

Global Compact  
Communication in Progress  
Panama, March 15, 2005





Panama, March 15, 2005.

**PricewaterhouseCoopers**

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Your Excellency  
Kofy Annan  
General Secretary  
ONU

Your Excellency:

From the time our Firm was approached by enthusiastic promoters of the initiative for Panama to become part of the Global Compact, we expressed our interest, being this Firm, through my representation, one of the founding signatory members in Panama.

Our interest has been exposed to the community through our unconditional support to the Global Compact Web, being part of its Board of Directors since its beginnings in the year 2002.

Our Firm has communicated its support through our area of influence, as promoters of seminars that incentive the principal of RS in the executive world. We have offered man-hours of our consultants for the carrying out of the assignments required by the Global Compact Web for its best performance, as well as our installations, all with the objective of promoting a higher participation of the executive sector.

We are fully convinced of the social responsibility of the executive sector, maintaining our interest in supporting the initiative of our country, and to continue increasing our participation in the activities related to the RS.

With our highest consideration and appreciation,

Sincerely,

A handwritten signature in black ink, appearing to read 'Antonio Latorraca Espinosa', written over a horizontal line.

Antonio Latorraca Espinosa  
Partner

# Contents

- Principle 1: Human Rights
- Principle 2: Work
- Principle 3: Environment
- Principle 4: Anti-corruption

# PRINCIPLE # 1: HUMAN RIGHTS



## PRINCIPLE # 1: HUMAN RIGHTS

Support and respect the protection of human rights acknowledged internationally within its sphere of influence.

PwC has enthusiastically collaborated, since its beginning, in the promotion of the Global Compact within its sphere of influence with the participation of its managing partner in the Board of Directors of the Global Compact web. PwC has also collaborated as promoter of events, offering man-hours of its consultants for the carrying out of follow-up surveys of the web and in the use of its installations for the training of others. See Exhibit #1.



# EXHIBIT 1

## PWC PANAMA SUPPORT TO THE GLOBAL COMPACT WEB

## MOTIVATING SEMINARS

**I Seminar held on April 6, 2004 in the offices of PricewaterhouseCoopers**

**Attendance: 30 participants**

**II Seminar held on June 29, 2004**







## **SURVEY ELABORATION**

**We had the Sponsorship of PricewaterhouseCoopers, signatory firm of the Global Compact Web Panama, for the elaboration of the survey.**

**Determined the level of advance in compliance with the principals of the Global Compact in Panama.**

**Satisfaction of the members of the Web with the services given as of this date by the Association.**

**Held on July 27, 2004.**



## Conference for the Signatories of Executive Social Responsibility and Social Reports

**Sponsored by:**

**PricewaterhouseCoopers**

**Speaker: Luis Perera Aldama,  
Author of the book: "Reporte  
Social: Un Cuarto Estado  
Financiero Básico" (Social  
Report: A Fourth Basic Financial  
Statement)**

**Breakfast for signatories of the Global  
Compact and special guests with 30  
participants.**

**Held at the Bristol Hotel on October 20,  
2004.**





**Conference on  
Executive Social Responsibility and Social Reports – Chamber of Commerce of Panama**

**Sponsored by :**

**PricewaterhouseCoopers**

**Speaker: Luis Perera Aldama**

**Conference for members and special  
guests with an attendance of 30  
participants.**

**Held in the Conference Room on  
October 20, 2004.**



## PRINCIPLE # 1: HUMAN RIGHTS

Support and respect the protection of human rights acknowledged internationally within its sphere of influence.



Respect for others, work environment exempt from discrimination or harassment. At worldwide level, PwC designed a Code of Conduct which enumerates as one of its principles the respect for others, relationships with respect, aiming to balance work and private life, among other many issues. Once the Code of Conduct was developed, a promotional program was adopted through the publication of brochures, conferences, and consistent follow-up for compliance with the program. (See Conference held in Panama in Exhibit #2. For more information visit [www.pwcglobal.com/ethics](http://www.pwcglobal.com/ethics))

## EXHIBIT 2

### Summary of Firm's Conference on the Code of Conduct



# *Code of Conduct*

*The manner of Doing Business*

PRICEWATERHOUSECOOPERS 

## Goals and Objectives:



The **goal** of this conference is to be informed in regards to some of the key aspects in relation to our manner of doing business, and, most important, complete the following **objectives**:

- To create awareness and offer an outlook of the Ethics and Business Conduct Program of PwC, emphasizing our Code of Conduct.

# Summary



## Impact in PricewaterhouseCoopers

=

- Greater expectations on higher standards of behavior and conduct

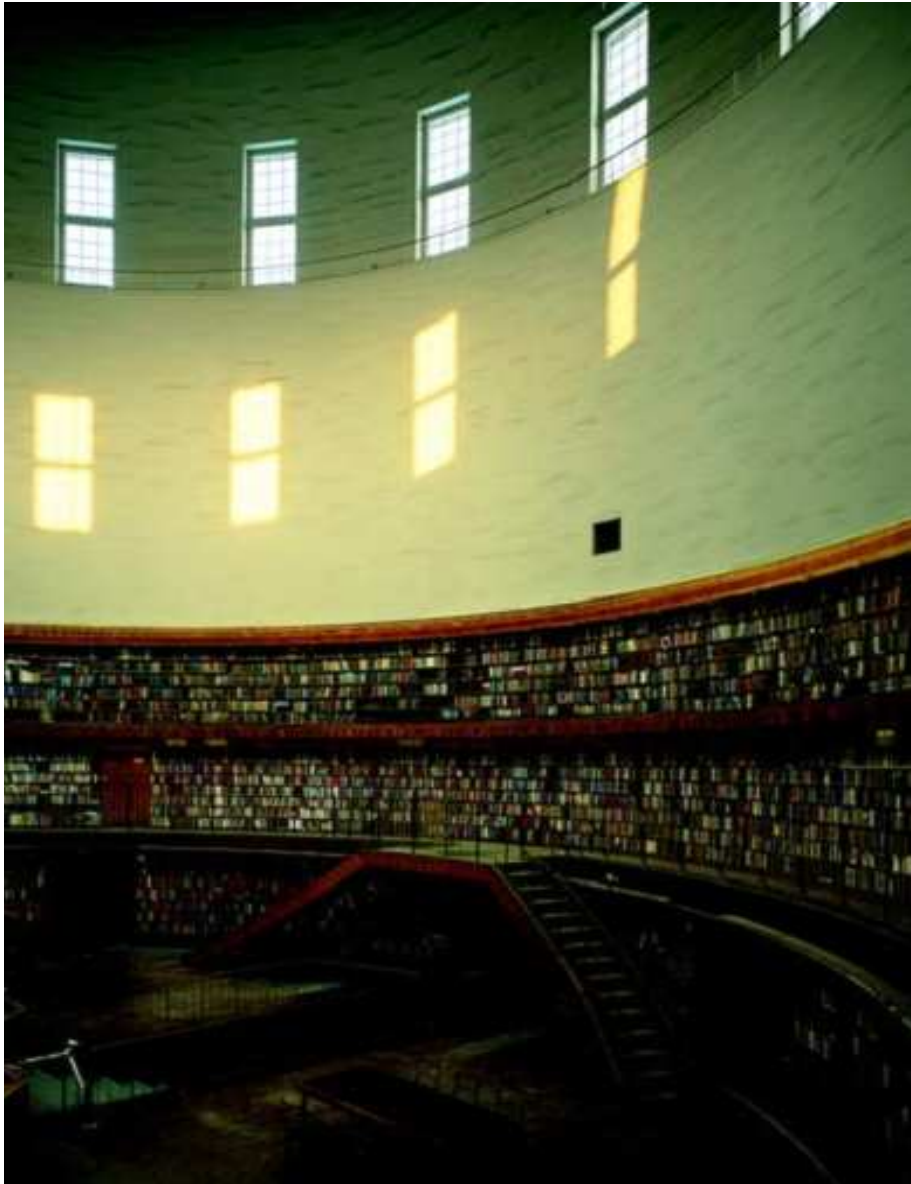
Global Code of Conduct







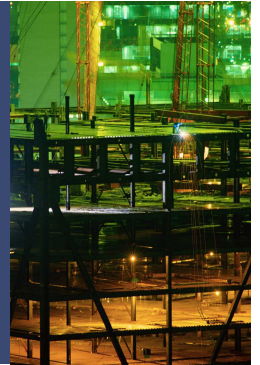
Our Values



What helps us to achieve our aspirations?  
How do we behave with our clients and colleagues?  
In conclusion:  
**How do we fulfill our mission?**

We have three essential values that define how we wish to behave and act in our business





**Pwc Values** describe the qualities that we feel should characterize our relation with our groups of interest (stakeholders). These are:

**Excellence**, achieved through *Innovation, Apprenticeship and Agility.*

**Team Work** requires *Relations, Respect and Sharing.*

**Leadership** demands *Courage, Vision and Integrity.*

# Code of Conduct



The laws, regulations and internal policies that conform the frame of reference to accomplish our business do not govern all types of behaviors.

The Code of Conduct's aim is to take our values to the next level, in summary, these are “our Values in action”,

# Code of Conduct



The Code supplies a wide range of **guides on standards of integrity and business behavior**, but it can not treat every possible situation encountered by individuals.

Also, there will be demands for the rules/regulations/local cultures, to be added to the mixture.

But we all have the **obligation** to know, understand and comply with the letter and the spirit of this Code.

# Summary



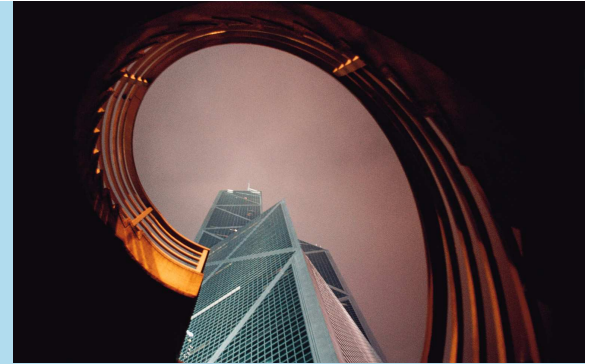
## Values in Action

Considered together with the rules/regulations/local cultures

but ...

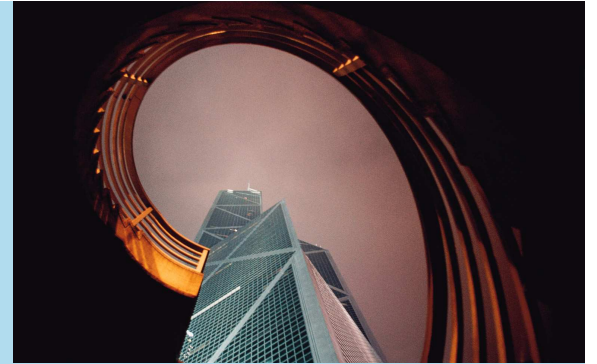
imposes obligations to comply with the guides

# Code of Conduct



No Code can supply all the answers for all the questions of all the people – **it does not substitute our responsibility and obligation in the rendering of accounts** in the use of good judgment and procurement of orientation with those responsible at local/regional levels regarding matters of business conduct.

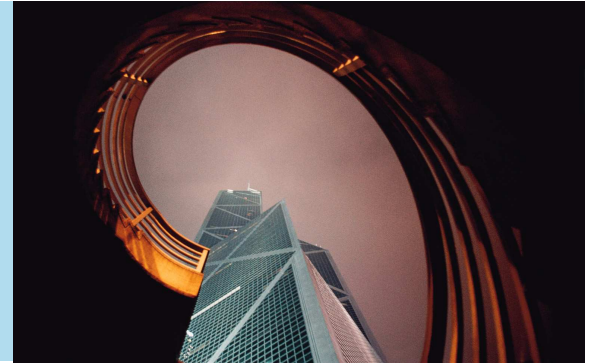
# Code of Conduct



We should search locally and globally for any answer. **Local orientation** will always be consistent with the Global Code. Consequently, whenever local orientation is present on a particular matter, stick to it. If you can not find specific local orientation, then you should refer to the Global Code of Conduct.



# Summary



## Need of:

- Responsibility
- Rendering of Accounts
- Good Judgment
- Extra Orientation



The Code supplies orientation on standards of integrity and business conduct based on our Values.

# Summary – Maintain the name



- Professional competence
- Integrity
- Client selectivity
  
- PwC
- Use assets responsibly

# Summary

## Professional behavior



- Compete vigorously, but...
- Work with high standards
- Deliver what you promise
- Be honest
- Respect confidentiality
- Avoid conflicts of interest
- Follow professional rules and standards
- In case of doubt, consult
- No bribes

# Summary – Respect for others



- Treat everyone with respect
- Be proud of diversity
- No discrimination / harassment
- Balance between work / personal life
- Capabilities / increasing abilities
- Safe environment

# Summary – Social Responsibility



- Support human rights
- Be socially responsible
- Respect the environment
- Help others
- Support fight against corruption

# Our responsibilities



Each of us has individual responsibilities related with the Code of Conduct and PwC has, in turn, organizational responsibilities. Let us review each one. As individuals, we should:

- **Understand and follow the Code** – this means that our daily behavior should reflect the Code and our Values.

# Our responsibilities



**Consult** – ask others, including experts on various matters, their opinion on behavioral problems in the business.

**Help others** – discussing with them issues and dilemmas of business conduct. Help our colleagues to mend things through the review of all sides of the problem.

**Take actions** – we can not ignore the problem or possible problems that come to our attention. We must express our anxieties and report problems through the proper channels

# Summary



## Individuals

- Follow the Code and local orientation
- Express uneasiness
- Consult
- Support others
- Take action

## Firm

- Supply confidential resources
- Free of reprisal environment
- Investigate thoroughly
- Take action



# PRINCIPLE # 1: HUMAN RIGHTS

## POINTER

Survey to evaluate the implementation of the program of the Code of Conduct

The results of the survey were within the superior level of that expected, personnel identified the existence of a commitment of the leaders of the Firm in complying with the Code of Conduct, as well as in creating the climate and culture necessary for its fulfillment. See results of the survey in Exhibit #3

# EXHIBIT 3

## RESULTS OF THE SURVEY

October 2004 Global Survey on Ethics  
Territory Results

Global Survey on Ethics Territory Results		Interamericas				Advisory				Assurance				Tax				IFS-Shared Services/Other			
		Agree (4 to 5)	Disagree (1 to 2)	Average Response*	Number Responding	Agree (4 to 5)	Disagree (1 to 2)	Average Response*	Number Responding	Agree (4 to 5)	Disagree (1 to 2)	Average Response*	Number Responding	Agree (4 to 5)	Disagree (1 to 2)	Average Response*	Number Responding	Agree (4 to 5)	Disagree (1 to 2)	Average Response*	Number Responding
<b>Questions</b>																					
1	I am familiar with the resources available to help me resolve ethical and business conduct issues.	90.1%	5.5%	4.4	91	82.1%	7.1%	4.3	28	93.6%	4.3%	4.5	47	100.0%	0.0%	4.8	9	85.7%	14.3%	4.0	7
2	I believe my leader is committed to an ethical workplace at PwC.	93.3%	2.2%	4.6	90	92.9%	0.0%	4.5	28	95.7%	2.2%	4.7	46	88.9%	0.0%	4.7	9	85.7%	14.3%	4.3	7
3	I am responsible for reporting improper conduct of PwC partners and colleagues.	78.4%	8.0%	4.2	88	77.8%	14.8%	4.2	27	84.8%	4.3%	4.3	46	87.5%	0.0%	4.6	8	28.6%	14.3%	3.3	7
4	I can report or express questions about misconduct in a confidential and secure manner within my firm.	79.1%	8.8%	4.2	91	78.6%	14.3%	4.1	28	85.1%	4.3%	4.4	47	77.8%	22.2%	4.1	9	42.9%	0.0%	3.6	7
5	PwC takes appropriate action to penalise unethical behaviour.	83.3%	2.2%	4.3	90	75.0%	3.6%	4.2	28	89.1%	2.2%	4.4	46	77.8%	0.0%	4.3	9	85.7%	0.0%	4.3	7
6	I know where to find supplemental guidance to the Code of Conduct specific to my country.	74.4%	11.1%	4.1	90	64.3%	17.9%	3.8	28	84.8%	6.5%	4.3	46	88.9%	11.1%	4.6	9	28.6%	14.3%	3.4	7
7	Actions and communication of senior leadership demonstrate commitment to a high standard of conduct.	85.6%	3.3%	4.4	90	82.1%	3.6%	4.3	28	87.2%	4.3%	4.5	47	100.0%	0.0%	4.6	8	71.4%	0.0%	4.3	7
8	I have participated in PwC training that included a component on ethics and business conduct within the past year.	90.0%	3.3%	4.6	90	81.5%	3.7%	4.4	27	95.7%	2.1%	4.8	47	100.0%	0.0%	4.8	9	71.4%	14.3%	4.0	7
9	I have received a copy (hard copy and/or electronic) of the 'PwC Code of Conduct - The way we do business'.	96.7%	3.3%	4.8	91	100.0%	0.0%	5.0	28	95.7%	4.3%	4.8	47	100.0%	0.0%	4.9	9	85.7%	14.3%	4.3	7
10	The PwC Code of Conduct and supplemental guidance supports me in making business decisions.	92.3%	1.1%	4.6	91	89.3%	0.0%	4.6	28	93.6%	2.1%	4.6	47	100.0%	0.0%	4.7	9	85.7%	0.0%	4.6	7
11	I believe my business conduct and adherence to the PwC Code of Conduct impacts my performance evaluation.	89.0%	3.3%	4.5	91	85.7%	0.0%	4.5	28	91.5%	6.4%	4.5	47	100.0%	0.0%	4.7	9	71.4%	0.0%	4.1	7

\* all results based on 5-point scale, where 1 = completely disagree, 2 = somewhat disagree, 3 = neither agree nor disagree, 4 = somewhat agree, 5 = completely agree

## PRINCIPLE # 1: HUMAN RIGHTS

Support and respect the protection of human rights acknowledged internationally within its sphere of influence.



Improve the organizational climate of the Firm through diverse strategies defined in the annual plan and yearly monitoring to evaluate the impact of the changes.

# PRINCIPLE # 1: HUMAN RIGHTS

## POINTER

Organizational climate of the Firm

## RESULTS

The ratio of the organizational climate evaluated in the survey of 2004 shows better percentages that those obtained by the Firm in other countries. See Exhibit #4.

# Exhibit 4

## CATEGORY SUMMARY

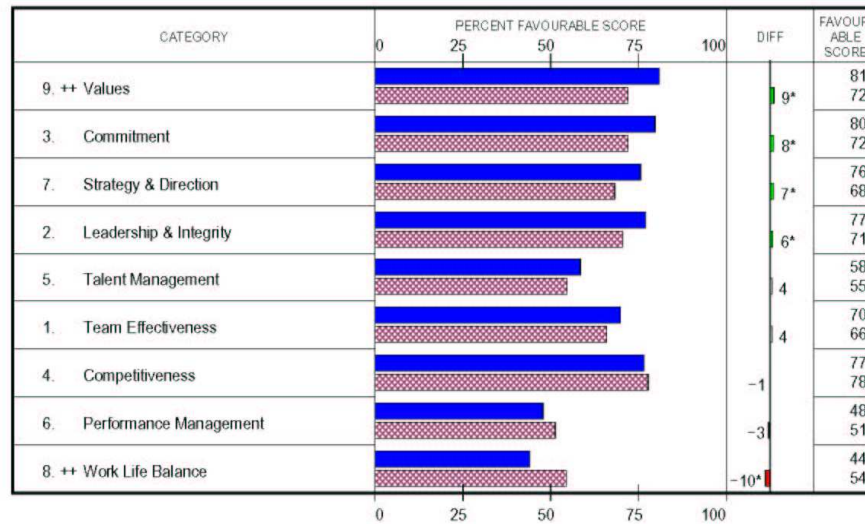
### INTERAMERICA / PWC OVERALL



#### PricewaterhouseCoopers – Global People Survey 2004 Category Summary

PAGE 1

GROUP	SYMBOL	NUMBER
INTERAMERICAS	A	452
PWC OVERALL [W]	B	40203



\* A statistically significant difference at the 95 % Confidence Level  
 ++ Category score based on 2 items only.



PAGE 1

## PRINCIPLE # 1: HUMAN RIGHTS

Support and respect the protection of human rights acknowledged internationally within its sphere of influence.



Bring joy to orphaned children through annual programs for holidays such as Child's Day and Christmas. See Exhibit #5

## EXHIBIT 5

# ACTIVITIES WITH ORPHANED CHILDREN OF “CIUDADELA DE MARÍA Y JESUS”

# Child's Day 2004





# Child's Day 2003



## PRINCIPLE # 1: HUMAN RIGHTS

Support and respect the protection of human rights acknowledged internationally within its sphere of influence.



Collaborate with marginal communities of extreme poverty supplying some of the basic necessities, contributing in this way with the community in accordance with the principles indicated in our Code of Conduct. See photographs of the activities held in the communities of Caño Quebrado #6, La Encantadita #7 and Cermeñito #8.

## EXHIBIT 6

# ACTIVITY IN THE COMMUNITY OF CAÑO QUEBRADO

## Community: Caño Quebrado

Kitchen utensils, dry foods, toys, and clothes were distributed and a special day celebration was shared with the community.



## Community: Caño Quebrado

Kitchen utensils, dry foods, toys, and clothes were distributed and a special day celebration was shared with the community.



# EXHIBITO 7

## ACTIVITY IN THE MARGINAL COMMUNITY OF (LA ENCANTADITA)

A special day in “La Encantadita”.  
Kitchen utensils, dry foods, toys, and clothes were distributed and a special day celebration was shared with the community.



## EXHIBIT 8

# ACTIVITY IN THE MARGINAL COMMUNITY OF (CERMEÑITO)



## Community: “Cermeñito”

Kitchen utensils, dry foods, toys, and clothes were distributed and a special day celebration was shared with the community.



## Community: “Cermeñito”

Kitchen utensils, dry foods, toys, and clothes were distributed and a special day celebration was shared with the community.



## PRINCIPLE #2: WORK

Effective elimination of discrimination in regards to employment and occupation. Rely on an objective process for the selection of personnel that guarantees recruitment of those persons better qualified indistinctly of creed, race, religion or sex.



Objective process for promotions in the Firm in order that executive positions are filled with the most capable professionals indistinctly of sex or age. See enclosed Exhibit #9

## PRINCIPLE # 2: WORK

### POINTER

Human Resources Statistics

### RESULTS

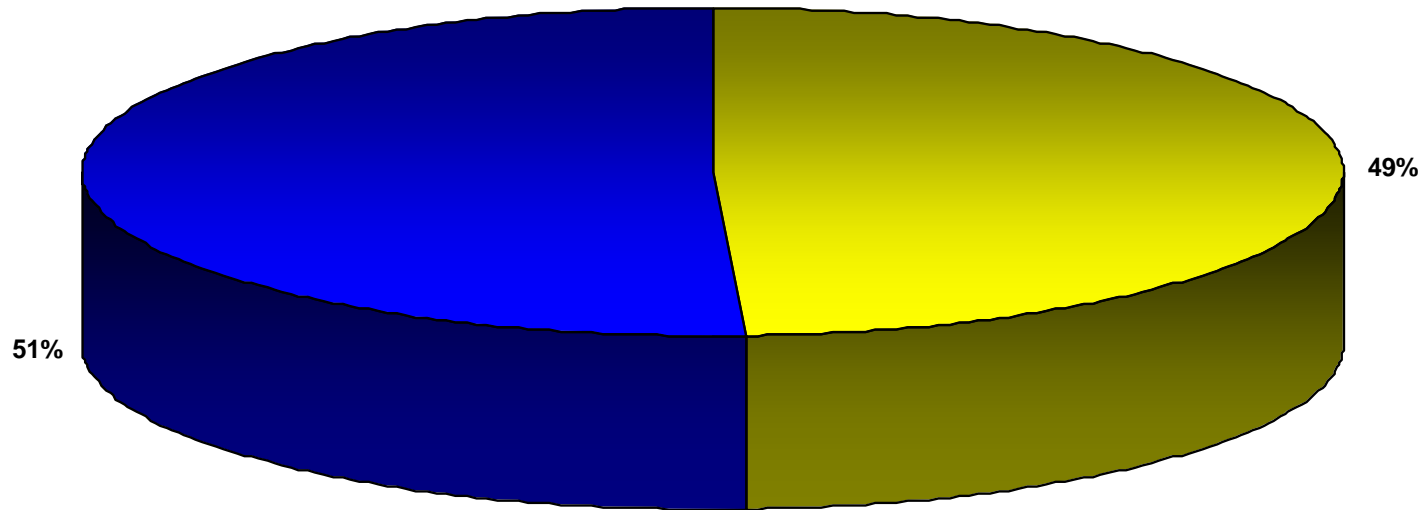
The percentage of personnel in the Firm is equitable in relation to sex, at the same time female personnel has increased in executive positions in these past years. See Personnel Statistics of February 18, 2005.

# Exhibit #9



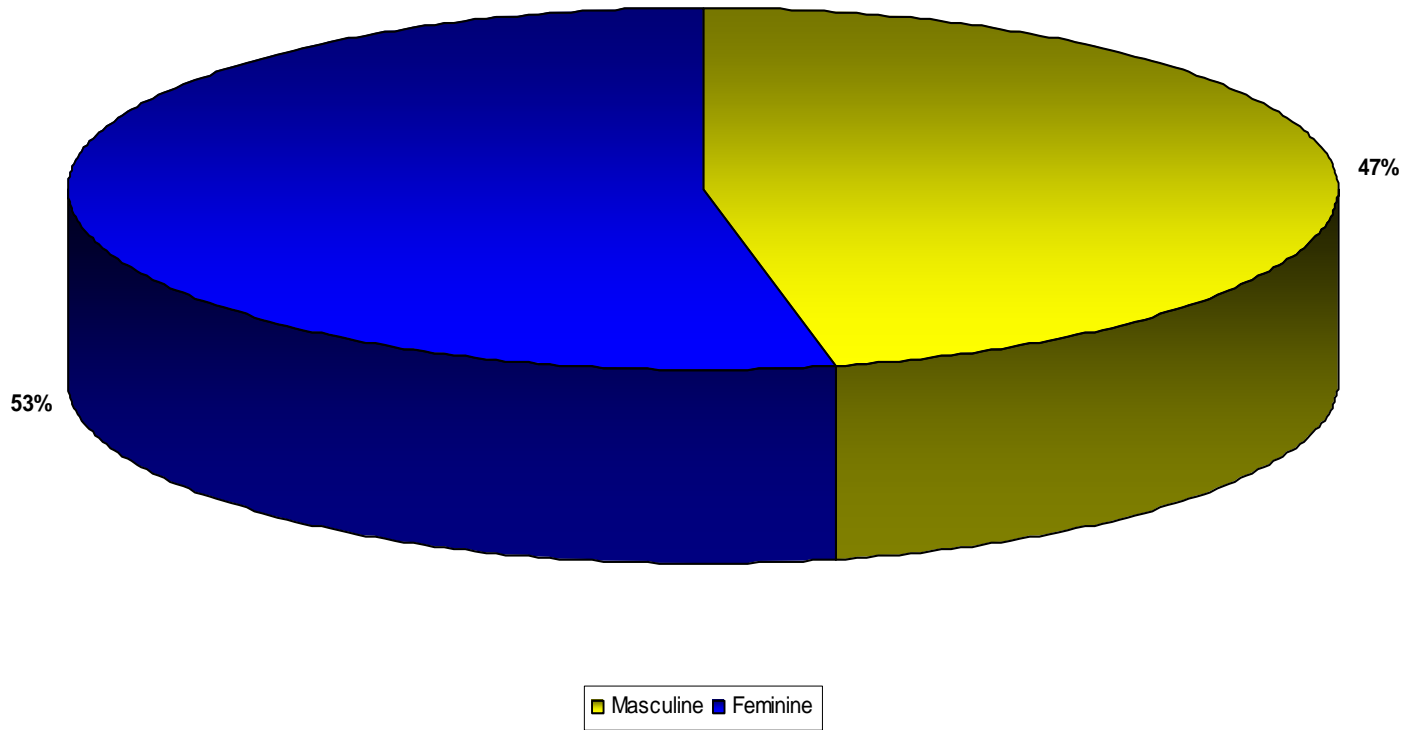
Personnel Statistics

February 18, 2005

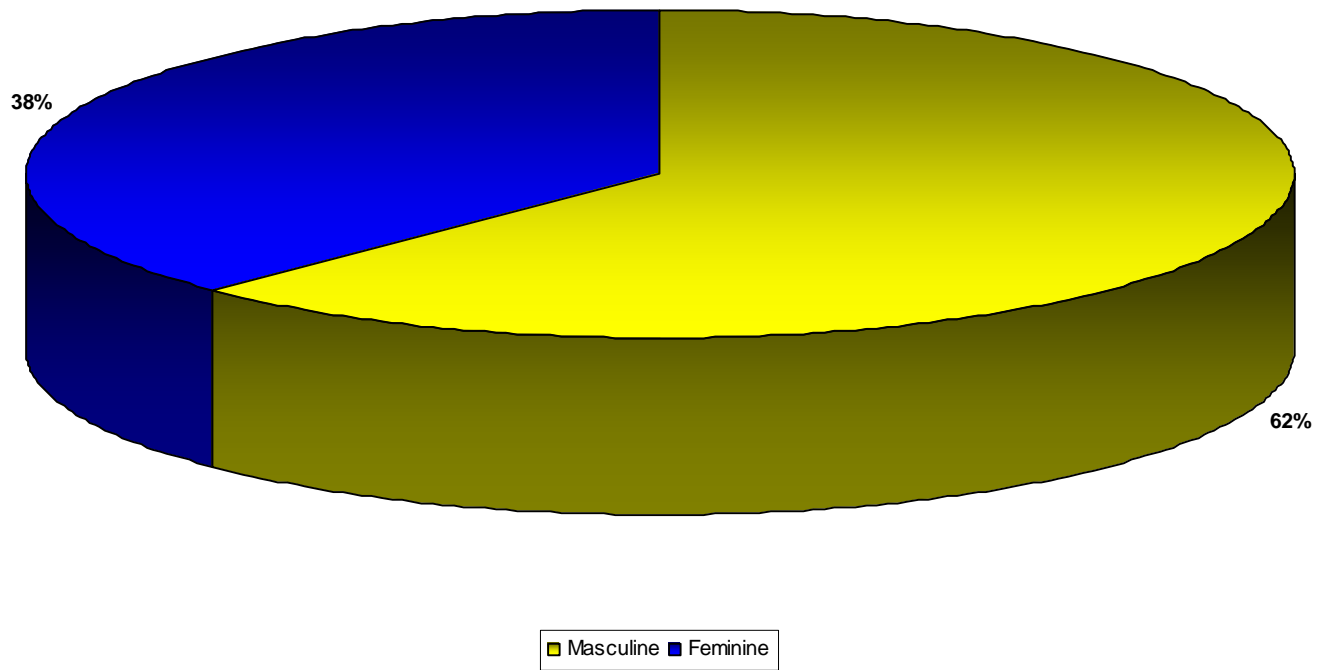




Statistics for the Rest of the Personnel - Executives not included  
February 18, 2005



**PRICEWATERHOUSECOOPERS**   
Executive Personnel Statistics  
February 18, 2005



## PRINCIPLE #3: ENVIRONMENT

Adopt initiatives to promote more responsibility for the environment



Adopt initiatives to promote more responsibility for the environment

Our Code of Conduct establishes that performances that minimize a harmful impact on the environment should be adopted.

A line of business was created in the office in Panama aimed particularly to the environment, with the purpose of offering advice on legal and operational processes to our clients on this matter. See related information in Exhibit #10



## PRINCIPLE #3: ENVIRONMENT

### POINTER

Collaborators engaged with the environment.

Corporations best informed and engaged with environmental issues.

### RESULTS

Increase in the number of corporations with reliable information on environmental impact

# Exhibit #10



# Branches of Technical Environmental Advisory

## Studies on Environmental Impact

- Elaborate Studies on Environmental Impact
- Follow upon the Environmental Management Plan (PMA)

## Environmental Audits

- Environment Audit Plan
- Evaluate the observance of good environmental practices
- Identification, evaluation and characterization of aspects and environment impacts associated with the activities of the corporation.

## Fitness and Environmental Programs

- Elaborate Cleaner Production Plan
- Elaborate Accident Prevention Plan
- Elaborate Environmental Monitoring Plan



# Seminars and Training

- Contribution to the generation of an “environmental culture” on all operational levels of the corporation.
- Training of employees in a solid understanding of environmental law
- Applicable to productive processes of:
  - Occupational health
  - Security and industrial hygiene
  - ISO standards, Eurep-Gap
  - Management of special and ordinary waste
  - Contamination
  - Evaluations on Environmental Impact
  - Others



# Legal Advisory

- Advisory on alternative solutions on environmental conflicts
- Preventive or corrective
- In administrative centers and/or judicial and the community
- Environmental Management Plans and improvement on the application of standards for the use of natural resources



## PRINCIPLE #4: ANTI CORRUPTION

Corporations should fight all kinds of corruption including extortion and bribe.



Our Code of Conduct clearly establishes the no acceptance of bribes or any type of offerings, in any of its forms. An existing committee is permanently evaluating compliance with the principles enumerated in the Code of Conduct of the Firm. Our Code of Conduct clearly establishes that the Firm should offer its services only to those clients it is capable of serving, as well as to those clients that comply with the adequate standards of legitimacy and integrity

# ANTI CORRUPTION

## POINTER

Number of denounces received and handled related to bribes or offerings in any of its forms.

Results of the audits made by a committee designated to  
GUARANTEE COMPLIANCE WITH  
OUR COMMITMENTS TO OUR  
CLIENTS

## RESULTS

No formal or informal denounces have been received by the committee

The results of the audits made to our office by the World Firm reflect our compliance with quality and service standards in our commitments to our clients.

## ANTI CORRUPTION

Corporations should fight all kinds of corruption including extortion and bribe



All personnel of the Firm have to sign annually a document in which they pledge to perform all their activities in a transparent manner, and agree that the professional criterion should prevail over any personal interests; reason why the Firm does not allow our collaborators to perform any type of service in any corporation in which they may have a personal interest in order to avoid conflicts of interest. The Firm has strict policies and standards to guarantee due compliance with this issue.



# ANTI CORRUPTION

## POINTER

Number of denounces received and handled related to conflicts of interest.

Annual audits by the World Firm to evaluate the existence of violations to these standards.

## RESULTS

No formal or informal denounces have been received by the committee.

No violations to these standards have been encountered.

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