

CORPORATE SOCIAL RESPONSIBILITY

2015 REPORT



Chris Schmidt, CPA
President and CEO

Moss Adams delivered strong results in 2015—9.4% percent in organic growth—with unwavering focus on taking care of our clients and our people. We have a responsibility to pursue growth safely and with a deep commitment to integrity, accountability, excellence, and respect—values that are particularly important in the world of public accounting.

Our focus is on delivering the Moss Adams Advantage to our clients and our people in order to position them for success. We want our communities to thrive. And we feel strongly that we should give back to the communities in which we live and work, create a culture of opportunity and growth for our people, and minimize our environmental impact. This is more than a responsibility—it's a necessity.

We began formally tracking our corporate sustainability efforts four years ago. Since then, we've made changes to our reporting by identifying more meaningful goals and key metrics. This creates more purposeful reporting for our people and our stakeholders.

In this report, we introduce new goals relevant to our values. Our goals fall into three major areas of focus:

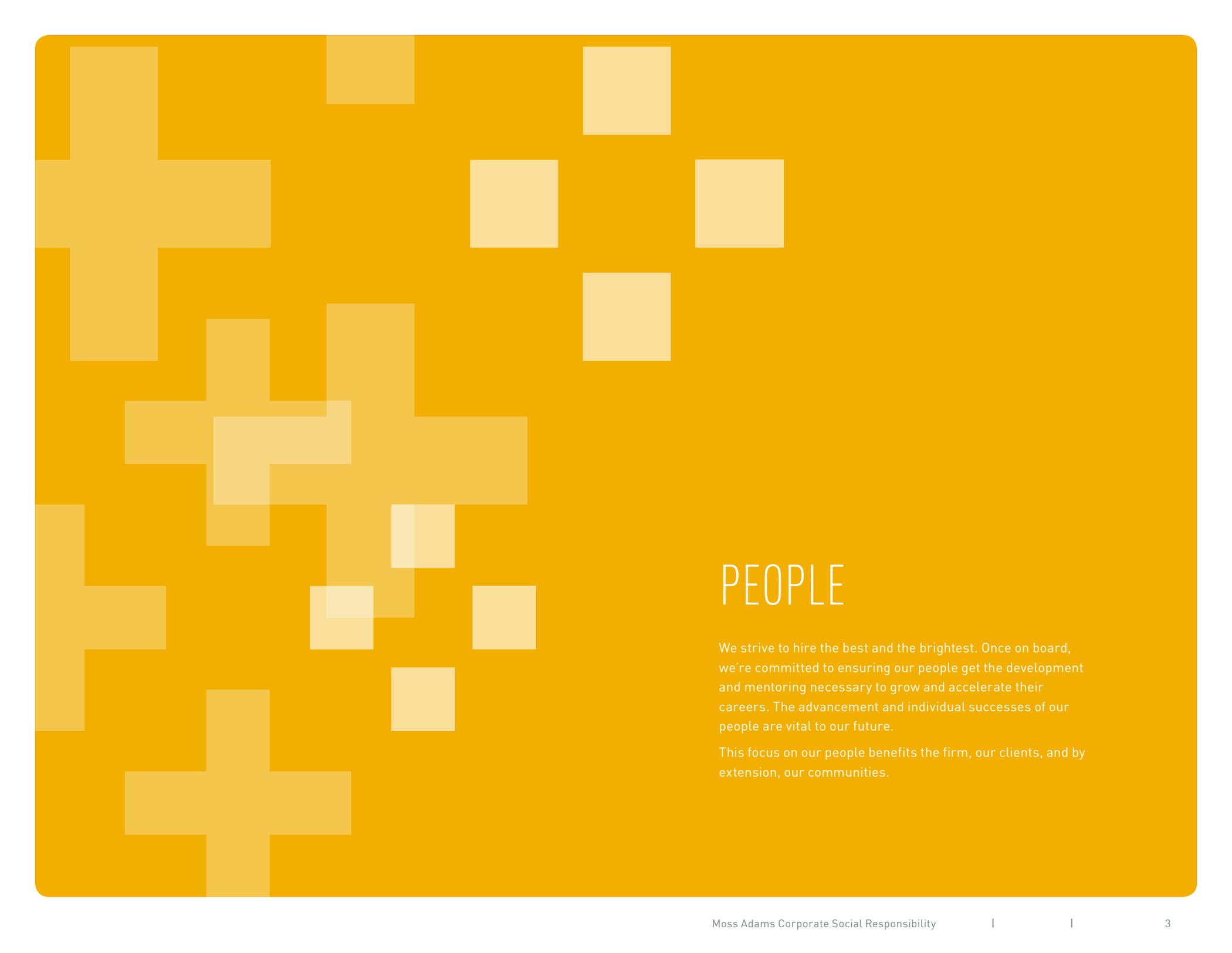
- Create a workplace where our **people** want to build careers; and foster a diverse and inclusive workplace
- Strengthen the **communities** in which we live and work
- Minimize our footprint on the **environment**

In addition to setting goals, this report allows us to be transparent and accountable to our commitments. It's also an integral tool to measure our progress and identify areas for improvement. We'll release annual updates and publish full reports every three years.

I'm proud of the results we've achieved over the past year, and I look forward to additional opportunities for improvement in these areas in the coming years.

Chris

A handwritten signature in black ink, appearing to read 'Chris Schmidt'.



PEOPLE

We strive to hire the best and the brightest. Once on board, we're committed to ensuring our people get the development and mentoring necessary to grow and accelerate their careers. The advancement and individual successes of our people are vital to our future.

This focus on our people benefits the firm, our clients, and by extension, our communities.

EMPLOYEE ENGAGEMENT

EMPLOYEE ENGAGEMENT SURVEY

Target: Match or exceed best-in-class percentage for survey completion.



94% completion

Goal: 95% completion

Source: Kenexa/IBM

Each year, we administer an employee engagement survey and encourage everyone at the firm to participate. Honest feedback helps us recognize and celebrate success and enables us to address areas for improvement.

Using the data we gather, we're able to measure our progress from year to year, both against ourselves as well as against best-in-class numbers gathered by IBM/Kenexa, our survey administrator. We use these metrics to shape action plans focused on specific areas at both firmwide and local levels.

Our people understand the value of the feedback they provide, evidenced by our 94 percent participation rate—14 percent above the industry average.





CAREER GROWTH & DEVELOPMENT

TRAINING

Target: Match or exceed average annual training hours required to maintain state licensure.



70 hours

Goal: 40 hours per year average

Moss Adams provides a customizable training program for our CPAs and other client service personnel. While most state boards of accountancy require an average of 40 training hours for CPAs each year, our professionals consistently exceed that.

FEEDBACK

Target: Match or exceed best in class for the percentage of respondents who answer positively to the statement, "I receive timely and helpful feedback."



66% positive

Goal: 71% positive

Source: Kenexa/IBM

We strive to meet the best-in-class metric for this goal. In 2015 we launched a redesign of our performance management process. Our goal with these new guidelines is to provide a more straight-forward, streamlined process that will encourage timely and meaningful feedback. Our new philosophy:



Keep It Simple

Fast, easy, and intuitive process that leverages technology



Make It Matter

Honest and meaningful dialogue focused on growth and development



Own Your Career

Personal accountability to manage your career

EMPLOYEE SATISFACTION

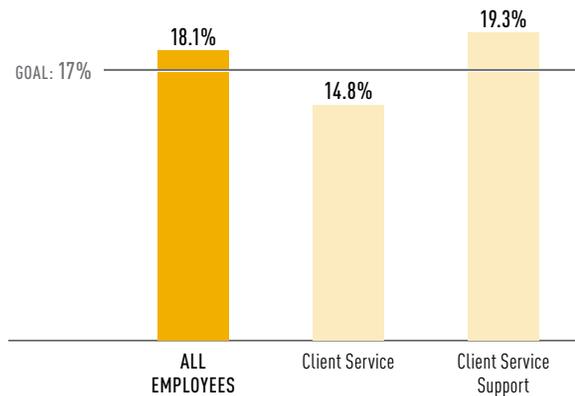
TURNOVER

Target: Achieve a turnover rate equal to or less than industry average.



Source: INSIDE Public Accounting
The 2015 National Benchmarking Report

Turnover is a natural part of any business cycle. At a healthy level, it can lead to opportunities for new talent to learn, grow, and further shape their career. To help meet our goal of reducing turnover compared with the industry average, we have a strong focus on people, and continually evolve the areas of focus identified in our employee engagement survey.



REFERRALS

Target: Match or exceed best-in-class benchmark for the percentage of respondents who answer positively to the statement, "I would refer a friend or family member."



Source: Kenexa/IBM

Referring a friend or family member to a company for employment is no small matter. We're proud that 88 percent of our employees—6 percentage points above the best in class—feel good enough about working at Moss Adams to suggest our firm to someone in their inner circle.

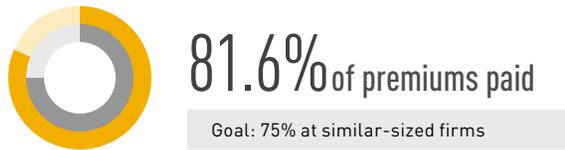




BENEFITS

HEALTH CARE PREMIUMS

Target: Match or exceed percentage of premiums paid at similar-sized firms.

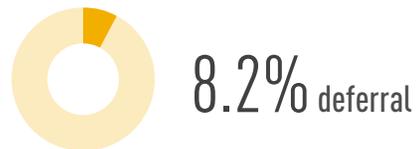


Source: confidential

Along with paying an above-average percentage of medical premiums for full-time and eligible part-time employees and their dependents, the firm provides plans that cover preventive care at 100 percent for in- and out-of-network providers. We also provide life insurance, disability coverage, maternity and paternity leave, and retirement provisions.

RETIREMENT PLAN

Target: Continue firm commitment to provide desirable 401(k) plan benefits.



Our people understand the importance of careful financial and retirement planning. In 2016 we're further enriching our retirement benefits to include a 401(k) match and earlier eligibility for profit sharing.

DIVERSITY & INCLUSION

We want an inclusive culture that values the voices and ideas of all our people. For us, diversity encompasses all forms of visible and nonvisible attributes including gender, race, ethnicity, sexual orientation, age, disability, military status, beliefs, values, communication, learning, and leadership styles. Inclusion demonstrates that we value and respect the diversity all our people bring to the table.

Our specific short-term goals to foster diversity are:



Engage in meaningful dialogue about diversity and inclusion



Launch a firmwide diversity platform



Increase the number of business resource groups focused on shared interests, backgrounds, or life experiences



Provide increased support for our recruiting efforts



Wenli Wang, CPA

Partner in Charge, San Francisco
Lead Partner, China Practice

RECOGNITION

Most Influential Woman in Business: 2015, 2016
San Francisco Business Journal

COMMUNITY INVOLVEMENT

San Francisco SFMade
Board member, treasurer

Bay Area Council
Board member

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants
Tax Section

California Society of Certified Public Accountants
Committee on Taxation

IRS Tax Practitioner Liaison
Northern California

Women in Leadership: Wenli Wang

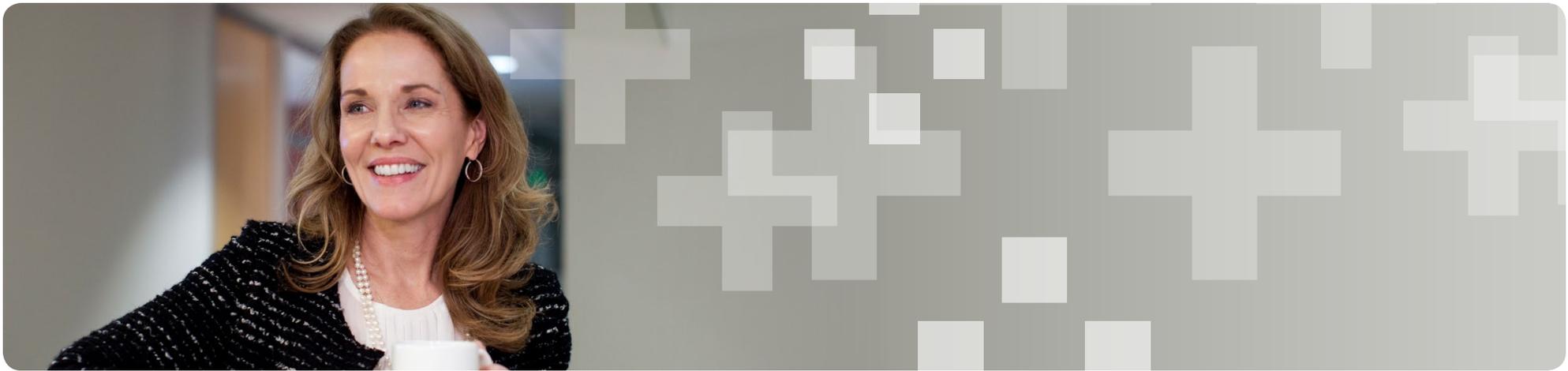
***How the firm has supported
Wenli in her rise through the ranks***

During her MBA studies, Wenli pursued and landed an internship with Moss Adams. No sooner had she started the internship than the partner in charge offered her a position as a staff accountant. She was 27 years old at the time, and immediately realized her career path would be different from the young new hires she worked alongside who were fresh out of undergraduate programs.

She was right: In five short years, Wenli advanced through the senior and manager levels. From senior manager, she was promoted to partner in 2005, and in 2014 she became partner in charge of our San Francisco office.

Wenli credits much of her personal and professional success to flexibility. When Wenli's daughter was born, she figured that adjustments to her schedule could affect her pursuit of a leadership role and that the pace of achievement might slow. However, by communicating openly with those around her about her schedule, Wenli was able to balance her career with motherhood and found she didn't need to put her goals on hold.

As she grew in her career, Wenli learned how to build a network and leverage it to develop business, largely in part due to the advice she received from mentors on networking both inside and outside the firm. Today, Wenli is dedicated to helping others create their own career path and is an advocate for Forum W, flexible work arrangements, and mentoring.



WOMEN PARTNERS

Target: Achieve firm goal of 30% partners who are women.



Source: MOVE Report 2015

Women have been historically underrepresented at the top levels of the accounting profession. To help combat this, Moss Adams has made Forum W—our effort to better attract, retain, develop, and advance women—a priority for seven years. The spirit of the initiative is very much about valuing diversity, paying it forward, and changing the industry from the inside out.

Women represent a sizable and growing portion of our talent base at Moss Adams. This is a huge advantage that allows us to draw on different perspectives to not only promote innovation but also connect with an increasingly diverse customer base. In 2015, we focused on individual impact by encouraging women to take ownership of their career by creating practical and easy ways for partners to engage in developing and advancing women.

WOMEN IN FIRM LEADERSHIP POSITIONS

Target: Achieve firm goal of 30% women in leadership positions.



While we're leaders in the industry with 27 percent women partners, there's still more we can do to support and advance women into leadership roles.

In 2015 we focused on sponsorship, giving partners tools and resources around how to help cultivate a rising leader and holding partners accountable for active sponsorship.

| Firmwide Leadership Positions | W | M | ALL |
|---|-----------|------------|------------|
| NATIONAL OFFICE LEADERSHIP ¹ | 3 | 7 | 10 |
| REGIONAL ² | 0 | 19 | 19 |
| OFFICE ³ | 12 | 54 | 66 |
| GROUP LEADER | 2 | 6 | 8 |
| NATIONAL PRACTICE LEADER | 9 | 26 | 35 |
| SPECIALTY PRACTICE LEADER | 1 | 4 | 5 |
| TOTAL | 27 | 116 | 143 |

1. CEO, COO, CRO, CPO, general counsel, director of assurance services, director of tax services, director of human resources, director of marketing, director of sales and business development, director of technology
2. Regional managing partner, regional assurance leader, regional tax leader
3. Partner in charge, office assurance leader, office tax leader





COMMUNITY

Our communities help us succeed by providing us with clients, new recruits, and welcoming places to put down roots. Our values of integrity and ethical behavior go beyond how we conduct ourselves in business—they extend to our cities and towns, our neighborhoods, our schools, and our environment.

FINANCIAL GIVING

ALL CHARITIES

Target: Promote firm policy to match charitable donations up to \$500 per employee.



\$468,000

matched contributions,

including universities and disaster relief

In 2016, the Moss Adams Foundation will expand its reach, matching employee contributions to qualified charitable organizations. Under the matching program, all employees (excluding partners) are eligible to receive up to \$500 in matched contributions from the foundation each year. Moving forward, we'll report total funds matched.

UNIVERSITIES

Target: Continue firm policy to match contributions to colleges and universities at which Moss Adams recruits.



\$387,035

matched contributions



\$637,768

total contributions

Through the Moss Adams Foundation, employees and partners can double the impact of their charitable donations to colleges and universities with matching contributions. This provides financial support to students who desire high-quality business and accounting programs and the faculty members who make that happen.

DISASTER RELIEF

Target: Continue firm commitment to contribute to disaster relief efforts affecting the firm's geographic footprint, the United States, or the world.



\$59,932 donated

average for a three-year period

When natural disasters hit, they affect our local and global communities. We, as a firm and as individuals, strive to support relief efforts in any way we can. In 2015 the firm supported relief efforts in response to the devastating earthquake in Nepal and the wildfire that ravaged the US West Coast.



VOLUNTEERING

PAID TIME TO VOLUNTEER

Target for 2016: Execute new firm policy to offer 12 hours of paid volunteer time per employee per year.



12 paid hours
per year per employee

Our people are passionate about giving back to their communities, as evidenced by efforts highlighted here. To support our people in making an impact, finding meaning, and exploring what fulfills them, the firm offers varied opportunities to give back, including local days of service and flexible schedules that allow people to serve on boards.

Moving forward, we'll formalize this commitment, giving our employees up to 12 hours of paid volunteer time a year to participate in volunteer activities.



ORANGE COUNTY OFFICE

Moss Adams Team for Charity (MATCH)

Our Orange County office's Moss Adams Team for Charity (MATCH) program encourages small groups of employees to volunteer at various organizations of their choice throughout the year. In 2015, the MATCH program connected employees with volunteer opportunities for Donate Life, Human Options, Susan G. Komen, Dress for Success, and Operation Santa Claus, among others.

MEDFORD OFFICE

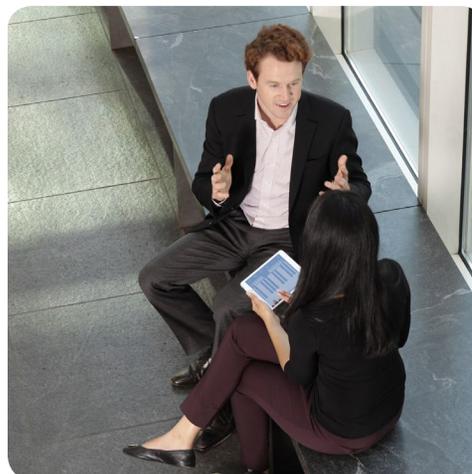
United Way Day of Caring

Medford office employees and their families participated in the United Way Day of Caring. The Moss Adams team worked at the Family Nurturing Center, one of 25 relief nurseries in Oregon focusing on breaking patterns of abuse and neglect. The team assembled cabinets for teachers, applied murals to brighten walls, did some weeding, and cleaned up outside the facility. This was the office's third year teaming with United Way to help a local not-for-profit organization, and the first year that Moss Adams sponsored the event.

BELLINGHAM OFFICE

Bellingham Parks and Recreation Department

A group of employees from our Bellingham office spent a rainy afternoon planting trees and helping to restore a hillside at Squalicum Creek Park. Sponsored by Forum W, the event was part of a volunteer program through the City of Bellingham Parks and Recreation Department.



ALBUQUERQUE OFFICE

New Mexico Workforce Connection

The Albuquerque office teamed with New Mexico Workforce Connection to provide school supplies, lunch boxes, backpacks, haircuts, and training on nutrition and study habits to members of the Boys & Girls Clubs of New Mexico. The office split up into two teams for a competition to see which team could donate the most supplies, with lunch boxes and calculators earning more points than other supplies. The office collected more than 1,400 donated items. A group of employees attended an event to deliver the school supplies, play interactive games, and teach the children about healthy eating.



ENVIRONMENT

It's important we do our part to minimize the firm's environmental footprint. We're taking steps to cut back our office supply consumption, purchase recyclable materials when applicable, strive for LEED standards in our office spaces, and reduce our square footage by designing more efficient work spaces.

SUPPLIES & RECYCLED MATERIALS

OFFICE SUPPLIES

Target: Achieve firm goal to reduce consumption of purchased office materials by 1%.



\$855 per person

Goal for 2016: \$815 per person

We can reduce our office supply consumption by focusing on moving away from paper records and implementing electronic documentation where possible. We can also focus on investing in electronic subscriptions to newspapers and journals and reducing the amount of paper brochures and promotional items we produce.

RECYCLED MATERIALS

Target: Achieve firm goal to increase percentage of purchased materials that include recycled content.



21% recycled

Goal for 2016: 25%



\$43 per person

Goal for 2016: \$52 per person

We're working closely with our office supply vendors and regional leadership to purchase more products that contain recycled content. Our plan is to target paper specifically because it's a high percentage of our total expenditures and there's a wide range of recycled options.



SPACES

LEED

Target: Give priority to LEED-certified buildings or standards when making real estate decisions or remodeling existing space.



49% of total square feet leased is LEED certified

[5 percentage point increase from 2014]



27
buildings



571,578
total square feet



279,373
LEED square feet

When making real estate decisions, we give priority to buildings that demonstrate a commitment to sustainability through LEED certification. We also assess on a case-by-case basis the feasibility of building out our space to LEED standards. While real estate decisions are driven by location and cost, we will always attempt to pick a building with environmental benefits.

SQUARE FOOTAGE PER PERSON

Target: Reduce our footprint per person by 10%.



243 square feet per person

Goal for 2016: 220 square feet per person

We're focusing on shrinking our footprint by designing and building more efficient office spaces. One way in which we're achieving this is through working with one commercial real estate partner and one architectural firm to implement consistent processes and standards across the firm. By implementing more efficient designs, we'll reduce our carbon footprint by using fewer resources and consuming less energy while creating more flexible work environments for our employees.



AT A GLANCE

| PEOPLE | TARGET | GOAL | 2015 | |
|-----------------------------|--|---|-------------|---|
| Employee Engagement | EMPLOYEE ENGAGEMENT SURVEY <i>Match or exceed survey best in class</i> Percentage completion of survey | 95% | 94% | ✓ |
| Career Growth & Development | TRAINING <i>Match or exceed AICPA standard</i> Average annual training hours | 40 hours | 70 hours | ✓ |
| | TIMELY FEEDBACK <i>Match or exceed survey best in class</i> Percentage of respondents that answer positively to the statement, "I receive timely and helpful feedback." | 71% | 66% | ✗ |
| Employee Satisfaction | TURNOVER <i>Equal to or less than industry average</i> Percentage of turnover rate | 17% | 18% | ✗ |
| | REFERRALS <i>Match or exceed survey best in class</i> Percentage of respondents that answer positively to the statement, "I would refer a friend or family member." | 82% | 88% | ✓ |
| Benefits | HEALTH CARE PREMIUMS <i>Match or exceed similar-sized firms</i> Percentage of premiums paid | 75% | 81.6% | ✓ |
| | RETIREMENT PLAN <i>Continue firm commitment</i> Provide desirable 401(k) plan benefits | <i>Report firm % participation and deferral</i> | 87% 8.2% | ✓ |
| Diversity & Inclusion | WOMEN PARTNERS <i>Achieve firm goal</i> Percentage of partners who are women | 30% | 27% | ✗ |
| | WOMEN IN LEADERSHIP POSITIONS <i>Exceed firm goal</i> Percentage of leadership positions filled by women | 30% | 20% | ✗ |

* Goal for 2016

| COMMUNITY | TARGET | GOAL | 2015 | |
|-------------------------------|--|---|------------------------|---|
| Financial Giving | CHARITIES <i>Promote firm policy</i> Match charitable donations up to \$500 per employee through the Moss Adams Foundation | <i>Report \$ matched</i> | \$468,000 | ✓ |
| | UNIVERSITIES <i>Continue firm policy</i> Match contributions to colleges and universities at which Moss Adams recruits | <i>Report \$ matched and total \$ contributed</i> | \$387,035 \$637,768 | ✓ |
| | DISASTER RELIEF <i>Continue firm commitment</i> Contribute to disaster-relief efforts | <i>Report rolling three year average \$ donated</i> | \$59,932 | ✓ |
| Volunteering | PAID VOLUNTEERING <i>Execute new firm policy</i> Offer 12 hours of paid volunteer time per employee per year | <i>Report hours logged*</i> | - | |
| ENVIRONMENT | AREA | GOAL | 2015 | |
| Supplies & Recycled Materials | CONSUMPTION <i>Achieve firm goal</i> Reduce annual consumption of purchased office materials by 1% (\$ spent/person) | \$815* | \$855 | |
| | RECYCLED MATERIALS <i>Achieve firm goal</i> Increase percentage use of recycled materials and decrease amount spent per person (% recycled materials, \$ spent/person) | 25%* \$52* | 21% \$43 | |
| Spaces | LEED <i>Amend selection criteria</i> Include LEED certification when selecting and renovating office spaces | <i>Report percentage of leased space that is LEED</i> | 49% | ✓ |
| | SPACE <i>Achieve firm goal to</i> reduce office space occupied by 10%. (square foot occupied/person) | 220* | 243 | |



ABOUT MOSS ADAMS

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