Report, IPCC, 1995.

4 GHG emissions from paper consumption are not included in emissions values for FY2012 or prior years.

5 The annual compliance cycle is from September 1st to August 31st. Therefore, the FY2013 value refers to the cycle ended August 31, 2012.

6 The spike and drop in 2012 was due to the first time reporting of Fuel Oil in one of our Toronto office buildings. PwC moved out of the building before FY2013.

# *Looking ahead*

We are proud of the progress we have made this year and look forward to continuing to embed good corporate responsibility practices into our business operations. In FY2014, we will continue to focus our work related to leading 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 these important conversations. It provides our firm with a unique opportunity to use our skills, voice and relationships to catalyze change. 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 2013* 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 2013* 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 2013* 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.