



Crowe

# 2018 Transparency Report

Audit / Tax / Advisory / Risk / Performance

Smart decisions. Lasting value.™





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# A Message From Crowe CEO Jim Powers, CPA

At Crowe, our core purpose of “Building Value with Values™” and our core values – care, share, invest, and grow – are our firm’s foundation. These principles guide our people to act with the utmost integrity and professionalism.

Our commitment is to make smart decisions that build lasting value for our firm, our people, and our clients while delivering exceptional client service with integrity, objectivity, and independence.

As CEO, I am committed, along with other firm leaders, to support our people in “Building Lasting Value.” I invite you to read this transparency report to learn more about how we connect our deep industry and functional knowledge with innovative technology while maintaining our industry’s strong professional principles and standards.



Jim Powers  
CEO  
Crowe





# Building Lasting Value



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## About Crowe

Founded in 1942, Crowe is a public accounting, consulting, and technology firm with offices around the world. Crowe uses its deep industry expertise to provide a wide variety of high-quality services, including audit and accounting, tax, technology, and advisory services.

Headquartered in Chicago, Crowe is a global firm with more than 4,000 personnel located in the United States, United Kingdom, France, India, Canada, and the Cayman Islands. The firm has been providing professional services for more than 75 years and is recognized as one of the best places to work by several organizations.

Crowe also serves clients worldwide as an independent member of Crowe Global, one of the largest global accounting networks. The network consists of more than 200 independent accounting and advisory services firms in more than 130 countries around the world.



## Deep Specialization

Deep specialization includes our industry knowledge as well as functional expertise and technology skills. We recognize that solid functional competency and deep expertise are the core elements of providing meaningful insights and an exceptional client experience. This expertise also facilitates timely communication and the delivery of objective, independent, quality services.

Industry specialization is the primary go-to-market strategy for the firm, relying on teams of individuals contained within the audit, tax, advisory, risk, and performance business units to drive service delivery and growth within key industries. This allows us to bring deeper knowledge to our services.



## One Crowe

One Crowe means our clients have access to the top expertise across the firm and experience a seamless collaboration between our offices, our business units, our subsidiaries, and our international network in the delivery of that expertise. For our people, it means career growth opportunities and potential for leadership development.

Crowe invests in and engages the most effective resources available and goes deeper to find valuable insights and opportunities. At Crowe, our people work together across our functional areas to focus on creating value.









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## Our Values

Starting with our core purpose of “Building Value with Values™,” our values code brings together the guiding principles that all members of the firm, regardless of title or position, are expected to use in their interactions with colleagues, with clients, and in the communities and profession in which we work. It explains to our people the standards and expectations of ethical conduct that Crowe requires when doing business, wherever that might be.

This core purpose and our core values – care, share, invest, and grow – guide us in exercising professional skepticism, objectivity, and being free of conflicts of interest. They guide our people in acting with the utmost integrity and professionalism in each interaction and provide a solid foundation for the firm.

At Crowe, we make it a goal to give back to our communities. Our values are more than words; we strive to live them every day. This year, we are celebrating our 75-year anniversary with a 75,000 volunteer-hour challenge for our employees.







## We Care

We care for one another, our clients, our firm, and our communities, maintaining the highest ethical standards and holding ourselves accountable for delivering on our commitments.

### Diversity and Inclusion

Diversity and inclusion is one of the firm's top strategies. We have robust CEO and leadership support leading to a firmwide "call to action" and commitment. Crowe promotes and fosters an inclusive work environment where respect, trust, and integrity are valued and all people are free to contribute in ways that enable them to reach their full potential. Our Inclusion Excellence Council is a governance body that oversees the execution of key strategies and initiatives. Our goals can only be achieved through collaboratively building on the diversity, thought leadership, perspectives, and needs of all our people, our clients, and our communities. A strategy for diversity and inclusion is integrated into firmwide programs, policies, processes, systems, and day-to-day initiatives.

Our firm's commitment to diversity and inclusion is further evidenced in our many programs and outreach initiatives. The firm sponsors four people resource networks (PRNs) that are open to everyone and support our African American, Asian,

Latino, and LGBTQ people and their allies. PRNs serve to educate our people about diversity and provide a forum for networking, support, and recruiting efforts in order to promote inclusion within the firm. Each PRN has a business charter that aligns with the firm's strategic goals.

Through our PRNs, we've built stronger relationships with diverse professional associations such as Ascend (the association for Pan-Asians in finance, accounting, and other business-related professions), the Association of Latino Professionals For America (ALPFA), and the National Association of Black Accountants (NABA). We're a corporate sponsor at each of the national conferences for these associations, and our professionals often speak on panels and provide thought leadership sessions. Our LGBTQ members have also participated in and presented sessions at the annual Out and Equal Workplace Advocates Summit. In addition, we leverage diversity conferences as opportunities to recruit high-quality diverse talent, raising our firm's visibility and competitive brand in the marketplace.

Our Women Leading@Crowe (WL@C) is a network that provides career and leadership development support for all women at the firm. It is designed to inspire and connect women, enabling them to reach their full potential and offering opportunities for professional and personal growth. Women Leading@Crowe includes three programs: “Connect,” for all women in the firm; “Grow,” for high-talent, high-potential women at the senior manager level; and “Inspire,” for female leaders at the partner and director levels.

We have a variety of policies in place to sustain an inclusive work environment. We provide benefits to same- and opposite-sex domestic partners and have policies in place to help ensure a harassment-free workplace. Our firm-paid floating holidays allow everyone to observe the religious or cultural holiday of their choice. We’ve also made significant enhancements to our parental and military leave policies. We’ve increased parental leave to provide up to six weeks off for parents following the birth, adoption, or act of custody of a child. We’re providing up to four weeks paid time off for those who have ongoing reservist obligations or are deployed for active duty.

Overall, our diversity and inclusion initiatives work to help us understand, appreciate, and address each individual’s perspectives and needs. We weave messages about

the importance of diversity into Crowe Newswire, our firmwide e-newsletter, by highlighting cultural awareness months, such as Lesbian, Gay, Bisexual and Transgender Pride Month, Asian/Pacific Heritage Month, National Hispanic Heritage Month, Black History Month, and Women’s History Month. We also highlight various PRN and WL@C activities and testimonials from members.

Our commitment to diversity is not an event; it is long-term as we assess and address the changing needs of our people, our clients, and our communities.

## **Work/Life Integration**

Our people’s lives outside of work are as important as the commitment they show every day on the job. To address the demands which come with a professional career, our policies strive to balance those demands with the flexibility our people need to achieve success in all aspects of their lives. Whether through the firm’s formal flexible work arrangement program options or simply working day-to-day to adjust schedules to meet both personal and professional demands, our people have multiple avenues available to integrate work and life demands. As a result, they are better prepared to deliver quality service to our clients and are more inclined to want to remain with the firm, resulting in improved people retention.



The page features four small yellow dots: one in the top-left, one in the top-right, one in the bottom-left, and one in the bottom-right. Additionally, there are four parallel yellow diagonal lines that originate from the top-right and extend towards the bottom-left, creating a sense of movement and design.

## Social Responsibility

Our firm is committed to bringing environmentally conscientious decisions to every element of our business whenever it's economically practical. We are striving to incorporate environmental accountability and thoughtfulness throughout our culture and business practices. Through this effort, each of our locations has adopted eco-friendly practices aimed at environmental sustainability.

Crowe was one of the founding advisory partners to the Sustainability Accounting Standards Board (SASB). Additionally, Crowe, with membership in organizations including the Corporate Responsibility Association and the Boston College Center for Corporate Citizenship, promotes the practice and profession of corporate responsibility in service of ethical, sustainable business. Through our memberships, Crowe supports these organizations in their advocacy for accountability in environmental policy, establishing ratings and rankings, protecting brand and reputation, encouraging diversity and inclusion in business, and developing responsible corporate principles.

## We Share

We choose to work as a family, sharing responsibilities and outcomes. Collaborating, mentoring, teaching, supporting, and coaching define our relationships.

### Crowe Foundation

In support of the firm's long history of substantial corporate giving, we established the Crowe Foundation in 2006 to focus our charitable giving and align contributions with volunteer efforts. This foundation contributes to organizations that respect diversity and adhere to nondiscriminatory practices that are consistent with the firm's values. The Crowe Foundation's financial support and the involvement of Crowe people build value in the communities where Crowe personnel live and work.

We encourage our people to participate in community service through not-for-profit board service, pro bono activities, local office volunteer projects, and other volunteerism. We support volunteer activities because they have a positive impact on our communities and provide our people with opportunities to follow those causes important to them. In addition to providing grants, our foundation has two

programs to support volunteerism: the Volunteer Investment Program (VIP) and our Board Member Match (BMM) program.

The Crowe Foundation VIP financially supports eligible not-for-profit organizations for which our personnel volunteer their time in their communities and encourages our people to become involved. Individuals completing at least 30 hours of service with each not-for-profit are eligible to request financial support from our foundation.

Individuals serving on not-for-profit boards are also eligible for our BMM program, which provides a 3-to-1 match for personal contributions. Individuals serving on the boards of eligible not-for-profit organizations are eligible for both programs.

In addition, the firm and its people have responded with support for those affected by devastating events in Crowe communities and abroad.



## We Invest

We invest in our people and build our resources through continuous learning, a willingness to take risks, and a desire for self-improvement and personal growth.

### **Crowe University**

At Crowe, a career is a continuous learning experience. Crowe University, our firm's learning portal, helps our people pursue learning experiences that create opportunities to build deep specialization and leadership skills. Our professionals can take advantage of online learning courses, webinars, and other resources.

Crowe University is organized on a university model, with colleges and departments providing specialized curricula. It houses curricula maps designed to enhance the professional skills and functional knowledge of our people in areas such as technology, project management, people development, leadership, and interpersonal skills. Learning is fundamental at Crowe, so our people have access to the training they need to grow and develop, regardless of their career stage or role.

### **New Product Development**

Building on a strong foundation of deep industry specialization and technical knowledge, Crowe professionals follow this road map to advance original, innovative solutions that address their clients' most pressing challenges.

Each year, Crowe invests about two percent of firm revenue in new product development funding to explore, evaluate, and develop ideas championed by our people. A team that focuses on new product development collaborates with accomplished designers, researchers, marketers, and software developers to bring ideas to fruition.

### **Colleges and Universities**

The firm offers scholarships and other financial support to colleges and universities, and offers a matching donation program for college and university contributions by Crowe personnel.

## We Grow

We seek to advance in our profession and reach our goals while building a better place for our people and their families to grow and balance their life goals.

### Recognition and Awards

Our people have access to generous work and life benefits in addition to challenging career opportunities. In major cities, states, and regions throughout the United States, Crowe has been named one of the best places to work by professional and business associations, human resource organizations, and local and national media outlets, including various publishers.

#### National Acknowledgements

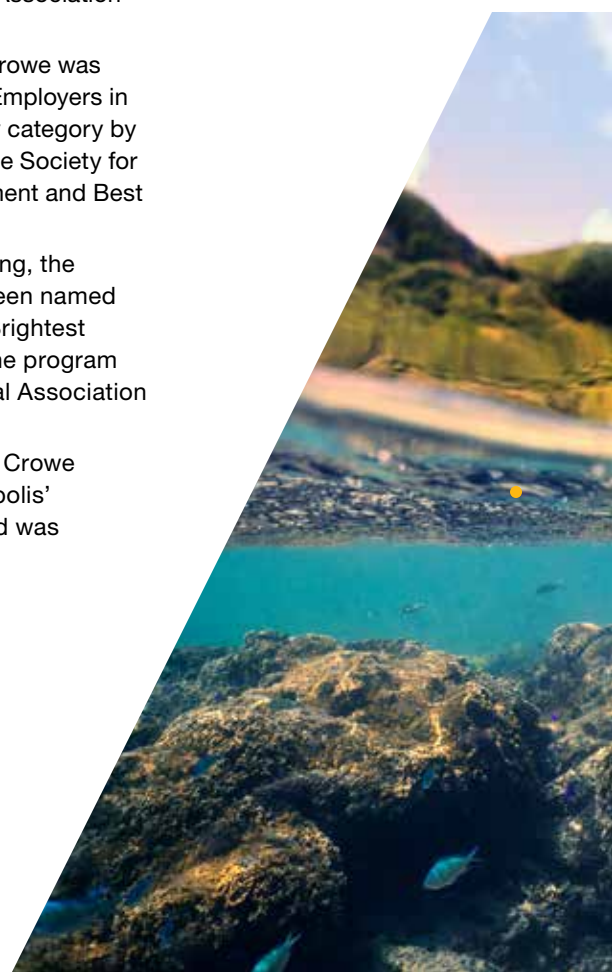
- Crowe was named to the FORTUNE 2018 Best Companies to Work For®
- The FORTUNE Best Workplaces recognized Crowe in the categories of:
  - Best Workplaces in Consulting & Professional Services
  - Best Workplaces for Women
  - Best Workplaces for Recent College Graduates
  - Best Workplaces for Millennials
  - Best Workplaces for Parents
  - Best Workplaces for Giving Back
- Named one of Vault's 2018 Best Internship Programs. Crowe ranked 11th on the Best Accounting Internships list and ranked 45th on the overall 50 Best Internships list. National Association for Business Resources' 101 National Best and Brightest Companies to Work For recognized Crowe for our third year participating.
- Crowe was awarded the iCIMS Excellence Award in 2014 for demonstrating innovation and efficiency in talent acquisition.

#### Local Acknowledgements

- For the 12th consecutive year, Crowe was named one of the Best Places to Work in Kentucky by the Kentucky Society for Human Resource Management, the Kentucky Chamber of Commerce, and Best Companies Group.
- Crowe was named one of the 70 Best Places to Work in New Jersey by NJBIZ magazine and Best Companies Group. This was the eighth time in the past nine years that Crowe has been named to the list.
- Crowe was recognized as one of West Michigan's 101 Best and Brightest Companies to Work For by the Michigan Business and Professional Association for the 12th straight year.
- For the 11th straight year, Crowe was named one of Ohio's Best Employers in the small/medium company category by the Ohio State Council of the Society for Human Resource Management and Best Companies Group.
- In its fourth year participating, the Crowe Atlanta office has been named one of Atlanta's Best and Brightest Companies to Work For. The program is presented by the National Association for Business Resources.
- For the fourth year, in 2016 Crowe was named one of Indianapolis' Top Workplaces. The award was presented by the Indy Star.



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- Crowe was selected as one of the Best Places to Work in Illinois. The award was presented by the Daily Herald Business Ledger, the Human Resources Management Association of Chicago, the Society for Human Resource Management, the Workforce Boards of Metropolitan Chicago, and Best Companies Group.
- For the third consecutive year, in 2016 Crowe was named one of Tampa's Top Workplaces, presented by the Tampa Business Times.
- Crowe was named one of the 2016 Best Places to Work in Vermont. The program is presented by Vermont Business Magazine, Vermont Chamber of Commerce, Vermont Department of Economic Development, Vermont Department of Labor, and Vermont State Council.

## Mobility

The firm's mobility strategy includes two policies integral to the firm's approach to attracting and retaining the profession's best talent. The first initiative, "What to Wear," supports casual dress for our people, which we refer to as "dress for your day." If our people are in the office and not meeting with external parties, casual dress, including jeans, is appropriate. The second, "Where to Work," allows our people to work wherever it is convenient and most productive, with support from their performance manager. Our goal is to provide our people with maximum flexibility to accommodate both personal and professional responsibilities.

We have adopted these innovative policies to support the work/life needs of our people, but there are several added benefits, including helping the environment and reducing our carbon footprint.

## Diversity of Ideas

The Crowe Idea Portal provides a vehicle for our people to bring forth ideas to help improve internal processes at the firm, including improving workplace efficiencies, people engagement, productivity, and quality. Our goal is to help improve people engagement and encourage diversity of thought and creative curiosity with a forum for our people to share innovative ideas while collecting and implementing them to help the firm.



# Our Commitments

## Exceptional Client Service

Integrity and an exceptional client experience are the cornerstones of our client relationships. Our model provides the framework for delivering exceptional service and client satisfaction while upholding the industry's strong professional ethics and standards.

We have learned from our clients that there are certain attributes important to their overall experience, and each client perceives value differently. To help us meet their expectations, we conduct an engagement survey to evaluate our performance. Our vision is that our people come to work every day motivated to provide our clients with an exceptional experience and to help our professionals maintain objectivity in the delivery of our services.

Our firm achieved a 90 percent client engagement index score in our 2017 client engagement survey. We also achieved a people engagement index (PEI) of 90 percent, an industry record, according to our survey administrator, PeopleMetrics.

## Innovation and Technology

Our firm's success is built on quality, innovation, and specialization. Nourishing a culture of innovation allows us to continually advance our tools and processes to provide exceptional service delivery. It also contributes to our ability to attract and retain some of the best and brightest minds in our profession. Crowe provides the deep industry and functional specialization of an accounting and consulting firm coupled with the ability to drive continuous improvement through technology.

## Data Security

We appreciate that technology brings risk as well as rewards. To that end, we have made significant investments in systems and resources focused on the protection of our client and employee data. We employ a variety of security specialists and systems as part of a comprehensive security program that uses both industry best practices and technology guidance on an ongoing basis. Our security program includes resources and functions focused on information security management, security architecture, security administration, data protection and encryption, and security awareness and training. The program, and its related documentation, is built on the ISO 27000 series of standards.

Crowe fully understands its responsibilities regarding client confidentiality, as well as the dynamic nature of security threats, so our systems and processes are regularly reinforced, updated, and tested to help protect the security and confidentiality of client records and information.



## Business Continuity

### Disaster Recovery

The firm's disaster recovery plan (DRP) is intended to deal with disruptions that might occur at or near an office due to natural disasters, such as tornadoes, blizzards, or fires, or human disruptions, such as civil unrest or acts of vandalism.

### Reducing the Risk of Business Disruption

One major factor that mitigates the firm's risk of business disruption is a significant investment by the firm in the infrastructure needed to provide staff with remote access to our systems. This includes two redundant, off-premises data centers that are accessible via secure, high-speed connections, as well as redundant servers in each data center for the firm's most mission-critical applications. For mission critical applications, redundant data stores are maintained between our two data center locations. Should our primary data center encounter a disruption, the firm's most critical systems can be accessed from one of the redundant sites within 24 hours. We also have software-defined networking at all locations with a broadband provider to supply redundant network connections to these offices.

In addition, we equip each individual in the firm with high-quality laptop personal computers (PCs) and have a virtual private network in place, which allows staff to securely and remotely access our

applications and data stores. Lastly, we have completed a firmwide deployment of Microsoft® Skype® software. Skype software allows our staff to place and receive calls from anywhere with an internet connection or transfer incoming calls directly to a cellphone, as well as communicate and coordinate with colleagues and clients.

Another factor that mitigates the risk of business disruption is the geographic distribution of our offices. The firm's expectation is that a disruption that affects one specific office is unlikely to affect any of the other locations. Each of our largest offices is equipped with nearly identical voice and data communication lines, wireless networks, backup systems, and operating procedures. As a result, any staff member can plug his or her PC into any network port or call up a secure wireless connection at any office, log in to the Crowe network, and obtain high-quality, secure access to shared resources. Further, the shared network resources in place at each office outside of South Bend, Indiana, are subject to scheduled automatic data replication to the Crowe data center in South Bend. This replication uses our secure internal wide-area network (WAN), transports encrypted data, and is not exposed to the public network at any time.

The firm maintains multiple locations and backup plans for all critical systems and applications. Crowe most recently tested its disaster recovery plan during the first quarter of 2017. No high- or medium-risk issues were encountered in the test. All minor issues were identified and remediated.

# Our Global Network

## A Leading Member of Crowe Global

Crowe Global is committed to its core purpose of developing and supporting a global network of highly regarded member firms working together to satisfy the audit, tax, advisory, and risk needs of national and multinational organizations. To this end, Crowe Global holds its member firms accountable for delivering high-quality services to clients. Member firms offer comprehensive international audit expertise and are positioned to provide clients with the professional services and resources they need. This global network features a truly international association of business specialists drawn from the leaders of their professional communities.

Each firm is well-established as a leader in its national business community and is staffed by local professionals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries.

Crowe uses the comprehensive knowledge gained through its global connections to offer timely, accurate, and cost-effective solutions no matter where a business is located. Crowe can help sort through the complexities for U.S. companies with operations abroad and global companies doing business in the United States.

Crowe Global, ranked as the eighth-largest global accounting network, consists of more than 200 independent accounting and advisory services firms in more than 130 countries around the world. Through our highly integrated global network of member firms with broad technical expertise and deep local market knowledge, Crowe provides consistent quality and impeccable service to diverse clientele. Accountancy services in Kansas are rendered by Crowe Chizek LLP, which is not a member of Crowe Global.

## Legal and Constitutional Structure of Crowe Global

Crowe Global is an international network of independently owned and managed accounting and advisory firms that may be licensed to use the Crowe brand in connection with providing accounting, auditing, tax, advisory, and other professional services to their clients. Crowe Global is commercially organized under the laws of Switzerland as a *verein* (association). Crowe Global is wholly owned by its member firms and operates through a wholly owned subsidiary incorporated under the laws of the state of New York in the United States of America, where it is headquartered.

## Governance and Management of Crowe Global

Crowe Global is governed by its board of directors, which is charged with overseeing the activities of the network, including setting strategy and policy. With the exception of the CEO, the board is made up of individuals representing member firms of Crowe Global.

## Membership Standards

Crowe Global evaluates member firms and potential new member firms based on criteria that require firms to commit resources to the delivery of timely and quality services. Crowe Global expects firms to be committed to the network, invest for growth, and have robust quality standards and methodologies in their jurisdictions. The criteria include the following:

- Professional registration and recognition
- Commitment to growth
- Market influence
- Financial strength
- Participation in Crowe Global events
- Dedication to cross-border business
- Effective leadership and succession planning
- Civic involvement
- Compliance with Crowe Global regulations and standards
- Delivering high-quality professional services





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