

March 12, 2010

PricewaterhouseCoopers (PwC), as one of the world largest professional services firms, is particularly aware of its obligation to take a leadership role in promoting the concept and practice of corporate responsibility. One very visible example of how we do this is by participating in the United Nations Global Compact (UNGC). The UNGC provides a policy platform and practical framework to reflect our commitment to responsible business practices, including the ten principles defined by the UNGC in the areas of human rights, labor, the environment, and anti-corruption. By participating in the Compact, PwC's global network of member firms actively support the UNGC's ten principles in their respective geographies.

PwC's participation in the UNGC is established through a written commitment to uphold the UNGC and provide an annual Communications on Progress (COP) to outline our actions. As stated, please find contained within our COP, our declaration of commitment to the UNGC from our global website and our 2009 global annual report highlighting actions we take to support the ten principles.

| | |
|-------------------------------------|-------------|
| Statement of Continued Support..... | Pages 2-3 |
| 2009 Global Annual Report..... | Pages 4-65 |
| CEO Water Mandate COP..... | Pages 66-68 |

Global commitments

As one of the world largest professional services firms, PwC is particularly aware of its obligation to take a leadership role in promoting the concept and practice of corporate responsibility. One very visible example of how we do this is by participating in the United Nations Global Compact (UNGC). The UNGC provides a policy platform and practical framework for companies committed to responsible business practices, including ten principles defined by the UNGC in the areas of human rights, labor, the environment, and anti-corruption. PwC's participation in the UNGC is established through a written commitment to uphold the UNGC's ten principles. By participating in the Compact, PwC's global network of member firms actively support the UNGC's ten principles in their respective geographies.

The UNGC is the world's largest corporate citizenship and sustainability initiative and brings together more than 5,100 corporate participants and stakeholders from over 130 countries. First and foremost, the Compact is concerned with building and demonstrating the social legitimacy of business and markets.

In addition to its direct participation in the UNGC, PwC has also collaborated with a number of UN agencies to assist in activities and programs that further support the principles of the UNGC. These efforts include our work with the United Nations Convention against Corruption and United Nations Office on Drug and Crime in combating corruption; the United Nations Central Emergency Relief Fund to supply disaster relief; the United Nations High Commission for Refugees to provide refugee support; and the United Nations Environment Program to address the risks of climate change.

As a signatory to the UNGC, PwC also participates in the related Communication on Progress (COP) process, which obligates signatories to provide annual disclosure to stakeholders on progress made in implementing the UNGC's ten principles. In this way COP helps to instill accountability and drive continuous improvement among Compact participants, and, at the same time, builds a useful repository of responsible corporate practices. Throughout this website and our Global Annual Review, you will see how PwC is working to incorporate the ten principles of the UN Global Compact in the way we operate in the marketplace, treat our people, interact with our local communities, and protect the environment.

UN Global Compact Principles

Human rights

- ▶ Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- ▶ Principle 2: Make sure that they are not complicit in human rights abuses.

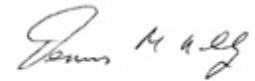
Labour standards

- ▶ Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- ▶ Principle 4: The elimination of all forms of forced and compulsory labour;
- ▶ Principle 5: The effective abolition of child labour; and
- ▶ Principle 6: The elimination of discrimination in respect of employment and occupation.

Contacts

Bronwyn Neeson
Global Corporate
Responsibility office

"Our signing of the Compact is important because it shows not only our commitment to the 10 principles, but also our willingness to commit our entire global network of member firms to these principles."



Dennis M. Nally
Chairman,
PricewaterhouseCoopers
International



Environment

- ▶ Principle 7: Businesses should support a precautionary approach to environmental challenges;
- ▶ Principle 8: Undertake initiatives to promote greater environmental responsibility; and
- ▶ Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption


- ▶ Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

[Offices worldwide](#)[Site map](#)[RSS](#)[Contact us](#)[International PwC Sites](#)

© 2008-2010 PricewaterhouseCoopers. All rights reserved.

"PricewaterhouseCoopers" and "PwC" refer to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL). Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.

[Privacy](#) [Legal](#) [About site provider](#)

A long-exposure photograph of a stream flowing over moss-covered concrete blocks. The water is blurred, creating a sense of motion, while the concrete blocks are sharp and covered in vibrant green moss. The background is a dark, calm pool of water.

Global Annual Review 2009

Facts and figures in brief

26.2

billion USD revenues in FY 2009

163,545

PwC people around the world

757

cities

151

countries

PricewaterhouseCoopers provides industry-focused assurance, tax and advisory services to build public trust and enhance value for our clients and their stakeholders. More than 163,000 people in 151 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

In this Global Annual Review we look at issues that impact our clients and our people around the world, and we examine our performance, our key network policies and standards, and our work in the global community during FY 2009.

In this Global Annual Review, the terms *PricewaterhouseCoopers*, *PwC*, *our* and *we* are used to refer to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL). Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.

FY 2009 runs from 1 July 2008 to 30 June 2009.

Contents

| | |
|---|----|
| Confidence | 02 |
| PwC Global Chairman Dennis Nally discusses the global economic downturn, Fair Value accounting, our performance in FY 2009 and our key goals going forward | |
| Resilience | 10 |
| What makes a resilient company – including examples of how we are helping businesses around the world deal with crises | |
| Growth | 16 |
| The importance of continuing to invest in people during difficult economic times – including the perspectives of three of our own people on working, learning, and growing with PwC | |
| Commitment | 24 |
| The real value of corporate responsibility (CR) for business – including what CR means to PwC and examples of how we are impacting our local communities | |
| Transparency | 34 |
| An overview of the PwC Global Network – our structure, standards and processes | |
| Facts and figures | 42 |
| Key facts and figures on our revenues, clients, people and leadership | |

Confidence





‘Our goal is to encourage and foster closer cooperation across our global network...’

Dennis M. Nally

Chairman, PricewaterhouseCoopers International

Dennis M. Nally was elected Global Chairman of the PricewaterhouseCoopers network for a four-year term beginning on 1 July 2009. He joined PwC’s Network Leadership Team in 2008. From 2002-2009, he was Senior Partner of PwC US. He joined PwC in 1974 and became a partner in the US firm in 1985.

The past year has been tough for the world economy. Although we are now seeing the first signs of a rebound, the recovery has yet to fully take off and there are still potential troubles ahead, such as the threat of faltering growth and inflation. Until the recovery seems secure, the challenge of dealing with the effects of a lingering recession will continue to dominate every aspect of business and commerce.

Governments around the world played their part in restoring confidence by taking dramatic steps to stimulate growth. These stimulus programmes have started to show some positive results, aided by the closer coordination that has emerged among countries around the world in their responses to the downturn.

At the same time, national regulators have begun to implement schemes to prevent a recurrence of the financial meltdown. It is necessary, however, to take a careful and considered approach to such changes to the regulatory environment in order to strike

the critical balance between control and free markets. The goal must be to develop regulation that minimises future problems without hampering entrepreneurial spirit. Businesses, by their nature, must take risks in order to succeed. Finding the right level of risk, and understanding what that risk really entails, is the key challenge for both entrepreneurs and investors.

There couldn’t be a more exciting time to lead a professional services network such as PwC, given the uncertainty ahead for the global economy and the challenges and opportunities it will present for us and our clients. I’m honoured by the confidence that the PwC network has shown in electing me as Global Chairman. In this role, I work closely with the other members of our Network Leadership Team (NLT): Bob Moritz, senior partner of the United States firm; Ian Powell, senior partner of the United Kingdom firm; Hans Wagener, senior partner of the Germany firm; and Silas Yang, senior partner of the China firm. The responsibility of the NLT is to

encourage and foster closer cooperation across our network, and to become more nimble, responsive and effective in everything we do. To protect and enhance our market-leading brand, we will work to embed throughout the PwC network a culture of quality and excellent service that makes clients eager to work with us. In pursuing these aims, we all owe a debt of gratitude to my predecessor, Samuel A. DiPiazza, Jr., for his years of visionary leadership and for carrying on the long tradition of entrepreneurial excellence at PwC.

A resilient performance in tough conditions

As for so many of our clients, FY 2009 was a challenging business period for PwC, and it is heartening to report that many of our firms and business sectors performed well in difficult circumstances. Globally PwC's revenues in local currency terms were slightly up from the previous year, even as the formerly steady growth in demand for our services slowed. Adjusted for foreign

Our strategy to prepare for recovery has also seen PwC firms across the world work hard through the downturn to sustain both our business and our employees.

exchange fluctuations, however, our gross revenues fell, due primarily to the strength of the US dollar.

Overall, the PwC network had total gross revenues for FY09 of 26.2 billion USD. Our performance was led by the strength of our core Assurance business, where revenues rose by two percent to 13.1 billion USD. Our Tax revenues also held up well, remaining steady at 6.9 billion USD. Given the cyclical nature of its business, Advisory revenues were down by 3% to 6.1 billion USD – a strong performance in the circumstances. Advisory revenues were impacted by the sharp decline in transactions and deal-related work, as well as cutbacks in discretionary spending by our clients.

Despite the economic downturn, PwC member firms in places as diverse as Spain, the Middle East, Russia and Japan all performed strongly and posted impressive revenue growth. This resilient performance provides us with a robust platform from which to serve clients in the recovery and the continued ability to invest in our network for the future.

For organisations, including our own, to emerge successfully from the downturn, business leaders across the world will need confidence in their vision and the courage to take action. The ability to anticipate market changes, and particularly to manage risk effectively and responsively, will characterise the best performers as the upturn gathers pace. Now is not the time for faint-hearted management, but for conviction and the agility to meet change head-on.

For PwC, this means maintaining an unwavering focus on our proven long-term strategy – to excel in the marketplace, by delivering the distinctive PwC Experience to our clients and our people – even amid the difficulties posed by the current economic environment.

Investing for recovery

One example of PwC's strategic focus on the future was the acquisition of substantial parts of BearingPoint's business in the US and Japan to make our Advisory business more competitive. PwC US acquired the

majority of BearingPoint's North American Commercial Services practice, assuming selected contracts and increasing the US firm's Advisory client service staff by 800 professionals, providing additional consulting expertise across multiple industries. PwC US also acquired two Global Delivery Centres in Shanghai, China and Bangalore, India that will enable us to provide our clients with expanded global sourcing capabilities and cost advantages.

Meanwhile, PwC Japan acquired all of BearingPoint's Japan consulting and technology business, adding some 1,500 professionals and positioning PwC Japan as the country's clear leader in Advisory services. In combination, these strategic acquisitions will accelerate the growth of our Advisory business, increase our market share in two of the world's largest markets, and expand the ability of the PwC network to meet the needs of complex global organisations.

As part of our strategy to prepare for recovery, PwC member firms across the world worked hard through the downturn

to sustain both our business and our employees. While ever-conscious of the need to keep a tight rein on costs, we were determined to remain committed to our people and only make large-scale reductions in our workforce an action of last resort. So, despite the downturn, PwC member firms continued to recruit and retain the best talent in FY 2009.

Fostering our people

During the year, PwC member firms hired around 30,000 new people, increasing our total workforce to over 163,000. While local circumstances resulted in layoffs in a few countries, our member firms, by and large, retained their high-performing people, using innovative strategies such as sabbaticals and reduced hours where necessary. By continuing to invest in our people, we are positioning PwC to handle a global pickup in demand for our services as the eventual recovery gains momentum.

Talented professionals are our number one asset at PwC and attracting top talent from around the globe is a key priority for us. To help us keep attracting top talent we strive to be known as a network that cultivates and develops individuals by fostering a culture of coaching and development that provides all our people with the opportunity to achieve their potential.

Diversity

In recent years, advancing globalisation has intensified the importance of having a diverse and inclusive workforce, while also accelerating the pace at which businesses must adapt to change.

We recognise that we will only enjoy success in the long term if we consistently share the tremendous skills and experiences of our people by providing them with opportunities outside their home countries. Without doubt, those organisations that truly recognise the critical role played by diversity

and mobility in sustaining a productive, loyal workforce gain a clear competitive advantage over those that do not.

Again, in FY09, PwC's innovative human resource initiatives were recognised by numerous external organisations. Among other honours, PwC was ranked as the leading organisation for Global Diversity by DiversityInc, ranked among the 100 Best Companies to Work for by Fortune magazine, and was among the top 10 companies on Working Mother's best workplace list.

Rather than rest on these achievements, we continually seek to improve and to increase diversity at all levels within PwC member firms.

Stakeholder dialogue

The views of a wide range of stakeholders who have an interest in what we do – governments, regulators, investors, and others who think and care about capital markets and wealth creation – are important

to us, and throughout the year we have engaged in dialogue with them, both locally and globally.

Corporate responsibility

Similarly, PwC remains fully engaged in corporate responsibility programmes around the globe. In partnership with the United Nations High Commissioner for Refugees, we have made progress toward our goal of providing schooling, and in many cases a life-sustaining haven, through our *Educating the Children of Darfur* project in the refugee camps of Chad. The programme exemplifies our view of corporate responsibility, which encompasses our actions to sustain the environment, our donations of professional services and financial contributions to our communities, our commitment to foster our people, and our unwavering dedication to integrity, respect and fairness in our behaviour in the marketplace.

Rather than rest on these achievements, we continually seek to improve and to increase diversity at all levels within PwC member firms.

Dealing with challenges

FY09 also presented us with difficult issues aside from the tough business conditions. The widely-publicised issues at former audit client Satyam Computer Services in India have presented a significant challenge. With the assistance of expertise from across the PwC network, the PwC member firms in India are doing all they can to rebuild their reputation and reward the confidence clients there have shown in us. Among the steps taken by the Indian member firms are the appointment of an outside board of advisors and appropriate management changes.

Taking a stand

For the accounting profession in general, the recession has not only impacted growth, but has also triggered criticism of accounting standards. Some commentators have claimed that financial reporting by banks and other institutions made the credit crunch much worse than it need have been. These critics blame the credit freeze on the use of Fair Value accounting, which requires financial institutions to carry, at market value, financial assets such as mortgage-backed securities. In PwC's view, such criticism is misplaced, as it confuses the cause of the financial meltdown with the methodology used to report it. Fair Value reporting did not cause the problem; rather, it made transparent to investors the extent of the

weakness in a system overburdened by risk. Fair Value remains the best means available to inform investors and provide accurate, transparent information in highly volatile markets. We agree that the current Fair Value standards are not perfect, and we support initiatives by the standard setters to clarify some aspects of Fair Value reporting. But Fair Value reporting is far from being the problem; it is part of the solution to avoiding another credit crisis in the future.

The debate over Fair Value also underlines the need for global accounting standards for the profession. PwC has supported the

Looking across the entire professional services marketplace, we believe PwC has the best and strongest global network to help our clients succeed.

adoption of International Financial Reporting Standards since their conception. Over 100 nations now use these global standards. The US has adopted a sensible, measured timetable for considering IFRS, leading to potential full-scale adoption. Large US companies increasingly are using the global standards in their dealings with global customers, suppliers, and subsidiaries overseas. We believe adoption of IFRS by the US is in the interests both of the US itself and the global economy. In contrast, a failure by the US to adopt the global standard could leave it isolated and reduce the competitiveness of its markets.

Looking forward

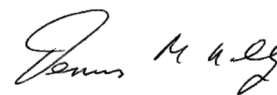
FY 2010 is likely to be another challenging year, both for PwC and our clients. We expect demand for our services to remain steady, growth to be somewhat below levels of the recent past and the current hyper-competitive environment to continue. And while most economists predict that a recovery either has begun, or will begin soon, they also say it will be slow to gain speed.

Our focus throughout the downturn has been on helping our clients manage their way through these difficult times and emerge stronger. Our clients continue to value our insights and services as an advisor who can help them understand the risks and capitalise on the opportunities of the next economic cycle. Our ability

to engage in this way with clients – and indeed with all our stakeholders – will set the stage for long-term relationships and shared success.

Looking across the entire professional services marketplace, we believe PwC has the best and strongest network to help our clients succeed. We see opportunities emerging in the recovery, in industry sectors such as healthcare, financial services and infrastructure, and we are primed to help our clients capitalise on them. We're positioned to anticipate our clients' needs and respond with a quality of service that sets us apart. To deliver this service, we've built a great workforce whose capabilities and commitment to clients continue to astound me every day.

There are better times ahead. What is clear to me is that organisations that choose to invest in their futures and manage through these difficult times with optimism, will be the ones best placed to thrive. I look forward to leading the PwC network through the future challenges and to helping both us and our clients to succeed.



Dennis M. Nally



Resilience



‘A business crisis like the one we’ve recently experienced puts a premium on listening to our clients, bringing them our best thinking and solutions to help address their issues and challenges.’

Bob Moritz

US Senior Partner and member of the Network Leadership Team

While no company invites disruption, a crisis does have a way of concentrating the mind of the enterprise and energising its people. In the end, the most resilient companies are those that have squarely confronted a crisis, survived it, and taken to heart its hard-won lessons.

Picture the scene. A major organisation has its operations closed down by a fast-spreading pandemic. Another sees its cash flows reduced to a trickle by panic conditions in the financial markets. A third finds its carefully-considered corporate strategy is rendered obsolete by a global credit crunch.

Fiction? Not at all. In fact, these are some of the real-life crises that organisations have faced during the past year. And when a crisis arises, the previously unrecognised weaknesses of an enterprise can suddenly become disturbingly apparent. In response, some companies freeze or break. Others demonstrate an ability to absorb the shock, correct their course and regain their momentum.

When crisis hits

Resilience is still an emerging business concept, but its relevance for most organisations is already clear. As a concept, resilience touches on areas such as risk management and safety engineering. But it also looks beyond the immediate efforts to mitigate a disaster, and towards the responses that need to arise inside an organisation in the wake of a major shock. These responses include seeking answers to critical questions. Can we identify the source of the disruption? Do we have people who can contain it? How will we return to normal operations?

So resilience includes an acceptance that – despite our best efforts – disasters and crises cannot simply be ‘designed away’ through processes and protocols. There are several reasons for this. Most obviously, so long as organisations depend on people, there is the potential for human error.

Systemic factors are a further consideration. As well as helping to raise living standards in many countries, the world’s growing economic

connectedness and interdependence have also increased the likelihood of 'crisis contagion' spreading from country to country, as we saw with the global banking crisis of 2008. Similarly, the use of just-in-time inventory and lean manufacturing systems has made many businesses vulnerable to even small disturbances in their supply chains. Such close dependencies heighten the risk that a failure in one place will cascade through an entire industry.

From the outside it is difficult to gauge a company's ability to absorb a shock and spring back. But what is clear is that commercial success is not necessarily an indicator of resilience. Too often, companies lulled into a false sense of security by their own success end up overestimating their ability to control events or falling short when a crisis erupts.

Easy to bend, hard to break

So, what traits tend to characterise companies that have proven themselves resilient? First and foremost, a resilient

company is a flexible company – easy to bend, but hard to break. This means a company can adjust its organisational structures quickly to match the predicament at hand, temporarily dissolving existing power structures while lines of authority are reconfigured. A sense of urgency and individual initiative is unleashed, with those best-suited to contain the crisis given the authority to do what is needed. As the contours of the crisis change, the company's organisational response changes with them.

The resilient organisation is also characterised by a corporate culture in which people at all levels feel secure in pointing out problems and raising alarms. This helps resilient companies to identify and contain looming disruptions, thanks to the high degree of situational awareness, openness and communication across the organisation.

Resilient companies also demonstrate a high capacity for improvisation. In times of crisis, improvisation and creative thinking are often what is needed – and these can

arise spontaneously from self-organising teams whose members interact easily and pay deference to ingenuity rather than rank. This means that in the midst of a crisis, with little time to debate and much pressure to act, improvised ideas can be rapidly suggested, tried and discarded until a workable solution is found.

Leadership also plays a critical role in shaping organisational resilience. In the resilient company, leaders make their organisations face up honestly to the reality and task at hand – no matter how challenging. Leaders who duck this responsibility will actually reduce their companies' capacity to cope with crisis.

All these qualities mean that resilient companies are better at sizing up situations quickly, formulating coping strategies in the face of incomplete information, and working in the absence of controlling and filtering structures. And when a crisis hits, individuals at all levels accept the responsibility – and authority – to act.

Ready for the rebound

The past 12 months have tested the ability of organisations to deal with unexpected events that were not even imagined in most contingency plans. Many of the world's leading companies turned to PwC for help in dealing with the effects of the worst economic downturn since the Great Depression. Some clients were in the grip of an immediate crisis, while others were preparing for future shocks. Some saw their organisations overwhelmed by events and needed help in winding down their operations and maintaining or creating maximum value for stakeholders.

Those companies that make it through the current downturn know that the winners will be organisations that make the tough decisions now: those that remove unnecessary costs, protect their liquidity, manage risk, retain key talent and continue to invest in their future growth areas. Resilient organisations will be best positioned to succeed.

Readying for crisis

In times of crisis, the way forward often involves quickly discarding standard operating procedures and switching to new modes of behaviour, interaction and decision-making. However, in abandoning familiar routines, an organisation's people may become disoriented and unsettled. In the healthcare sector, this sort of confusion during a crisis could have disastrous consequences.

That's why state officials in California recently worked with PwC US to develop the first comprehensive guidance in the US for how hospitals, other healthcare facilities and local health departments should respond to a sudden increase in demand for services following a catastrophic event. The aim of the project was to identify gaps in the preparedness of California's healthcare sector for such a crisis, and then to create a procedural framework that would support a rapid and coordinated response across the spectrum of healthcare providers.

Confident companies understand that they can be rocked by unexpected events – but also believe that through hard work and creative ideas, a crisis can be overcome.

‘During a major disaster, the healthcare community will have to switch from an individual care orientation to one that’s focused on population care – that is, saving as many lives as possible,’ explains Dr David Levy, PwC’s Global Leader for Healthcare. ‘For healthcare providers, that switch challenges some deeply embedded professional paradigms. Resolving those contradictions before a disaster strikes was one of the fundamental aims of this project.’

The guidance provided by the project covered a wide array of issues – including how to allocate limited medical resources in an ethical way; standards for the delivery of medical care outside of normal settings, including hallways, parking lots, gymnasiums, or other alternative care sites; and the effective use of medical professionals and volunteers to maximise life-saving efforts during a catastrophic event.

‘For the healthcare sector, crisis preparedness isn’t just about stockpiling beds or medicine,’ comments Levy. ‘It’s also about getting a very clear consensus on aims, methods, and obligations, so that during a crisis there’s no confusion about what needs to happen and how it’s going to get done.’

Picking up the pieces

The key ingredient – the ‘oxygen’ that causes markets and organisations to either thrive or die – is trust. When trust runs out, failure is usually not far behind. In the case of Lehman Brothers, the global investment banking firm, the resilience to withstand a sudden, unexpected downturn did not lie principally with experienced management, or sophisticated risk management processes, or even the intrinsic value of its portfolio. In fact, its resilience lay in its trusting relationships with the other organisations

with which it did business. In September 2008, those organisations were simply not convinced that Lehman could survive its own liquidity crisis, and so they stopped trading with it. Trust was gone, and with it the business’s ability to operate.

In mid-September, as Lehman tottered on the brink of collapse, Lehman’s general counsel in the UK put in a call to PwC UK’s head of insolvency, Tony Lomas. Within 24 hours Lomas had assembled an experienced team to respond to perhaps the biggest and most complex administration in history. Three of those team members share their experiences.

Paul Copley is a Business Recovery Services partner in PwC UK's London office:

'On Sunday 14 September I received a message telling me to go into Lehman right away. We worked through the night as the bank collapsed, and I then got completely immersed in the job. [Twelve] months later here I am. On the Sunday, we had six people on site. Less than 24 hours later we had 150, and within a few weeks over 300. First and foremost, either insolvency or banking and capital markets experience are important. After that, we're looking for a commercial outlook, tenacity, project management skills, diplomacy and sheer stamina. Over the period, there has been a core of people who have remained here throughout, supplemented as needed by other PwC people who have provided us with particular insights and technical skills.'

Ellie Lishman is a Forensics associate, based in PwC UK's Leeds office:

'I volunteered to join the project during a team meeting, and a week later I was at Lehman. I oversee a team of people in Trust Property who are processing and investigating client asset claims. In my first month here I worked with colleagues from Forensics, Business Recovery, Consulting, Regulatory, Audit, Banking & Capital Markets, and Insurance & Investment Management. I don't think any other firm could have pulled together that combination of talent at such short notice. There are so many stakeholders in Lehman that it's a careful balancing act. By providing the administrators with all the information and facts before making a decision, the interests of all those involved are being protected wherever possible.'

Trang Trinh is a manager on secondment to PwC UK from PwC Australia:

'My role on Lehman is to work with front office traders and legal advisors and external parties to unwind live derivative positions and securities, working on about three to four transactions simultaneously, all with the objective of realising cash for the Lehman estate. Our work at Lehman brings 'doing the right thing' to life for me, as we are working as one team for the benefit of our creditors and those affected by the collapse. Our people have benefitted from this, too, through the invaluable experience that they are gaining, given that a job of this magnitude and complexity has never been done before.'

Growth





‘Every crisis creates its own challenges and opportunities. Companies that are able to grow and develop their talent now will have a competitive edge when the business climate improves.’

Silas Yang

Senior Partner of the China firm and member of the Network Leadership Team

Job and people-cost cuts may save cash in the short term, but do not necessarily create a winning platform for the future. Organisations succeed when they are known for creating a workplace that attracts highly-skilled professionals, supports their development and places them in pivotal roles.

When times are good and the economy is buoyant, it is easy for organisations to talk about the importance of their people and their commitment to professional development. However, when the business cycle turns downwards and the economic temperature drops sharply, it is a different story. The people agenda that once seemed so important seems to lose a lot of its significance when sales are in freefall, the flow of credit has slowed to a trickle and the future of the organisation itself is in doubt.

To say the least, the past 12 months have been challenging for our clients and for PwC. We have done our share of cost-cutting and belt-tightening. We have delayed or scaled back several human capital programmes. Some member firms have made the painful decision to shrink their workforces. Put simply, it has been tough.

We would not claim to have a crystal ball for predicting the future, but one thing we do know is that every recession does ultimately come to an end. Then business picks up, confidence returns and opportunities arise for those who are ready and able to seize them. One of the lessons we have learned from past business downturns is the importance of keeping the pipeline of new talent flowing, and of maintaining growth and development opportunities for top performers. Our main piece of advice to clients – and one that we

also try to keep in mind for ourselves – is that organisations should think twice about cutting back on their professional development programmes. The calculation here is a simple one: a workforce cannot be kept in suspended animation. If it is not continuously renewed, then it will inevitably enter a slow but steady state of decline. That is why in good times – and, perhaps more importantly, in bad ones – the professional growth of a company's people should be one of management's highest priorities.

Admittedly, professional development programmes do not come cheap. But neither do top performers. Whether the economic conditions are good or bad, these talented individuals expect their employers to provide them with attractive development opportunities – and have the will and means to go elsewhere if these opportunities do not materialise. From that

perspective, investing in professional development is a lot less expensive than replacing A-list performers.

But the reasons for keeping a robust professional development programme in place do not begin and end with your best employees. Economic downturns often demand a more flexible workforce and a more flexible approach to managing people. During the past year, we at PwC have introduced a number of sabbatical and furlough programmes, providing our people with opportunities to pursue other personal developmental interests – whether these be educational, vocational, or recreational – while maintaining their employment at PwC.

By sustaining its professional development programmes in the headwinds of a recession, an organisation also says a lot about itself. In particular, it transmits a powerful message about its confidence

in the future and the high value it places on employee engagement and growth. As we have pointed out, recessions do not last forever. But the choices an organisation makes during a rough patch leave a lasting impression on the minds of its employees and other stakeholders.

At PwC, we operate a broad range of technical training, industry knowledge, and leadership development programmes for our people at every stage of their careers. Also, because we believe that learning is inextricably linked with doing, we offer our people ample opportunities to live and work outside their home country. These overseas assignments provide our people with an unrivalled means of gaining professional experience, while simultaneously enabling them to build personal relationships that can last a lifetime.

PwC has a deeply-held belief that an important determinant of an organisation's corporate responsibility lies in its commitment to helping its people achieve their full potential. On the following pages, three of our people offer their own perspectives on working, learning and growing with PwC.

Women at PwC: a top priority

A significant challenge facing professional services firms is retaining female talent. Historically, the attrition rate for women across the profession has been higher than for men, partly because many women decide to leave to start a family. PwC's experience has been no different. In virtually every country in which we operate, we find that women are leaving voluntarily at a faster rate than our men, and this level of attrition typically continues as women progress through their careers. For a knowledge-



One of the biggest challenges facing professional services firms is retaining female talent.

based firm like PwC, the cost of losing – and trying to replace – this wealth of female talent is incalculable.

All firms in the PwC network are fully aware of this issue, and most have taken aggressive steps during the past five years to improve the retention of women at various stages in their careers. PwC UK has helped to lead the way in these efforts. In 2009, we began to see the benefits flowing through from a specific programme established by PwC UK a few years earlier. Sponsored by the UK's Advisory business unit, the Advisory Women's Leadership Programme aims to further increase the number of women partners and leaders by boosting the opportunities for women's advancement in Advisory.

The programme's core focus is on increasing the awareness of factors across the UK's Advisory practice, which may inadvertently

prevent women from being considered for inclusion in management teams or for leading roles on big client engagements. It also seeks to reinforce the message that diversity is not about treating everyone the same, but is really a matter of maintaining an open mind about the talents and capabilities of others.

The other area of focus for the UK firm's Advisory Women's Leadership Programme is building productive relationships between female Advisory staff and Advisory partners and leaders. To do this, the programme starts by identifying high-performing women who might benefit from ongoing support and counselling. These women are then included in an outreach scheme, where each participant is assigned a senior, male partner to act as her principal sponsor. The sponsor takes a coaching and counselling role, including providing

This year the UK firm's Advisory Women's Leadership Programme won the Advancing Women in Business award given by Opportunity Now, a UK-based, non-profit organisation.

support in career planning and promotion discussions. Throughout, the hope is that the relationship between participant and sponsor will create important spin-off benefits for the sponsor as well as the programme participant. Seeing PwC from a woman's perspective can be eye-opening – and it is expected that this experience will prove invaluable to most sponsors.

The programme is now delivering results, with women representing 25% of the most recent class of new Advisory partners in the UK. In April 2009, the Advisory Women's Leadership Programme won the Advancing Women in Business award given by Opportunity Now, a UK-based non-profit organisation that provides thought leadership on gender issues in the workplace. In July, the success of the programme in Advisory saw it rolled out across all three of the UK firm's business units.

Laura Manson-Smith, a recent participant, talks about her experience on the programme: 'One of the most memorable moments was hearing the sponsoring partners share their views on the benefits of having more women in the partnership – from both a personal and firm perspective. For me, this programme has highlighted the commercial benefits of having a diverse workforce and how this will enable us to engage better with our people and clients. Attending this programme has really helped me broaden my network – it always amazes me what a mix of people we have in PwC, with some fantastic experiences and different perspectives on life.'

Moirá Elms, Chair of PwC's Gender Advisory Council, comments: 'The programme has been very successful in opening up doors to allow more women to advance in their careers. We've found that it benefits both the participants and

the senior partners and provides tangible business benefits as well. Our experience in the UK has been so positive that we are looking to introduce the programme throughout the PwC network.'

On assignment: personal and professional growth

Each member of the PwC network serves global clients alongside major national clients. But no matter where they are in the world, our clients are increasingly affected by trends such as the globalisation of sources of capital, lengthening supply and distribution chains, new emerging markets and changing political dynamics.

As a consequence, our clients increasingly demand international experience, making exciting opportunities ever more available in the 151 countries where PwC member firms have offices – including our fastest-growing priority markets.

Silke Mattern, a PwC director originally from Germany, but now working in the Tax practice in Johannesburg, is one of the many PwC people who have been able to take advantage of everything that an international assignment has to offer. Previously, Silke has worked in PwC firms in Germany, Russia, Poland and Romania, as well as spending time in Belgium, where she worked in industry for five years. Here she shares some of her experiences while on assignment for PwC, and describes how these have contributed to her personal and professional growth.

'I believe that working abroad and leaving your regular environment is enriching, because you get insight into environments, people and cultures that take very different approaches from those you are used to in your home country.'

‘It’s exciting to be working for PwC South Africa. Living in Africa has always been a dream of mine, and when the opportunity to move here arose, I jumped at the chance. We’re one of the largest professional services firms in Africa and part of one of the fastest growing regions in the PwC network. Here I feel part of the future. It’s more than just coming here to implement programmes that work in other countries, or looking for gaps in the system that we can fill with what we’ve done elsewhere. It’s about introducing entirely new approaches to the market that businesses haven’t seen here before.

‘One of the challenges of an international assignment is building a social network. As I move around from country to country, I have to build up a new social life. It’s probably a bit more difficult for me than for those with a spouse and children, but on the other hand it’s always exciting meeting

Exciting opportunities are increasingly available in the 151 countries where PwC member firms have offices – including our fastest-growing priority markets

new people. I now have friends all over the world. Of course, moving can be lonely sometimes, but every move brings a change – and change also brings excitement.

‘One of the major changes to me personally from working abroad is that I’ve gained a lot of patience. In fact, my mother said she doesn’t recognise me anymore. In Germany, where I come from, everyone expects everything to work well and be on time. In other parts of the world, you often have to deal with a lot of bureaucracy which holds up processes, so people are used to improvising in their lives and are more relaxed in approaching day-to-day things that happen to them.

‘My career at PwC has been a bit of an adventure. The first move I made to Eastern Europe was around the time of the merger between Price Waterhouse and Coopers & Lybrand in 1998. Moving to Moscow was

a big career step for me, the first of many along the way. By taking advantage of the opportunities to work around the world with PwC you can have a great career and realise your dreams.'

GEM: developing leaders in emerging markets

PwC's Global Relationship Partner Programme for the Emerging Markets (GEM) is designed to meet the development needs of future and existing Global Relationship Partners on selected priority accounts in emerging markets. Its aims are to equip participants with the skills and confidence needed to lead such accounts, and to support them in preparing a strategic account plan. Viren Lodhia, a Global Relationship Partner based in the United Arab Emirates, describes what he gained from the GEM programme.

'Companies hire PwC for two reasons. First, the client thinks PwC has the right skill sets. Secondly, the client feels a rapport with us. That second factor – creating a rapport and establishing a relationship – is tremendously important to the way PwC does business. But I think it's particularly true in the emerging economies.

'GEM works on two dimensions. The internal dimension is aimed at developing the partners themselves. That means working on the partner's skills and confidence. The external dimension is geared toward finding very tangible ways to put all the capabilities across PwC's global network to work for the client. The first dimension helps us to become better-rounded professionals. The second helps us to deliver more immediate value to the client.

'From my own experience, I would say GEM is highly effective. Shortly after I attended the first GEM event, PwC Dubai was asked to submit a proposal to provide audit and related services for the new Dubai airport, which will be the world's largest. As a starting point we decided to focus on the conceptual model used by GEM to build deeper relationships with clients on the commercial, professional, social and personal levels, while also demonstrating our industry expertise and ability to build and lead a high-performing team.

'The result of this approach was that even though PwC Dubai submitted the highest bid, we were able to have a frank and open conversation on price and were appointed. The feedback from the client was that our approach clearly differentiated us from the competition, and meant the choice of advisors for them was obvious.'

Commitment





‘PwC’s relationship with the UNHCR began in 2004. As a result of our work helping to educate the children of the Darfur refugees, PwC’s bonds with the UNHCR have grown even stronger.’

Ian Powell

UK Senior Partner and member of the Network Leadership Team

The practice of corporate responsibility is not a compromise in wealth creation, but rather an increasingly vital component in the long-term sustainability of an organisation’s bottom line.

Today, the important social and environmental benefits of embracing corporate responsibility (CR) are no longer a matter of debate for most major businesses across the world. Instead, management’s focus has turned to more tactical questions: How should we practise CR? And what level of commitment should we dedicate to it? In making this shift, most organisations have accepted that embedding corporate responsibility in all aspects of how they operate adds value to their business as well as to the broader community.

The difficult question that remains is how this value can be measured. Certainly, the practice of CR can have measurable spin-off benefits in terms of public image, retention and recruitment. But can the value of CR go deeper? We believe it can.

CR in context

Corporate responsibility for many organisations typically grows out of community activities that focus on engaging staff with their local communities. These efforts can certainly accomplish good things, and many organisations – ours included – do their fair share of cleaning up local parks, painting schools, donating food and so forth. But from our experience, the full value of CR can only be realised when it is part of an integrated process that takes CR into consideration in every business decision.

At PwC, we use a ‘four quadrant’ model, which helps us take a holistic view of what it really means to be a responsible corporate citizen. We use this model to foster an approach that promotes responsible business practices in the way we operate in the marketplace, treat our people, interact with our local communities, and protect the environment. In combination, all our CR efforts are part of the ‘PwC Experience’ that we create for our people

and clients every day. And when this experience is delivered consistently around the world, it can have a positive impact in each quadrant: supporting economic stability and promoting trust in the capital markets; helping our people grow and develop both personally and professionally as responsible leaders; sustaining the local communities where we have a presence; and protecting the planet for future generations.

PwC's approach to CR operates at both global and local levels. Our education work in Chad for the Darfur refugees is a good example of how PwC member firms around the world pool funds and expertise to tackle large and complex problems. Individually, firms in the PwC network also create their own local CR approaches and programmes reflecting local needs, cultures and customs. And across the network, our member firms share best practices and celebrate the difference we're making in our communities.

But to return to the original question: Does CR add value to our business? In our view, it is easier for a commercial organisation to put an explicit economic value on the benefits it derives from some aspects of CR than it is from others. Nevertheless, we are absolutely certain that the value of embedding CR across all our business practices is recognised and implicitly felt throughout and beyond PwC. CR serves both as a powerful reminder and a continuing challenge for everyone in PwC across the world. It constantly reinforces our shared awareness of the commitments we must make, the behaviours we must demonstrate and the standards we must uphold if we are to succeed in our aims as a business.

Bringing hope to Darfur

In the desert nation of Chad, PwC is collaborating with the United Nations High Commissioner for Refugees to build a fully functioning primary educational programme for refugee children living on the edge of a



© Copyright: ZALMAÏ/UNHCR

combat zone. The project – Educating the Children of Darfur – has tested the abilities of both organisations to understand not only the educational requirements of displaced children, but also the security needs of a refugee population, and the refugees’ impact on the resources and politics of their host nation. To meet these challenges, PwC and the UNHCR have forged an unusual alliance.

Educating the Children of Darfur is a response to the grim events that have been unfolding since 2003 when, as a result of armed attacks against them by local militia, many of the people of Sudan’s Darfur region fled their homeland and sought refuge in the neighbouring country of Chad. Today, Chad has found itself harbouring over 320,000 refugees, 250,000 alone from the Darfur region of Sudan. While the refugees’ subsistence needs have largely been met, the children in the refugee population have until recently had limited access to primary school education.

That began to change in earnest when PwC joined forces with the UNHCR in a multi-year project to bring the essentials of a primary school education on a sustainable basis to 30,000 refugees between the ages of six and 14. The project – which got under way with a 10-day fundraising campaign that attracted more than US\$4 million in contributions from PwC people and member firms – will eventually build or refurbish four schools (and 32 classrooms) in the four refugee camps that fall within the project’s scope.

Building a bricks-and-mortar school infrastructure is not the project’s sole aim. An equally central objective is improving the quality and relevance of the education by enhancing the skills of the teachers in the new schools through training and supervision. A third project aim is to provide a way forward for the refugee children who are about to leave primary school with guidance in seeking either employment

‘Educating the Children of Darfur is a perfect example of how a private organisation and its staff worldwide can help change for the better the lives of thousands of the most vulnerable people on earth. The PwC/UNHCR relationship is a model for UNHCR’s public-private partnerships.’

António Guterres
United Nations High Commissioner
for Refugees

or opportunities to further their education. And while the scope of the project is limited to four camps, the policies and standards that have been established there serve as a model for refugee education not only in the 12 camps overseen by the UNHCR in Eastern Chad, but every place where refugee children need to be educated. Of critical importance has been the shift in focus from the typical 12-month planning cycle to a more long-term perspective with sustainability as the end goal.

While of immense value in its own right, the educational infrastructure being built in the camps also plays a vital role in safeguarding children and promoting their well-being. By offering structure and stability and by spreading messages of assurance and support, these schools provide the children with a safe haven from the violence and desolation that otherwise surround them.

Rebuilding New Orleans

Summers in New Orleans are notoriously hot and humid. But summer weather did not discourage 150 PwC people and college students from across the United States, when they converged on the city to help with its recovery efforts following the devastation caused by Hurricane Katrina. As well as providing New Orleans with enthusiastic volunteers, the two-day event was also a tangible expression of the Make Responsibility Count initiative – an innovative approach by PwC US to make a sustainable impact on all facets of the communities where they live and work. Local coordination for the initiative was provided by *Hands On New Orleans*, a resource centre focusing on grass-roots service projects.

Students participating in the project were selected through a nationwide environmental awareness campaign conducted by PwC US on college campuses and on Facebook.

Following an environmental awareness campaign conducted by PwC US on college campuses and on Facebook, more than 100 college students were selected to aid the ongoing recovery efforts in New Orleans.

The students – representing 100 different US colleges and universities – teamed up with PwC US partners and staff on four projects across New Orleans: revitalising Oretha Castle Haley Boulevard (a major thoroughfare that has lately fallen on hard times) to help revive the local economy; renovating several homes in the flood-ravaged Ninth Ward district to give residents renewed hope for the future; repairing the exterior of Warren Easton High School, to match the work carried out by PwC US inside to make the building more energy efficient; and restoring George Washington Carver Park to create a local green space for a healthier environment.

Amanda Rack, a student at Hofstra University, was a member of the team given the mission of sprucing up Oretha Castle Haley Boulevard. ‘I have performed plenty of community service projects before, but nothing has compared to this,’ notes Amanda. ‘One of the most rewarding parts of the trip was meeting new people from



across the country who came together to accomplish something great that will have an impact on New Orleans for years to come.’

Painting and landscaping was on the agenda for the team assigned to Warren Easton High School. Warren Easton – the oldest secondary school in New Orleans – is renowned both for its academic achievements and the fierce loyalty of its students. That devotion to the school also seemed to rub off on members of the PwC team. ‘The school spirit and sense of community I felt there was astounding,’ recalls Rachel Rutledge, who attends Ohio University. ‘The school was filled with students and faculty members, which seemed normal – until someone pointed out that school was out for the summer.’ Alison Kim, an accounting major at Binghamton University, was also impressed by Warren Easton’s school spirit. ‘Warren Easton is more than a school for these students,’ Alison observed. ‘It is their home.’

Shannon Schuyler, Managing Director for Corporate Responsibility for PwC US, notes that a desire to make a broader contribution to society – not just making money – shapes the way in which members of the up-and-coming generation of students view their job opportunities. ‘College students today are actively looking for an employer whose brand and reputation is synonymous with being a responsible corporate citizen,’ she explains. ‘Projects like this show that being a responsible leader and good corporate citizen is all part of how PwC does business.’

Leading on climate change

In May 2009, representatives of PwC – together with more than 500 other business leaders from some 40 countries – met with leading experts, government officials and NGOs at the World Business Summit on Climate Change in Copenhagen. The Summit was held to mobilise private sector engagement in developing a

future climate change policy framework, and provide practical proposals for an ambitious global deal on climate change at COP15, the meeting of the United Nations Framework Convention on Climate Change in December 2009.

PwC leaders played a pivotal role in helping to shape the recommendations from the Summit, including chairing sessions on the rapid transformation to a low-carbon economy and methods for financing clean energy. During the Summit, PwC also presented a detailed carbon emissions reporting model for businesses.

The Summit was convened by the Copenhagen Climate Council in collaboration with The Climate Group, the 3C Initiative, the United Nations Global Compact, the World Business Council for Sustainable Development and the World Economic Forum’s Climate Change Initiative. The Summit also had the full support of the Danish Government.

The key message that emerged from the Summit was that the current economic downturn should not be allowed to temper governments’ ambition for a robust climate treaty. Indeed, the consensus among the attendees was that economic recovery and urgent action to tackle climate change can be complementary. If businesses are fully engaged in the framework as the result of the right incentives having been put in place by governments, then private sector investment in new infrastructure to reduce carbon emissions can act as a powerful economic stimulus. And overall, the Summit voiced an unequivocal commitment by business leaders around the world to work hand-in-hand with policymakers on all aspects of the climate change challenge.

At its conclusion, the conveners of the Summit issued a statement calling for:

- Agreement on a science-based greenhouse gas stabilisation path, with emissions reduction targets for 2020 and 2050

- Effective measurement, reporting, and verification of emissions
- Incentives for a dramatic increase in financing of low-emissions technologies
- Deployment of existing low-emissions technologies and the development of new ones
- Funds to make communities more resilient and better able to adapt to the effects of climate change
- Innovative means to protect forests and balance the carbon cycle.

PwC is also demonstrating its support for efforts to establish a low-carbon economy in other ways. As a member of the World Economic Forum's low-carbon prosperity task force, PwC is heading a study group to identify ways to create millions of green jobs in the short term and, in the longer term, redirect economic growth onto a more sustainable, low-carbon path. Recommendations for ready-to-implement 'low-carbon projects' and methods

for stimulating a faster flow of green technology and investment into developing countries will be delivered to the UN Secretary-General.

Tackling climate change around the world

Colombia: inventing new ways to be sustainable

PwC Colombia has launched an internal campaign to encourage people to find new, more sustainable ways of working that will reduce costs and save resources. Called 'You can be an inventor', the campaign stresses the importance of behaving sustainably to preserve people's jobs. Staff around the country have responded enthusiastically by participating and submitting ideas, including designing a Microsoft Excel application that cut the time spent digitising a client's accounting records from 40 minutes to 10 minutes.



Netherlands: driving down the carbon footprint of our leased car fleet

PwC Netherlands is driving change from the inside outwards, supporting a broad array of corporate responsibility activities to engage people and encourage responsible behaviour. Examples include introducing a carbon-neutral car leasing scheme under which staff receive a higher allowance if they lease a fuel-efficient car. If they use fuel-efficient driving techniques, staff can earn an additional bonus. As a result, both standard fuel consumption and actual fuel consumption have fallen, year on year. Last year the leased car fleet was 2.9% more fuel-efficient than in 2007, and since the start of this leasing scheme, overall fuel consumption fell by an impressive 10.5%. A total of 463 employees received

a bonus at the end of the year, because they drove more economically than expected on the basis of their car's standard fuel consumption.

Australia: slashing carbon emissions in 2009

PwC Australia has a three-step strategy for reducing carbon emissions. First, the firm takes steps to cut its impact. Second, it supplements these savings with renewable energy. And finally, it purchases offsets for any remaining emissions. Last year the Australian firm publicly disclosed its targets to reduce carbon emissions before offsets by 10% in FY09, and by 25% over four years. It substantially exceeded this first-year target, reducing emissions by 23% and almost reaching the four-year target in one year.

United States: going for the gold in green

PwC US has been ranked as the top Green IT organisation by Computerworld, the authoritative news and information magazine for the technology industry. Beginning in 2004, the US firm centralised hundreds of computer servers from remote offices and 'virtualised' a thousand more, resulting in annual savings of 2.75 million kilowatt hours. Currently, PwC US is building a data center and applying for the gold LEED (Leadership in Energy and Environmental Design) certification from the US Green Building Council.

Global Communities Recognition Awards

Each year PwC recognises its member firms for outstanding leadership, development and innovation in the field of community engagement. The awards reflect the richness and diversity of thinking that PwC brings to responsible leadership across the PwC network. Thirty-one member firms submitted nominations this year, and three took home the top honours.

Innovation Award – South Africa, Rural Women's Training Programme

In addition to its ongoing donations of money, food and clothing to those in need, PwC South Africa decided to improve the lives of rural women by establishing the Business Skills for South Africa (BSSA) foundation. The initiative provides business and entrepreneurial skills to disadvantaged communities, with the specific aim of empowering women in isolated rural communities to generate their own income and ultimately make a meaningful contribution to South Africa's economy. This unique approach to a community issue has been recognised by the South African Black Management Forum for skills development and capacity building.

Development Award – Czech Republic, Strategic Community Engagement Programme

The Czech firm focuses on providing volunteer and pro bono services to groups of people who have been identified as having the greatest need. These target groups include abandoned children, mentally and physically disabled people, elderly people and immigrants. The Czech firm has formed strategic partnerships with various relevant community organisations so they can benefit fully from their relationship with PwC.

Best in Class Award – Canada, PwC Foundation

Established in 2004, the PwC Foundation in Canada has a mission to make positive, lasting change in local communities by sharing the firm's time, expertise and resources. To deliver on this mission, the Foundation supports a wide range of volunteer programmes and leadership grants that benefit communities and help build engagement. Since the launch of the Foundation, the percentage of PwC people in Canada volunteering in their communities has risen from 25% to 45%. At the same time, the Foundation has become a corporate leader in the area of employer-supported volunteerism, and is often sought out by other organisations looking to learn from its best practice programmes.

Transparency





‘Transparency is important to us and that is why we have introduced a global transparency report to help our key stakeholders understand how the PwC network is structured and what is expected of PwC member firms around the world.’

Hans Wagener

Germany Senior Partner and member of the Network Leadership Team

We are proud of the PwC network. In the following section we share some detail of our structure, standards and processes.

It is the strength of our network that makes PwC the distinctive and leading professional services organisation in the world. A new organisational model for the PwC network was introduced in the last 12 months which has enabled PwC member firms to align more closely their strategy around the world and improve the integrated service offered to clients.

As part of that new network structure we have introduced a set of standards and policies with which all PwC member firms are expected to comply. These standards cover existing key areas such as independence and risk management as well as wider areas such as people management and brand and communications.

PwC member firms agree to follow this wide range of standards (including quality reviews) in exchange for the right to use the PwC name. The use of the PwC name is very carefully monitored.

We should be judged, not just on the quality and extent of the standards that are applied to all PwC member firms, but on the actions that are taken to maintain these standards and the consequences for member firms that do not live up to them.

We are proud of the work that has been done to build the PwC network and wanted to share with our stakeholders information about both the key structures of the PwC network and the high standards expected of all PwC member firms.

Legal structure, ownership and network arrangements

Network arrangements and member firms

In most parts of the world, the right to practise accountancy is granted only to national firms that are majority-owned by locally qualified professionals.

Consequently, PwC member firms are locally-owned and managed, thereby fostering a deep understanding of local markets.

PwC is structured as a network of separate member firms, owned and operating locally in countries around the world, connected through membership in PricewaterhouseCoopers International Limited.

This network structure provides PwC member firms with the flexibility to operate

This network structure provides PwC member firms with the flexibility to operate simultaneously as local businesses, but on a global scale, creating a platform on which member firms share knowledge, skills and resources.

simultaneously as local businesses, but on a global scale, creating a platform on which member firms share knowledge, skills and resources and deliver services of consistently high quality to international and local clients.

PricewaterhouseCoopers International Limited

PricewaterhouseCoopers International Limited (PwCIL) is a UK private company limited by guarantee in which the various PwC firms are members. PwCIL does not provide services to clients. Its primary activities are to: identify broad market opportunities and develop associated strategies; strengthen PwC's internal product, skill and knowledge networks; promote the PwC brand; and develop and work for the consistent application of common risk and quality standards by PwC member firms, including compliance with independence policies.

PwCIL governance structures

Global Board

The Board is the body responsible for the governance of the PwC network and oversight of the Network Leadership Team. The Board is accountable to the PwC member firms and does not have an external role. Board members are elected by all partners in all PwC member firms every four years, with the current board taking up office in April 2009.

Network Leadership Team

This team sets the overall strategy for the PwC network and the standards and policies to which member firms must adhere.

Strategy Council

The Strategy Council, which is made up of some of the largest PwC member firms, agrees the strategic direction of the network and facilitates alignment in the execution of strategy.

Network Executive Team

This team, which reports to the Network Leadership Team, coordinates key service line and functional areas such as Risk and Quality, Human Capital, Operations, and Brand and Communications across the PwC network.

Description of internal quality control systems

The way we do business

PwC member firms conduct their businesses within the framework of applicable professional standards, laws, regulations and internal policies. However, because these rules do not govern all types of behaviour, PwC has a Code of Conduct for all PwC people and member firms.

PwC people have an obligation to know, understand and comply with the guidelines contained in the Code as well as the values – Excellence, Teamwork and Leadership – on which the guidelines are based.

Sustainable culture

To promote the continuing success of our business, we nurture a culture that supports and encourages all PwC people to do the right thing, especially when they have to make tough decisions. PwC people have ready access to a wide array of networks – both formal and informal – and technical panels to help them reach appropriate solutions.

Quality procedures

PwC has a number of common methodologies and work programmes for many of its services. These are designed to assist member firm partners and staff in delivering high-quality work. Each client engagement partner is responsible for selecting partners and staff for an engagement, who have the appropriate professional competence and experience.

To promote the continuing success of our business, we nurture a culture that supports and encourages all PwC people to do the right thing, especially when they have to make tough decisions.

Managing risk and quality

A firm's membership in the PwC network depends on its compliance with common risk and quality standards. Underlying PwC's risk management and compliance programme is the fundamental principle that every PwC member firm is fully responsible for its own risk and quality performance and, where necessary, for driving improvements. Territory Senior Partners sign an annual confirmation of compliance with a set of risk management standards covering a range of risk areas, including independence, ethics and business conduct, Assurance, Advisory and Tax risk management, governance and data protection and privacy. The annual compliance confirmations follow an annual compliance assessment process.

Assurance quality review process

PwC member firms conduct an annual programme of quality reviews intended to:

- Evaluate each member firm's performance of its overall control and management of quality
- Evaluate whether on selected individual engagements:
 - Audit examinations are performed in accordance with generally accepted auditing standards, financial statements are prepared in conformity with generally accepted accounting principles, and reports issued are appropriate in the circumstances
 - Other Assurance services are performed to appropriate standards and documented in accordance with PwC policies and procedures.
- Identify the possible root causes of failings where deficiencies are identified or where performance needs improvement

- Identify and assess any factors that may increase the member firm's risk
- Assess compliance with global Assurance risk management policies and procedures
- Provide constructive recommendations for correcting any deficiencies noted during the review.

As part of the quality review process, each PwC member firm reviews the work of each of its partners and its overall quality control processes at least once every three years, or more frequently should circumstances warrant. PwC member firms develop remediation plans to address deficiencies or areas for improvement noted during the review process.

Independence practices

Policy

PwC's Independence Policy – based on the International Federation of Accountants Code of Ethics for Professional Accountants

– sets out the minimum standards and requirements that should be observed by PwC member firms and their people and the processes that are to be followed to maintain independence from PwC Assurance clients. PwC member firms may impose supplementary independence restrictions and processes by reference to local regulatory and ethical requirements. Details of any such requirements having cross-border effect are promulgated within the network.

The requirements of the PwC Independence Policy are embodied in a number of Independence Standards against which all PwC member firms are required to assess their compliance annually.

Training

Computer-based training modules on the PwC Independence Policy and related topics have been made available to all PwC member firms. Similar training materials that can be used for face-to-face

training have also been developed. Individual member firms supplement these with training materials tailored to reflect any local requirements. Our Assurance, Tax and Advisory practices also deliver local training programmes and materials dealing with independence considerations related to the provision of services to Assurance clients.

Compliance

Compliance processes rely on a combination of business activities and monitoring systems. All partners, directors and client-facing managers in all member firms are required to record the details of their investment portfolios on a confidential database that provides real-time monitoring of investments held against an independence list of prohibited securities. All joint business relationships are required to be approved, recorded and regularly monitored.

The requirements of the PwC Independence Policy are embodied in a number of Independence Standards against which all PwC member firms are required to assess their compliance annually.

In addition to these and other compliance monitoring systems, all PwC member firms have certain confirmation and verification processes, including:

- Annual compliance confirmations
- Inspection and compliance testing programmes.

Violations

All PwC member firms have disciplinary policies and mechanisms to promote compliance with policies and processes and to report and address any violations of independence requirements. In addition, all member firms report any violations of cross-border independence regulations affecting audit appointments of other member firms.

Partner remuneration

An essential element of PwC's ethos is a common global framework for partner remuneration, based on partner performance and quality of work. This global framework suggests

that all PwC member firms' partner remuneration systems should include three core elements for which partners are rewarded: first, the role they are asked to play in the partnership; second, how well they carry out their responsibilities; and third, how well their individual firm performs as a whole. The underlying premise of the partner income philosophy at PwC is designed to encourage, recognise and reward partners, both as individuals and as members of teams, based on their contribution to their respective firms.

The successful execution of member firms' partner income arrangements, including delivery of actual rewards, hinges on a balanced scorecard evaluation against individual and team objectives. The PwC performance-rewards structure respects the regulatory environment in which PwC member firms operate and each member firm maintains and operates a separate compensation system for both partners and staff.

Continuing education

The PwC approach to learning and education (L&E) at the global level provides our people with access to a wide curriculum of courses developed to global standards, while also providing support for local L&E leadership and fostering personal accountability for continuous education.

We are committed to delivering consistently high levels of audit quality around the world. To help us do this, our globally developed curriculum gives Assurance practitioners, and specialists in Advisory and Tax who provide audit support, access to courses covering our audit approach and the tools we use, updates on new standards and their implications, and areas of audit risk and engagement quality. These courses give all practitioners the opportunity to sharpen their professional judgement by sharing insights and experiences with their instructors and peers.

We are committed to delivering consistently high levels of audit quality around the world.

We also provide highly focused programmes for those with special roles or who serve clients with unique characteristics. These include Quality Review Partners, those leading multilocation audits, those leading audits of non-financial information, and those serving clients in selected industries with unique business models, regulation, or audit risks.

With some 163,000 people across PwC's member firms, providing continuous education throughout each professional's career is a major challenge. Mechanisms have been put in place at all levels – individual, national and global – to help achieve this goal.

Member firm L&E leaders are responsible for reporting their training plans for the year and, at year-end, their actual delivery of training to the target audience for each programme.

Facts and figures



Information is power. In the following section we share key facts and figures on our revenues, clients, people and leadership.

Revenues

As for many other businesses around the world, the 12 months to 30 June 2009 were challenging for our network with most PwC member firms facing tough economic conditions. As a result, our global revenues were up marginally at constant exchange rates, by 0.2% to 26.2 billion USD.

At variable rates of exchange, revenue growth was significantly impacted by the strengthening of the US dollar; as a result revenues fell by 7.1%.

Although these results are not as good as we would have liked and certainly not as strong as we have seen in recent years, they are reasonable in the current difficult economic climate, reflecting our strong mix of business and PwC's position as the premium brand in many of our markets.

Assurance, which remains the centrepiece of our business and our brand-defining service, continued to grow despite the difficult economic conditions, reflecting both the well-established nature of this business

Figure 1: Aggregated revenues of PwC member firms by region (USD millions)

| | FY09 at FY09 ex. rates | FY08 at FY08 ex. rates | % change | % change at constant ex. rate |
|---------------------------------|-------------------------------------|-------------------------------------|-----------------|--|
| Asia | 2,627 | 2,601 | 1% | 5.4% |
| Australasia and Pacific Islands | 1,176 | 1,366 | -13.9% | 1.4% |
| Central and Eastern Europe | 778 | 861 | -9.7% | -3.8% |
| Western Europe | 11,155 | 12,619 | -11.6% | -0.8% |
| Middle East and Africa | 704 | 715 | -1.5% | 9.1% |
| North America and the Caribbean | 9,032 | 9,332 | -3.2% | -1.2% |
| South and Central America | 699 | 691 | 1.3% | 13.3% |
| Total gross revenues | 26,171 | 28,185 | -7.1% | 0.2% |

FY09 revenues are expressed in US dollars at average FY09 exchange rates. FY08 revenues are shown at average FY08 exchange rates for continuing operations. Gross revenues are inclusive of expenses billed to clients.

Fiscal year ends 30 June.

and its continued focus on improved customer service and very competitive pricing. In FY 2009 our Assurance practice earned revenues of 13.1 billion USD, up 2%.

Tax revenues held steady at 6.9 billion USD, the lack of growth reflecting the decline in corporate deals and restructuring.

Given the economic circumstances, revenues from our Advisory practice continued to hold up well at 6.1 billion USD, down by just 2.9%. This fall in revenues was driven by a downturn in deals and initial public offerings. This was offset somewhat by a boost in restructuring work. Looking ahead, the acquisition in 2009 of the BearingPoint advisory businesses in the US and Japan will help to position our Advisory practice very well for future growth.

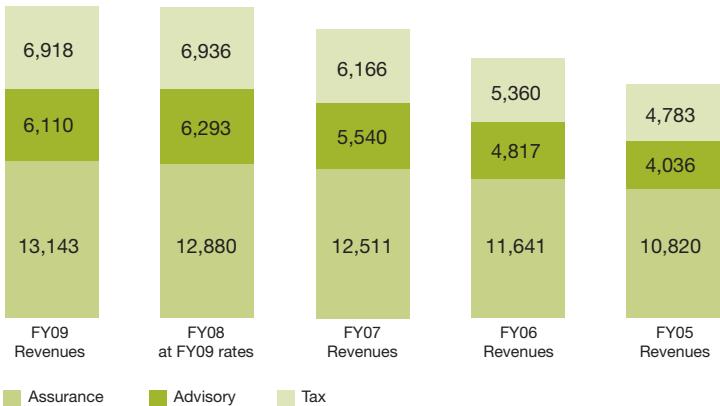
In some regions around the world, PwC member firms were less affected by the global economic downturn than others. There were continuing strong results from South and Central America, which saw revenues increase by 13.3%, while the Middle East and Africa enjoyed revenue growth of 9.1%. Asia saw a modest increase

Figure 2: Aggregated revenues of PwC member firms by service line (USD millions)

| | FY09 at FY09 ex. rates | FY08 at FY08 ex. rates | % change | % change at constant ex. rate |
|----------------------|------------------------------|------------------------------|----------|-------------------------------------|
| Assurance | 13,143 | 13,808 | -4.8% | 2.0% |
| Advisory | 6,110 | 6,899 | -11.4% | -2.9% |
| Tax | 6,918 | 7,478 | -7.5% | -0.3% |
| Total gross revenues | 26,171 | 28,185 | -7.1% | 0.2% |

FY09 revenues are expressed in US dollars at average FY09 exchange rates. FY08 revenues are shown at average FY08 exchange rates for continuing operations. Gross revenues are inclusive of expenses billed to clients.
Fiscal year ends 30 June.

Figure 3: PwC's service line mix (2004-2009) at constant exchange rates



in revenue growth of 5.4%, lower growth than last year, but still a creditable performance in the current climate and a continuing indication of the growing contribution that PwC's member firms in Asia will make to the PwC network.

Our member firms in Central and Eastern Europe were impacted by the recession this year, with revenues down by 3.8%, while our member firms in North America saw revenues fall by 1.2%. PwC member firms in Western Europe also had a difficult time this year, with revenues down by 0.8%.

Revenue growth was high in a number of our member firms around the world, with particularly good growth from some key markets such as Japan (11.8%), Spain (6.4%), Sweden (6.4%) and Canada (4.4%).

By delivering our services through a number of industry sectors, our clients benefit from our latest thinking, research and expertise. Looking at our revenues on an industry basis, there were particularly good results from colleagues working with clients in the government, energy and banking and capital markets sectors.

Figure 4: Aggregated revenues by industry sector (percentage of revenue)

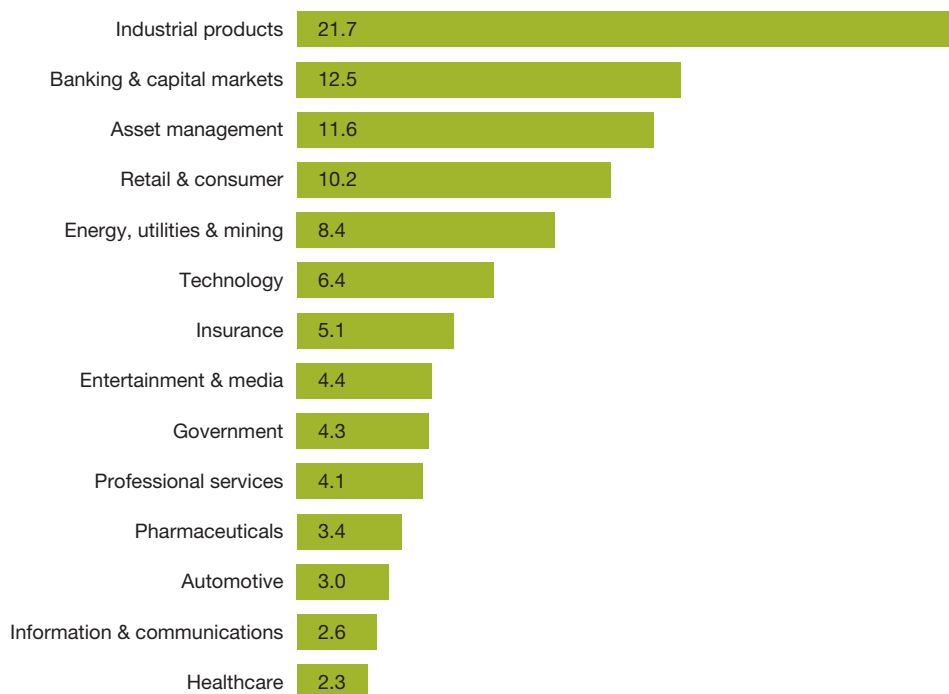
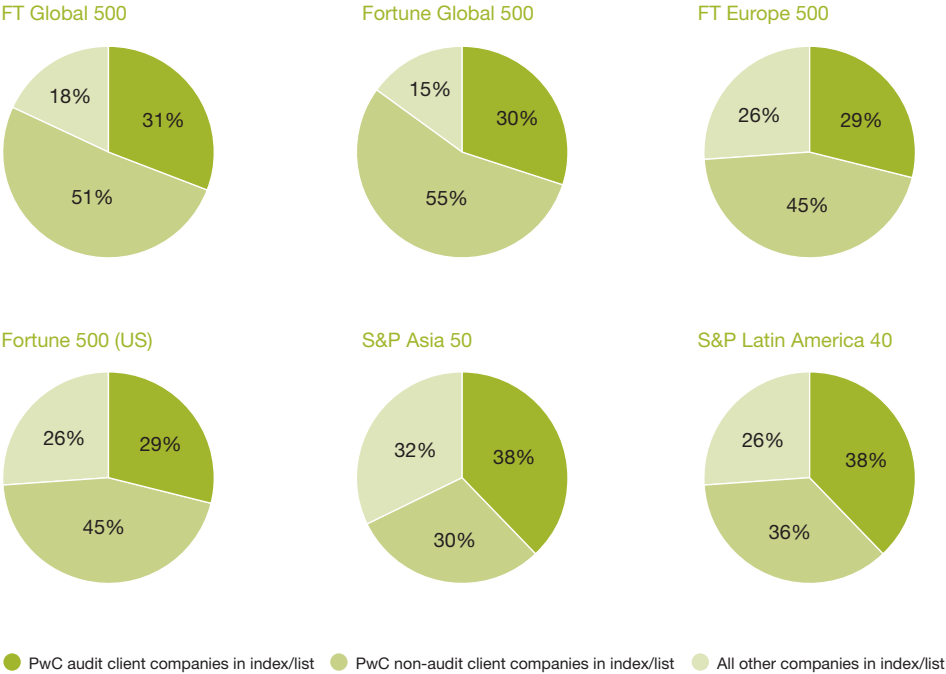


Figure 5: Global and regional client bases



Audit clients include both sole and joint audit appointments. Other clients disclosed as companies where PwC revenues exceeded 500,000 USD in FY09.

Clients

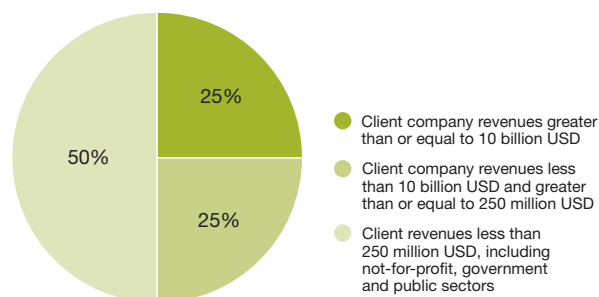
Around the world, our clients rely on PwC to help them explore opportunities and deal with complex business challenges. We work closely with our clients to deliver sustainable solutions, tapping into the breadth of our global network and our in-depth industry expertise.

The clients of PwC member firms around the world range from the largest and most complex organisations to innovative entrepreneurs. Our services are tailored to match the needs and requirements of all of our clients, depending on their size, location and specific needs.

In FY 2009, PwC member firms provided services for 422 of the companies in the Fortune Global 500 and 408 of the companies in the FT Global 500. In addition, PwC member firms served significantly more than half of the largest companies in each of our regional markets during the year.

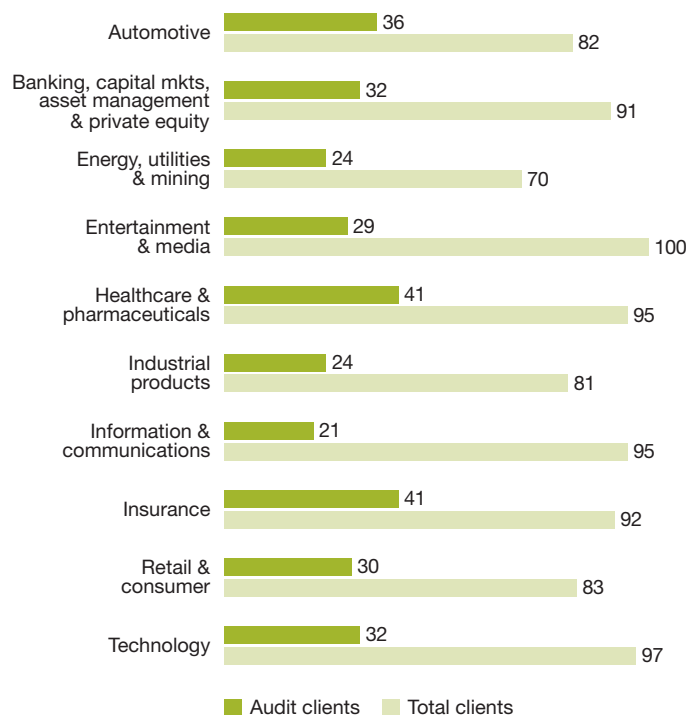
PwC member firms around the world have a broad mix of clients. The share of revenues from smaller clients, private entities, not-for-profit organisations and the public sector was 50% of our total revenues in FY 2009, compared with 25% for mid-sized companies and 25% for large companies.

Figure 6: PwC aggregated revenues by size of client



Estimates based on market data representing 98% of aggregated revenues of PwC firms in FY09. Client company revenues as reported by public record.

Figure 7: PwC clients as a percentage of the Fortune Global 500



Audit clients include both sole and joint audits. Other clients defined as companies where PwC revenues exceeded 500,000 USD in FY09.

Figure 8: PwC people, June 2009

| PwC people | 2009 | 2008 | 2007 |
|------------------------|---------|---------|---------|
| Partners | 8,552 | 8,603 | 8,578 |
| Client service staff | 123,548 | 116,935 | 108,926 |
| Practice support staff | 31,445 | 30,155 | 29,263 |
| Total | 163,545 | 155,693 | 146,767 |

Figure 9: Growth by region, June 2009/2008

| PwC people | 2009 | 2008 | Growth |
|---------------------------------|---------|---------|--------|
| Asia | 32,756 | 27,646 | 18% |
| Australasia and Pacific Islands | 6,829 | 7,739 | -12%* |
| Central and Eastern Europe | 6,860 | 6,634 | 3% |
| Western Europe | 58,457 | 57,523 | 2% |
| Middle East and Africa | 9,427 | 8,293 | 14% |
| North America and the Caribbean | 39,142 | 38,160 | 3% |
| South and Central America | 10,074 | 9,698 | 4% |
| Total | 163,545 | 155,693 | 5% |

*2009 figures have been rebased to exclude temporary staff.

People

At PwC, we are committed to our people. They are behind our every success. We are proud to have many of the best and brightest people working for our organisation, from diverse backgrounds and with rich experience and a broad range of skills. Once they join PwC, we develop, guide and motivate them to give their best. If they decide to leave, we support them in finding a new role, and then we stay in touch.

The combined headcount of PwC member firms is more than 163,000, an increase of 5% during FY 2009 and up from about 118,000 at the time of the formation of PwC in 1998. The changes in headcount this year varied considerably across the network, reflecting the differing local economic conditions.

We have a truly global reach, with offices in 757 cities across 151 countries.

Figure 10: PwC people by lines of service, June 2009

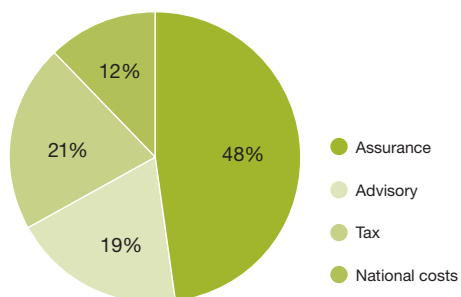


Figure 11: PwC people by region, June 2009

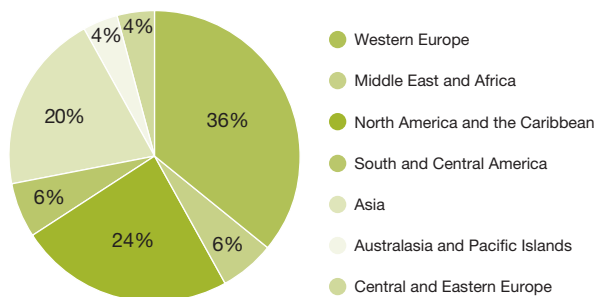


Figure 12: PwC ranking in student surveys

| | Rank in Big Four | | Rank among all employers | |
|----------------|------------------|------|--------------------------|------|
| | FY09 | FY08 | FY09 | FY08 |
| China | 1 | 1 | 10 | 10 |
| Czech Republic | 1 | 1 | 1 | 5 |
| Poland | 1 | 1 | 1 | 1 |
| Sweden | 2 | 2 | 4 | 5 |
| Switzerland | 1 | 1 | 6 | 6 |
| UK | 1 | 1 | 1 | 1 |
| US | 2 | 2 | 3 | 3 |
| Pan-European | 1 | 1 | 6 | 7 |

Sources: China (Universum Graduate Survey (Business and Commerce students only)), Czech Republic (AIESEC Survey), Poland (AIESEC survey), Sweden (Universum Graduate Survey), Switzerland (Universum Graduate Survey), United Kingdom (The Times Student Survey of top Graduate Employers), United States (Universum Graduate Survey), Pan-European (Universum Graduate Survey)

To offer the best possible service for our clients, we need to be a magnet for outstanding people. According to recent student surveys we continue to be the top employer in our profession in many key markets around the world (Figure 12).

We also saw an improvement in the average partner and staff turnover rates in our largest member firms (Figure 13), due in part to the uncertain economic climate, but also reflecting our commitment over the years to get better at keeping our best and brightest people.

Figure 13: Average turnover rates of PwC people in major firms

| | Client service | | Practice support | | Partners | |
|-----------|----------------|------|------------------|------|----------|------|
| | FY09 | FY08 | FY09 | FY08 | FY09 | FY08 |
| Assurance | 17% | 18% | 11% | 11% | 4% | 6% |
| Advisory | 16% | 17% | 15% | 12% | 6% | 10% |
| Tax | 15% | 15% | 15% | 13% | 5% | 8% |
| Total | 16% | 17% | 11% | 12% | 5% | 7% |

Women at PwC

Women represent half of our global workforce at the recruitment level, and 15% of the Partnership. Gender diversity remains a goal for the PwC network, as evidenced by the 2006 formation of the Global Gender Advisory Council (GAC). Details of the GAC's work can be found at www.pwc.com/women.

PwC has recently won two major global diversity awards:

- Best Company for Global Diversity – PwC has been named the 2009 'Top Company for Global Diversity' by DiversityInc, a leading publication on diversity in the workplace. DiversityInc selected PwC for its 'deep-rooted commitment to inclusiveness in all its operations worldwide'.

Figure 14: PwC people by gender, June 2009

| Percentage of women | 2009 | 2008 |
|---|------|------|
| Client service and practice support staff | 50% | 49% |
| New partners* | 16% | 23% |
| All partners | 15% | 15% |

*Admitted on 1 July 2009

- Best Global Diversity Initiative – the Gender Advisory Council has won the inaugural 2009 Opportunity Now 'Global Award'. The award recognises an outstanding global diversity initiative that extends across at least three countries.

Additionally, we partner with companies such as Catalyst, Diversity Best Practices, Working Mother, the Women's Forum for the

Economy and Society and the World Bank on programmes to support, develop and retain our people. Around our network, we continue to invest in mentoring schemes, role modelling and networking groups, and coaching and awareness training programmes.

Global mobility

PwC’s Global Mobility Programme allows us to offer our clients, wherever they are in the world, the right expertise at the right time. It also develops the skills and international perspective of our people. During the year, some 2,866 partners and staff (2008: 3,228) from PwC member firms in 100 countries (2008: 103) were posted internationally on short-term and long-term transfers or assignments.

We have maintained our commitment to our mobility programme, despite the global economic downturn. In FY 2009, some 1,400 people went to live and work abroad on short or long-term assignments. As the economy recovers and we continue to invest in our mobility programme, we anticipate that the number of secondment opportunities for our people will increase.

Figure 15: Global mobility programme – number of new assignments

| | FY09 | FY08 | FY07 |
|------------------------|-------|-------|-------|
| Long-term assignments | 713 | 930 | 961 |
| Short-term assignments | 713 | 949 | 1,361 |
| Total | 1,426 | 1,879 | 2,322 |

Development programmes

My Way

This 15-month leadership development programme for talented senior managers and directors in PwC’s European and Middle Eastern firms helps participants to become distinctive leaders in a distinctive firm and to build a clear picture of the impact they want to have and the contribution they want to make to their clients, teams, peers and PwC. Since 2005, 538 participants have completed the My Way programme, with 115 PwC people from 16 countries starting the course in FY 2009. Former participant Martin Kennard of the Swiss firm said: ‘My Way has given me an insight into the responsibilities I have as a leader within the firm.’

Assurance Core Curriculum

As part of the roll-out of Aura – PwC’s new audit tool launched in FY 2009 – the Assurance core curriculum was rewritten for new audit joiners up to fourth year associates. These new programmes were

piloted in Sydney, Toronto, San Jose and London, and have since been released for use around the world. The courses teach audit theory and practice in the context of Aura, which contains more refined audit risk identification and assessment capabilities, providing further assistance to auditors as they exercise professional judgement. The new course for fourth year associates was based on NextSTEP, the predecessor course for that same level. NextSTEP was highly commended in Training Magazine's 2009 Top 125 Training Companies awards. At those awards, PwC was selected as the top training organisation for the second year in a row.

Advisory University

PwC's Advisory Universities brought thousands of Advisory partners and staff from around the world together in different locations to: expand their skills and capabilities; understand our strategic priorities; and collaborate and share ideas on how to enhance the value we bring to clients. FY 2009 events were held in the

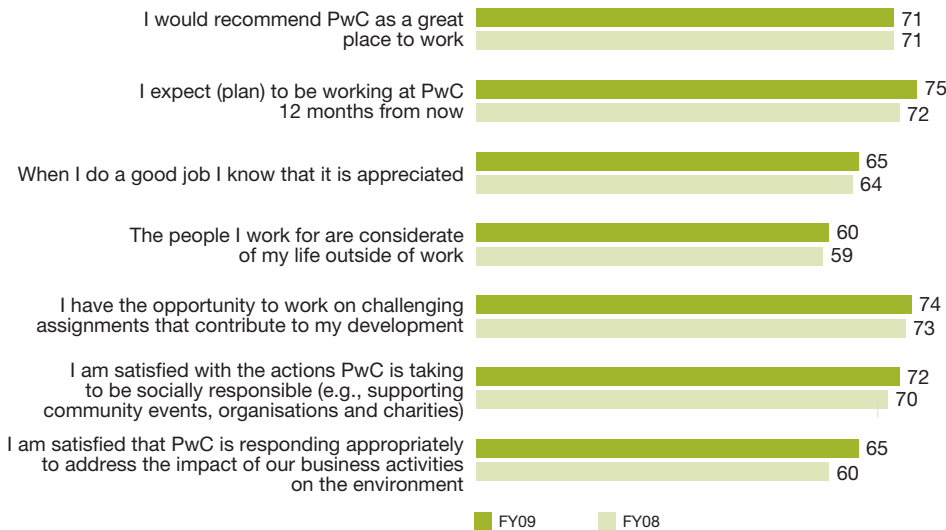
US (2,400 participants), Canada (300 participants), China (250 participants), Europe (1,300 participants) and Africa (590 participants). One participant summed it up: 'This is a unique and fantastic opportunity to mix, learn and be impressed by the power of our global network.'

Genesis Park

Genesis Park is an intensive, four-month, residential leadership development programme for high performers across the PwC network. It was delivered to 94 participants from over 25 countries this year, amassing nearly 450 alumni since its inception in 2001. Via its heavy focus on business and personal development curriculum and its unique, multicultural team environment, Genesis Park participants develop truly global business perspectives and leadership skills for today's and tomorrow's global world. It's more than a learning experience; it transforms the lives of the participants and has a positive impact on the local and global teams with which they work.

As the economy recovers and we continue to invest in our mobility programme, we anticipate that the number of secondment opportunities for our people will increase.

Figure 16: Global People Survey results (% agreeing)



Global People Survey

Every year, we survey our people around the world to find out how they feel about working at PwC. This exercise is key to helping us address issues and create a work environment that makes people want to remain with PwC. The results of this year’s Global People Survey, which delivered impressive response rates, were again very good.

The vast majority of our people are proud to work at PwC, would recommend it as a great place to work and expect to be working at PwC 12 months from now. We saw a particularly good result in the area of corporate responsibility, with 65% of our people saying they are satisfied that PwC is responding appropriately to address the impact of our business activities on the environment.

But we know there is always more we can do. Work-life balance, for example, is an area we will continue to focus on in FY 2010. Although we saw a slight improvement this year, we believe we can do better.

Corporate responsibility in numbers

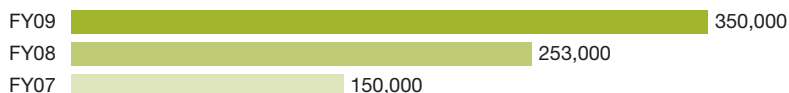
PwC member firms around the world engage with their local communities in many different ways, working passionately to make a difference. Every year we have seen an increase in the level of donations we make to charitable organisations, the number of hours of free or heavily discounted professional services we provide to community organisations, and the amount of time our people spend volunteering in the community. We are particularly proud of our achievements in FY 2009, which reflect our strong commitment to playing a leading role in achieving a sustainable future.

Figure 17

Giving (\$USD)



Provision of professional services/corporate community leadership



Volunteering hours



Global Board

Current members of the Global Board are:

Brad Oltmanns, Chair
Los Angeles

Noël Albertus
Paris

Susan Allen
Toronto

Mark Boyer
Washington

Marco Castro
São Paulo

Peter Clemedtson
Stockholm

Mary Ann Cloyd
Los Angeles

Gerry Lagerberg
London

Murray Legg
London

Tim Lui
Hong Kong

John Maxwell
New Jersey

Bruce Morgan
Sydney

Mike Morrow
Atlanta

Didier Mouget
Luxembourg

Christoph Schreiber
Frankfurt

Rich Sharko
Moscow

Peter Tieleman
Utrecht

Matthew Wyborn
Tokyo

Other partners who have served on the Global Board during fiscal year 2009 were John Barry, Paul Brasher, Samuel DiPiazza, Jonathan Davies, Suresh Kana, Jan Konerding, Keith Levingston, Israel Mida, Donal O'Connor, Tim Ryan, Jeremy Scott, Robert Sullivan, Serge Villepelet and Carrie Yu.

Network Leadership Team

Network Leadership Team members are:

Dennis M. Nally
Chairman

Bob Moritz
United States

Ian Powell
United Kingdom

Hans Wagener
Germany

Silas Yang
China

Network Executive Team

Network Executive Team members are:

Donald Almeida
Clients and Markets

Paul Boorman
Operations

Pierre Coll
Risk and Quality

Richard Collier-Keywood
Tax

Moir Elms
Brand, Communications
and PwC Experience

Dennis Finn
People

Christopher Kelkar
Strategy

Donald McGovern
Assurance

Juan Pujadas
Advisory

Javier Rubinstein
General Counsel

Peter Wyman
Public Policy and
Regulatory Matters

Strategy Council

Strategy Council members are:

Dennis M. Nally
Chair

Kyung-Tae Ahn
Korea

Gautam Banerjee
Singapore

Ezio Bassi
Italy

Chris Clark
Canada

Luis Frisoni Jr
South and Central America

Koji Hatsukawa
Japan

Warwick Hunt
Middle East

Mark Johnson
Australia

Suresh Kana
Southern Africa

Mike Kubena
Central and Eastern Europe

Carlos Mas
Spain

Bob Moritz
United States

Markus Neuhaus
Switzerland

Ian Powell
United Kingdom

Ramesh Rajan
India

Javier Soní
Mexico

Henrik Steinbrecher
Sweden

Robert Swaak
The Netherlands

Serge Villepelet
France

Hans Wagener
Germany

Silas Yang
China Hong Kong


In FY 2009, PwC member firms provided services for 422 of the companies in the Fortune Global 500 and 408 of the companies in the FT Global 500. In addition, PwC member firms served significantly more than half of the largest companies in each of our regional markets during the year.

To view the web version of this report, visit:
www.pwc.com/annualreview

PricewaterhouseCoopers provides industry-focused assurance, tax and advisory services to build public trust and enhance value for our clients and their stakeholders. More than 163,000 people in 151 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

© 2009 PricewaterhouseCoopers. All rights reserved. *PricewaterhouseCoopers* and *PwC* refer to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL). Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.

Designed by studioec4 19635 (10/09)



The 2009 PricewaterhouseCoopers Global Annual Review has been printed at a carbon neutral ISO 140001 accredited plant using Forest Stewardship Council (FSC) accredited paper stock. The cover is made from 25% recycled post consumer fibre and 75% FSC virgin fibre only for FSC Recycled grades and the text pages have been printed on paper made from 100 % FSC recycled pulp.

Communication on Progress

March 12, 2010

PricewaterhouseCoopers (PwC), as one of the world largest professional services firms, is particularly aware of its obligation to take a leadership role in promoting the concept and practice of corporate responsibility. One very visible example of how we do this is by participating in the United Nations Global Compact (UNGC). The UNGC provides us a policy platform and practical framework to reflect our commitment to responsible business practices, including the ten principles defined by the UNGC in the areas of human rights, labor, the environment, and anti-corruption. PwC's participation in the UNGC is established through a written commitment to uphold the UNGC and provide an annual Communications on Progress to outline our actions. By participating in the Compact, PwC's global network of member firms actively support the UNGC's ten principles in their respective geographies.

The three environment related principles of the Compact focus on businesses taking responsibility and supporting a precautionary approach to address environmental challenges and encourage the further development of environmentally friendly solutions. PwC recognizes that as a responsible business with global influence, we cannot be merely an observer. Our environmental strategy focuses on a number of initiatives, including:

- Measuring, reporting and continuously reducing the environmental impact of business operations.
- Using natural resources efficiently and minimizing waste.
- Mitigating climate change impacts by reducing greenhouse gas emissions from energy use, transport, and every day practices.
- Developing processes to minimize environmental impact.
- Encouraging suppliers to reduce the environmental impact of the materials they provide.

Each of our individual member firms is responding to the need to protect the environment with plans that can be implemented immediately at a local level. These targeted local efforts also form part of a wider initiative being coordinated by PwC's Climate Change Response Group, which brings together representatives from our eight largest firms. The Climate Change Response Group serves as a forum for sharing insights and best practices on environmental matters. It also acts as a decision-making body responsible for the development of a long-term, unified approach to environmental issues that can be applied with local customization across our entire organization.

To further PwC's commitment to the UNGC, we are global signatories to the CEO Water Mandate and as such, focused on the development, implementation and disclosure of water sustainability policies and practices. The continued endorsement of the Water Mandate and its six elements by our Global CEO, acknowledges that we have a responsibility to operate in a more sustainable manner and collaborate with governments on policy issues, non-governmental organizations, and other stakeholders to address the global water challenge.

PwC, as a professional services organization, has a much smaller water footprint than most companies in other sectors, but we understand the importance of companies in all industries evaluating their water consumption. A significant complexity that we are addressing throughout our global network of firms is that we do not own our facilities, but secure space in buildings as tenants. As such, the direct measurement of the water consumption on our floors and within the space occupied by PwC partners and staff is a challenge to acquire and in some cases insurmountable based on the contractual agreements with landlords. With that said, we continue to work closely with our building management representatives across

the territories and look to develop various processes to begin to gather more specific water usage as part of our wider carbon footprint assessments for the future.

Even without the raw data, throughout our global network in offices from the US, to the UK, to China, many facilities have conducted energy audits and the remediations have included equipping motion sensors on

faucets to ensure that water is used only when needed; replacing existing toilets with self-flushing capabilities; and developing signage in offices reminding our people to use water sparingly. In addition, some territories are using the UNGC as a framework for Supplier Codes of Conducts and Vendor Assessment Surveys and better understanding the environmental actions of these suppliers is a key element of our strategy. In the US, as a general rule, all paper used is certified by organizations such as the FSC (Forest Stewardship Council) or the SFI (Sustainable Forestry Initiative). Certifications by these independent organizations ensure that the papers we purchase are harvested and manufactured under strict regulations and in a manner that promotes sustainability and responsible management of the world's forests. We can minimize the impact of our "footprint" on the earth's green lands, protecting both our rainforests and our old growth forests. At the same time, we are helping to purify our air and water. As we identify room for further conservation of water use as a result of our studies, we will set goals to reduce our water consumption accordingly.

As a firm, PwC is a leader and expert advisor in the area of sustainability and climate change. That focus also includes a concentration on services related to water and the sustainability of that limited resource. The widespread scope of our actions include:

- **PwC Water Group** - Serves as a leading provider of professional services to regulated and non-regulated utility companies both in the UK and globally. The dedicated team of practitioners works across the network of offices, advising on a broad range of assurance, advisory and tax services. PwC currently audits 7 out of the 12 UK largest water and sewerage companies and works closely with the majority in the sector. The Water Group is also focused on giving consistent high quality advice to our teams and clients and to speak with one voice to Ofwat. The group supports our water industry teams to ensure that our industry knowledge and expertise is leveraged appropriately across the sector.
- **Water Footprint Network** - As a member, engaged with businesses and NGOs on the emerging methodology of water footprinting.
- **WBCSD Water Working Group** - As a member, engaged with businesses on the business response to emerging issues around water.
- **"About Water" Project** - Positioned as a prominent sponsor of a project to bring together a collection of 17 songs in 17 different countries by international artists to sing about water and hygienic sanitation for all. The program covers a qualified selection of effective and efficient projects on water and sanitation, selected by Aqua for All (a Dutch matchmaker foundation that links financial and knowledge support to water and sanitation programs all over the world). The funds raised go to benefit projects that are assessed on their effective contribution to the Millennium Development Goal 7, their sustainability and its impact on poverty reduction, health and gender issues.
- **Other activities include:**
 - Considering implications for water companies of the move towards IFRS at an entity level.
 - Key contributor to major sector policy investigations, such as the Cave review.
 - Influencing regulatory policy and helping companies to develop their competition policies as the regulators become increasingly focused on this area.

UN Global Compact CEO Water Mandate



Through our support of the UNGC and the CEO Water Mandate, PwC is committed to taking responsible actions that contribute to a sustainable marketplace, community and environment and to serve as a leader in being transparent and encouraging other organizations to take meaningful actions that align with both the principles of the Compact and Water Mandate.