

Ethics & Business Conduct

“Building an Ethical Organisation Culture: The Ethics & Business Conduct Program of PricewaterhouseCoopers”

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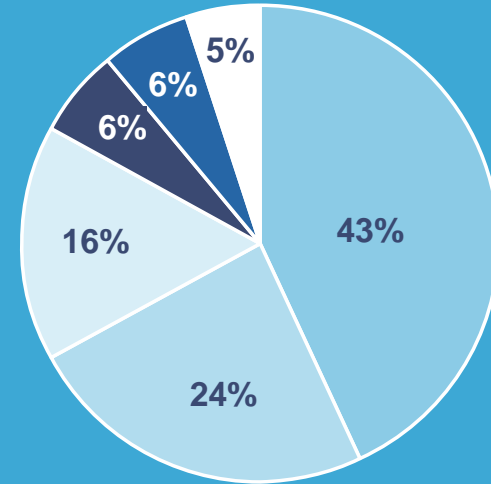
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Introduction to PwC

- Offices in 771 cities in 155 countries
- > 160,000 people
- In FY2008, PwC firms, achieved net revenues of some \$28.2 billion
- “PricewaterhouseCoopers” refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

PricewaterhouseCoopers People by geography

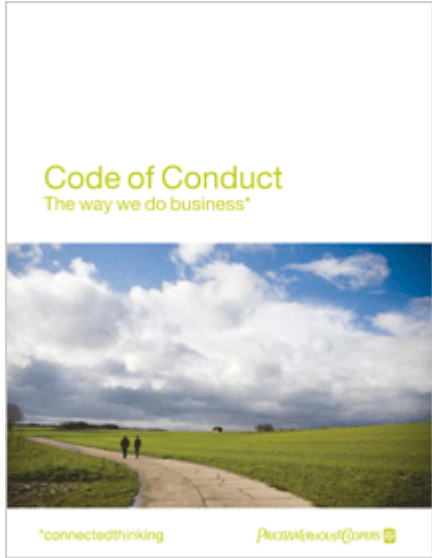


Ten Imperatives to the success of a Global Programme

1. Understand your context – where you come from...
2. Understand your context – what drives change
3. Learn from others
4. Listening to your people
5. Custom fit a solution
6. Agree on fundamentals
7. Agree on standards
8. Shared responsibility
9. Measure effectiveness/impact/awareness
10. Thought leadership and Environmental Responsiveness

Imperative 1: Understand your Context – Where you come from...

100+ years
of operating with
integrity



- 1996-1997 C&L US Ethics & Business Conduct Program implemented
- 1998 C&L and PW merge to form PricewaterhouseCoopers
- 1998-2001 Focus on US program
- 2001 Organization of global Ethics & Business Conduct efforts
- 2005/6 Ethics & Compliance
- 2006-current **Behavioral Focus – Compliance, CSR, Governance**

The GEBCO Vision

Our vision is to have Ethics and Integrity embedded into all of PwCs operations, culture and relationships. This serves to:

- Build our People
- Strengthen our Culture
- Serve our Clients
- Enhance our Brand
- Manage our Risk

Supported by 80 Regional/Territory Business Conduct Leaders and their teams

1 Global Code of Conduct

8 Global E&BC Risk Management Standards

Imperative 2: Understand your Context – What drives Change...



- Operationalise our values - GLOCALISATION
- Cross-border clients/engagements/teams
- Mobile teams
- Diverse practices
- Address basic human needs
(our people need to understand the organization's expectations for conduct)
- Stakeholders need to rely on consistent standard of conduct
- Unified PwC culture and brand



Imperative 3: Learn from Others...

Top 10 Mistakes

- No consensus on objectives
- No consultation
- Extensive use of the word “ethics”
- Not translating the code of conduct
- Training materials only in English
- No business conduct offices in international locations
- All positions filled by Americans
- Rationales for program based on U.S. legal requirements
- No marketing based on practical business advantages
- Forgetting that there are more similarities than differences

Source:

International
Business Ethics
Institute

Mistake 11, - Not actively managing knowledge sharing

Imperative 4: Listening to your People...

- Don't impose US standards/processes
- Would be received cynically in some places
- Not sure of the connection to our local business needs
- We've been in business for 100 years without a problem
- We're professionals
- Helplines won't work everywhere



Imperative 4: Listening to your People...

- Don't group all of Asia together
- The appearance of acceptance in some cultures may be deceiving (politeness may not be acceptance)
- Let's see how the values take hold
- Inconsistency of laws/regulations from country-to-country
- Respect differences in culture while maintaining core values.
For example:
 - Gift-giving practices vary
 - Taking credit for a subordinate's work
 - Conflicts of interest/family vs. work relationships

Imperative 5: Custom fit a solution...

- A global business conduct program, stemming from PwC's Values, is necessary to bind our diverse organization together

Glocalisation

A global program is achievable, but:

- It must be geographically-implemented
- It must NOT be perceived as a US program
- It requires sponsorship, commitment and resources (Global/Local)
- Establish a representative working group with dedicated resources to drive consensus

Imperative 6: Agree on fundamentals...

Working group conclusions

- Code will be the only official code of PwC
- Roll-out of Code closely follows release of new PwC strategy
- CoC will be distributed electronically/hard copy to all PwC people
- Will be accompanied by message from Global CEO and/or territorial leaders – Tone at the Top
- Code will be available in multiple languages (5 or 6 to start)

Imperative 7: Agree on minimum/baseline standards...

In order for the Ethics & Business Conduct program to be meaningful and effective, certain additional activities had to take place:

- TSP and leadership teams must support the CoC
- Supplements should be considered by each territory
- Territories must appoint individuals responsible for ethics support activities
- General ethics awareness training must be given to new hires, and considered for existing employees and staff
- Upstream communication channels should be available
- Periodic assessments of culture and effectiveness of program activities must be done
- Baseline standards flexible and should evolve

Imperative 8: Shared responsibility

Centre Activities:

- Produce the Code
- Produce a toolkit to support Code which inter alia includes: video and/or CD Rom for launch; guidance documents; training templates
- Gather and share territorial tools/materials
- Provide advice and support to territories
- Potential other activities, such as confirmations
- Run annual surveys

Territorial Activities:

- Working Group members will obtain further TSP buy-in
- Appoint a designated person responsible for territorial business conduct matters
- Distribute Code
- Implement support structures
- Provide supplements and guidance documents
- Deliver other training and communications



Imperative 9: Measure Effectiveness/Impact/Awareness...

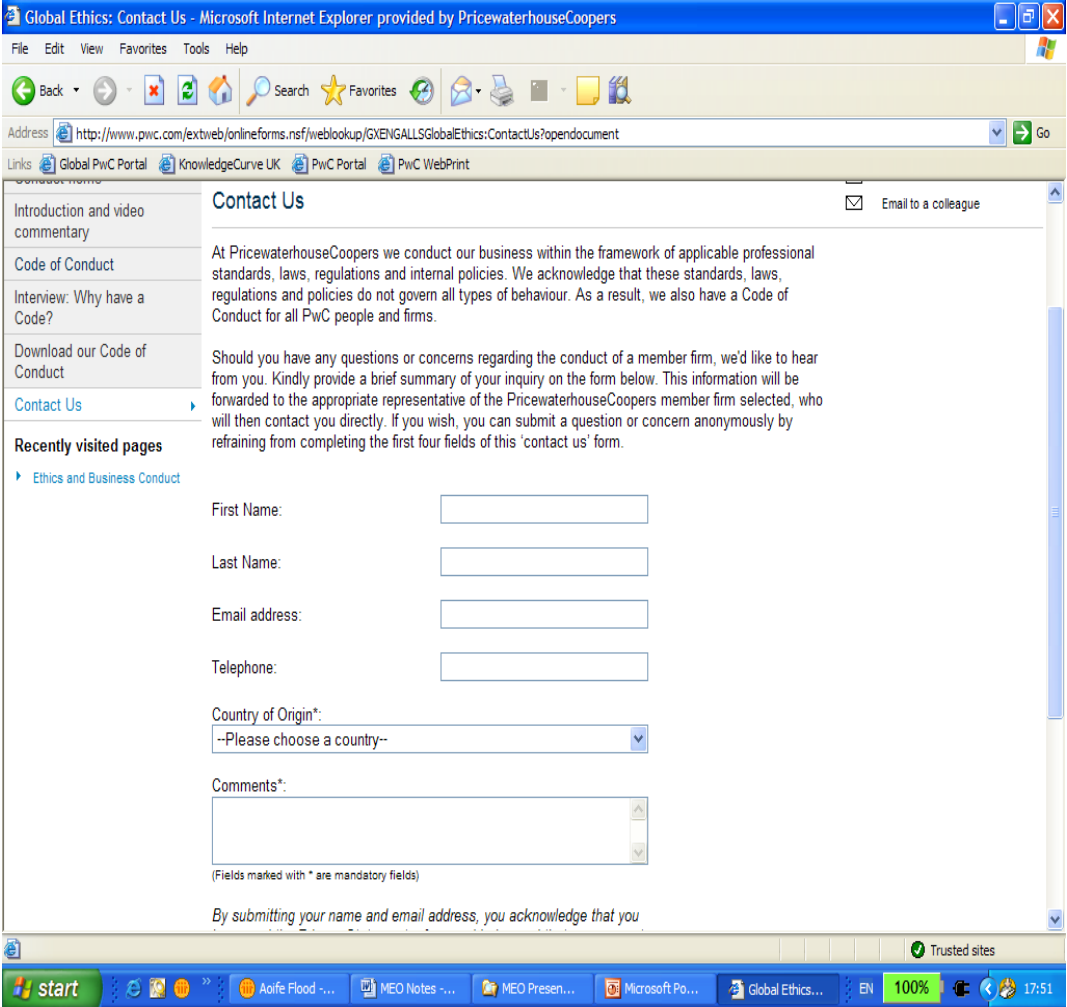
You can't manage what you can't measure.

Key question - soft vs hard "measurement"

- Self reporting against stated baseline standards
- Integrated planning
- Documentation reviews (on baseline standards)
- Global workshops – “show and tell”
- Interviews with Business Conduct Leaders
- Territory specific visits
- Global People Survey results (11 questions)
- Linkage to other initiatives – RMC, HC and Global Geography

Imperative 10: Thought Leadership and environmental responsiveness...

- What's new (good/best practice vs popular practice)
- Responsiveness to environmental changes
- Knowledge management
- Governance – where do you report
- Visibility
- Positioning



Questions?

