Our sustainability performance data and commitments

Annual Report 2016

pwc

Introduction

We keep track of our progress in two key ways: measuring our performance against metrics in our sustainability scorecard, and evaluating how well our programmes have advanced through a series of 'commitments'.

Sustainability scorecard

We measure and externally assure our year-on-year performance against metrics in key areas of our programme which are aligned to our **materiality matrix**, as well as our performance against our baseline and published short and medium-term targets[1].

Commitments

To ensure we have a robust programme, and to address areas which we feel need extra focus, we publish the key initiatives we plan to implement over the next year as 'commitments' which cover all aspects of our sustainability strategy. The progress we've made against each one is indicated using the symbols shown in the table opposite.

We track and review our sustainability programme with both the Corporate Sustainability Governance Group and the Executive Board throughout the year.

Symbols to indicate progress against our commitments

Symbol	Meaning
Ⓝ	New commitment this year
◯	Not started
◖	In progress
●	Complete
↻	Ongoing commitment: no end date

For more information please visit
pwc.co.uk/corporatesustainability
or contact jon.hampson@uk.pwc.com

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1   We also publish our full set of data for each year since 2007 on our corporate sustainaility **website**.

Independent assurance report

Independent Limited Assurance Report to the members of PricewaterhouseCoopers LLP

We have been engaged by PricewaterhouseCoopers LLP (hereafter 'PwC') to provide independent limited assurance on PwC's 2016 corporate sustainability data.

Our conclusion

On the basis of our procedures nothing has come to our attention that causes us to conclude that the corporate sustainability data in the 2016 Annual Report has not been prepared in all material respects in line with the Reporting Criteria.

This conclusion is to be read in the context of what we say below.

Selected information

The sustainability data included within the scope of our assurance report appears in the 'Data and downloads' section of PwC's online Annual Report for the financial year ended 30 June 2016, and on PwC UK's corporate sustainability website[1].

It includes:

- all baseline and 2016 performance data for all metrics
- data relating to let area and full time equivalent employees for 2016 used in performance related ratios
- UK and Channel Islands

The scope of our work does not extend to any other information, although assurance was also gained in 2012-2015 inclusive for the relevant data presented in those years. Details can be found within the assurance statements published in the Corporate Sustainability Annual Updates/Annual Reports for those years[2].

Professional standards applied and level of assurance

We conducted a limited assurance review in accordance with International Standard on Assurance Engagements 3000 – "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ('ISAE 3000'); and, in respect of the greenhouse gas emissions information, in accordance with International Standard on Assurance Engagements 3410 – "Assurance engagements on greenhouse gas statements" ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. It does not include detailed testing of source data nor the operating effectiveness of processes and internal controls.

Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales ('ICAEW') Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK&I) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was conducted by an independent and multi-disciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with PwC's Reporting Criteria[3]. The absence of a significant body of established practice on which to draw, and hence to evaluate and measure non-financial information, allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are for the 2016 reporting year.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, our procedures consisted primarily of:

- Reviewing PwC's material issues and reporting boundaries
- Making enquiries of relevant members of management at PwC
- Evaluating the design of the systems of internal control for capturing and reporting the source data
- Performing sample tests on a selection of the data prepared by PwC: this included 15 sites, selected on the basis of their inherent risk and materiality to PwC
- Analytically reviewing the data included within the scope of our report: this included limited substantive testing of the Selected Information at corporate head office to check that data had been appropriately measured, recorded, collated and reported
- Assessing the disclosure and presentation of the Selected Information for the intended stakeholders

In addition, we review all the information relating to sustainability in the Annual Report to assess whether there are any apparent material misrepresentations, misstatements or inconsistencies with the data we have reviewed.

PwC's responsibilities

The Executive Board – on behalf of the members – are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error
- establishing objective Reporting Criteria for preparing the Selected Information
- measuring and reporting the Selected Information based on the Reporting Criteria
- the content of the 2016 Annual Report

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained
- reporting our conclusion to the members of PwC

This report has been prepared to assist PwC in reporting its corporate sustainability performance. We permit this report to be disclosed in the 2016 online Annual Report and on PwC UK's corporate sustainability website[4], to enable the members to show they have addressed their governance responsibilities by obtaining a sustainability assurance report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PwC and PwC's members as a body, for our work, for this report, or for the opinions we have formed.

M Stallabrass

Matthew Stallabrass
For and on behalf of
Crowe Clark Whitehill LLP
Chartered Accountants, London
12 September 2016

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1 pwc.co.uk/corporatesustainability
2 pwc.co.uk/corporate-sustainability/downloads.jhtml

3 pwc.co.uk/corporate-sustainability/assurance.jhtml

4 The maintenance and integrity of PwC's website is the responsibility of the members; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on PwC's website.

Sustainability scorecard

Quality and ethics

	Units	Ongoing target	2016	2015	Base	Base year
Quality						
Client advocacy[1]	Score out of 10	-	8.54	8.66	8.49	2009
Net promoter score[2]	Percentage	-	52%	58%	47%	2009
Ethics						
Ethical culture[3]	Score out of 5	4.00	3.91	3.90	3.87	2013
Dismissals for misconduct[4]	Number	-	12	11	14	2011
Independence						
Breaches of external auditor independence regulations[5]	Percentage	0.00%	0.55%	0.35%	0.24%	2012
Information security[6]						
ISO 27001: major non-conformities	Number	0	0	0	0	2011
ISO 27001: minor non-conformities	Number	-	0	0	10	2011

1 Based on direct client feedback to the question: "Based on your overall experience of PwC, how likely is it that you would recommend PwC to a peer or colleague looking for similar services?" Measured out of 10, with 10 being the highest score.

2 Uses the same survey question as 'client advocacy', taking the number of promoters (giving a score of 9 or 10) minus the number of detractors (giving a score of 0 to 6), expressed as a percentage.

3 Results are derived from the firmwide staff Youmatter survey question: "At PwC, I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences". Scored out of 5. A score of 4 or above corresponds to a response of 'agree' or 'strongly agree'.

4 Data covers all permanent UK staff and members. Excludes dismissals for failed exams and missed performance standards.

5 Breaches of the auditor personal independence regulations reported to the regulator, as a percentage of FTE.

6 A major nonconformity is a situation that raises significant doubt about the ability of the firm's information security management system to achieve its intended policy and objectives. A minor nonconformity is a single identified lapse which would not in itself raise significant doubt as to the capability of the firm's information security management system to achieve its intended policy and objectives.

All data excludes the Middle East. For full details about our metrics, see our Reporting Criteria: www.pwc.co.uk/assets/pdf/pwc-sustainabilty-reporting-criteria-2016.pdf

Workplace and diversity

	Units	2017 target	2016 target	2016	2015	Base	Base year
Talent attraction and retention							
People engagement score[1]	Score out of 5	>4.00	>4.00	4.06	4.04	3.97	2007
Graduate retention (three years)	Percentage	85%	84%	79%	79%	82%	2010
High potential retention	Percentage	95%	93%	89%	89%	89%	2012
Voluntary turnover	Percentage	12-15%	12-15%	13%	15%	14%	2008
Employee sustainability expectations[1]							
Social responsibility	Score out of 5	>4.00	>4.00	4.10	4.09	4.01	2010
Environmental responsibility	Score out of 5	>4.00	>4.00	4.01	4.01	3.79	2010
Inclusion and diversity							
New hire diversity: gender - women	Percentage	50%	47%	43%	44%	41%	2009
New hire diversity: ethnicity - BME[2]	Percentage	30%	29%	28%	28%	21%	2009
Partner admissions: women	Percentage	30%	30%	22%	19%	16%	2007
Partner admissions: BME[2,3]	Percentage	8%	-	4%	7%	9%	2008
Senior management diversity: gender - women[4]	Percentage	30%	25%	20%	19%	17%	2011
Senior management diversity: ethnicity - BME[2,4]	Percentage	-	-	5%	3%	3%	2011
Employee wellbeing							
Absence through sickness	Percentage	<3.5%	<3.5%	3.2%	3.1%	3.3%	2009
Work-life balance[1]	Score out of 5	3.80	3.71	3.66	3.62	3.67	2008
Learning and development							
Spend on learning and development	£ per FTE	-	-	1,416	1,373	913	2010

1 Results are derived from the firmwide staff Youmatter survey. A score of 4 or above corresponds to a response of 'agree' or 'strongly agree'.

2 Black and minority ethnic. Data is based on voluntary disclosure by our people.

3 New metric in 2016.

4 'Senior management' refers to the top leadership roles within the business.

All data excludes the Middle East. For full details about our metrics, see our Reporting Criteria: www.pwc.co.uk/assets/pdf/pwc-sustainabilty-reporting-criteria-2016.pdf

Community involvement

	Units	Ongoing target	2016	2015	Base	Base year
Financial contribution						
Community contribution (cash, time and in-kind)[1,2]	£ million	-	7.4	6.9	4.3	2007
Employee involvement						
Time spent volunteering	Working hours	>50,000	71,729	61,541	37,400	2007
Skills-based volunteering	Percentage of hours	>50%	54%	49%	58%	2011
Volunteering during working hours	No. of occasions	-	7,957	6,986	2,900	2007
Volunteering during working hours	No. of people	-	6,102	5,405	4,226	2011
Payroll giving participation[3]	Percentage of staff	-	4.3%	4.2%	3.5%	2011
Beneficiaries						
Beneficiaries: direct[4]	No. of people	-	16,000	18,000	19,559	2012

1 Measured according to London Benchmarking Group (LBG) principles, including calculating in-kind contributions on an engagement basis.

2 A significant amount of work undertaken for charities and social enterprises is excluded from these figures because it does not meet LBG recording criteria.

3 Scope increased to include "give as you earn" (GAYE) donations. Prior years also restated.

4 Beneficiary numbers have been rounded down to provide a prudent representation of activity.

All data excludes the Middle East. For full details about our metrics, see our Reporting Criteria: www.pwc.co.uk/assets/pdf/pwc-sustainabilty-reporting-criteria-2016.pdf

Environment: carbon

			2017 target	Progress	2016	2015	2007 base
Carbon emissions[1]							
Scope 1	Gas[2]	tonnes CO_2e	-	-56%	2,154	2,474	4,906
	Oil	tonnes CO_2e	-	-98%	11	9	480
	Biodiesel	tonnes CO_2e	-	100%	9	6	-
	Fugitive emissions[2]	tonnes CO_2e	-	-24%	165	204	217
	Scope 1 subtotal	tonnes CO_2e	-	-58%	2,339	2,693	5,603
Scope 2	Electricity[2,3]	tonnes CO_2e	-	-67%	8,364	15,210	25,546
	Scope 2 subtotal	tonnes CO_2e	-	-67%	8,364	15,210	25,546
Scope 3	Air – client facing	tonnes CO_2e	-	93%	54,326	48,178	28,084
	Air – non client facing	tonnes CO_2e	-	-84%	4,337	4,235	27,762
	Road[4]	tonnes CO_2e	-	-37%	6,416	6,760	10,154
	Rail	tonnes CO_2e	-	-26%	2,543	2,586	3,425
	Business travel subtotal including WTT[5]	tonnes CO_2e	0%	-3%	67,622	61,758	69,425
	Fuel and energy upstream emissions	tonnes CO_2e	-	-45%	3,777	4,358	6,828
	Material consumption[6]	tonnes CO_2e	-	-49%	3,871	5,389	7,518
	Material disposal[6]	tonnes CO_2e	-	-73%	88	103	322
	Scope 3 subtotal	tonnes CO_2e	-	-10%	75,358	71,609	84,093
Total emissions (Scope 1, 2 and 3)		**tonnes CO_2e**	**-25%**	**-25%**	**86,061**	**89,512**	**115,242**
Total emissions intensity (Scope 1, 2 and 3)		tonnes CO_2e/ £m revenue	-	-47%	29	32	55

1 Calculated using Defra conversion factors (May 2015).

2 Missing landlord data estimated using office floor area.

3 Electricity emissions under the GHG protocol 'Market Based' approach. Residual mix factor only available for 2016. Emissions per the 'Location Based' approach amount to 13,393 tonnes CO2e.

4 Mileage data for company cars, private cars and electric pool vehicles, and taxis. Excludes hire car and bus data.

5 WTT: Well to tank conversion factors.

6 New waste streams included in 2016 (archive paper, mobile phones and IT equipment). Prior years also restated.

Environment: consumption

			2017 target	Progress	2016	2015	2007 base
Business travel	Air	Million km	-	23%	173	161	141
	Road[1]	Million km	-	-36%	26	27	41
	Rail	Million km	-	-6%	49	47	52
	Online meetings	Meetings hosted per FTE	10	4890%	7.20	6.77	0.14[2]
Energy	Renewable electricity[3]	Million kWh	-	100%	19	0	0
	Non-renewable electricity	Million kWh	-	-81%	10	31	54
	Gas / Oil / Biodiesel	Million kWh	-	-44%	16	16	28
	Total	Million kWh	-50%	-45%	45	47	82
Key resource consumption	Paper procured	Tonnes	-50%	-60%	334	378	844
	Water supply	Megalitres	-50%	-36%	132	127	206
Material disposal[4,5]	Reuse	Tonnes	-	-52%	20	16	41
	Recycling	Tonnes	-	-34%	1,614	2,523	2,441
	Incineration to energy	Tonnes	-	-66%	479	594	1,408
	Landfill	Tonnes	-100%	-100%	0	0	587
	Total	Tonnes	-50%	-53%	2,113	3,133	4,477
Recycling performance	Recycling as a percentage of total waste	Percentage	-	-	77%	81%	55%

1 Mileage data for company cars, private cars and electric pool vehicles, and taxis. Excludes hire car and bus data.

2 2010 data shown as earliest year available.

3 Electricity purchased from an eligible renewable electricity tariff as per the GHG Protocol Scope 2 standard (Table 6.3, p48): ghgprotocol.org/files/ghgp/Scope%202%20Guidance_Final.pdf

4 New waste streams included in 2016 (archive paper, mobile phones and IT equipment). Prior years also restated.

5 Excludes laptop and IT equipment data for the Channel Islands, which is currently unavailable.

All data excludes the Middle East. For full details about our metrics, see our Reporting Criteria: www.pwc.co.uk/assets/pdf/pwc-sustainabilty-reporting-criteria-2016.pdf

Supply Chain[1]

	Units	Ongoing target	2017 target	2016	2015	Base	Base year
Supplier engagement							
Key suppliers assessed by PwC sustainability survey	Percentage	-	80%	**86%**	74%	25%	2013
Key suppliers reporting to CDP[2]	Percentage	-	80%	**72%**	66%	54%	2014
Key suppliers reporting greenhouse gas reduction targets[2]	Percentage	-	75%	**50%**	48%	39%	2014
Key suppliers reporting emissions reduction to the CDP[2, 3]	Percentage	-	-	**43%**	50%	36%	2014
Commercial integration							
Key suppliers with sustainability in commercial arrangements[4]	Percentage	-	80%	**50%**	34%	32%	2013
Responsible procurement							
PwC average supplier payments days[5]	No. of days	<30	-	**26**	27	29	2013
Key suppliers with a Human Rights policy[6]	Percentage		80%	**65%**	53%	14%	2013

1 'Key suppliers' refers to top 100 or so contracted suppliers, prioritised each year by spend and relevance.

2 Based on responses to 2015 CDP supply chain survey.

3 Prior years restated to include SME responses, which were previously excluded.

4 Based on inclusion of relevant sustainability criteria in 'request for proposals' (RFP) documents or contracts.

5 Calculated as the average number of days taken by the UK-based entities in the PricewaterhouseCoopers LLP Group to pay supplier invoices (excluding those from PwC network firms), from receipt of invoice at our accounts payable processing centre.

6 New metric for 2016; based on responses to our supplier sustainability survey.

All data excludes the Middle East. For full details about our metrics, see our Reporting Criteria: www.pwc.co.uk/assets/pdf/pwc-sustainabilty-reporting-criteria-2016.pdf

Commitments

Responsible business – Catalyst for change

Date set	End date	Commitment	Progress	Comment
2015	2016	Work towards Prompt Payment Code (PPC) standards.	◐	Continuing process alignment with PPC principles and maintaining focus on average supplier payment days.

Quality and ethics

Date set	End date	Commitment	Progress	Comment
2015	2016	Develop awareness of the updated PwC Global Code of Conduct (the "Code") which is to be re-launched during FY16.	○	Relaunch deferred to allow inputs from global staff values survey. Awareness campaign now planned in 2017.
New	2017	Establish a One Firm team to apply a sharper and more consistent assessment of risks associated with the use of technology in our services.	Ⓝ	Completed as part of updated mandatory annual compliance training.

Workplace and diversity

Date set	End date	Commitment	Progress	Comment
2013	Ongoing	Continue to change behaviours to become a more open-minded, inclusive and diverse organisation.	↺	Embedded unconscious bias and inclusive leadership training into curriculum for **'PwC Professional'** leadership development framework. Implemented a 'reverse mentoring' programme between grades, and groups in Consulting.
2013	Ongoing	Integrate resilience materials into core training.	↺	Including resilience in our firm-wide curriculum and key talent programmes.
2015	2016	Look for new opportunities to integrate resilience into our training programmes.	●	Resilience training extended though a blend of video, e-learn and face-to-face training.
2015	2016	Enhance development programme for high potential and 3+ years graduate populations to increase satisfaction.	●	Programme implemented to engage, motivate and develop high flight-risk group.
2015	2016	Identify actions to build female candidate pipeline.	●	Targets set for each line of service to support and develop female and BME candidates in the pipeline for Director and Partner.
New	2017	Extend 'Back to Business' return to work programme firm-wide, for all women who have been out of the work place for more than 2 years.	Ⓝ	
New	2017	Implement 'flexible hiring' policy to encourage conversations about flexible working during the recruitment process, through the Hire Me My Way initiative.	Ⓝ	
New	2017	Strengthen BME talent pipeline, with focus on retention and progression.	Ⓝ	
New	2017	Extend mental wellbeing programme, embedding resilience training into core PwC curriculum, strengthening support by appointing mental health leader and advocates, and working to destigmatise the condition.	Ⓝ	

Community engagement

Date set	End date	Commitment	Progress	Comment
2013	Ongoing	Continue our journey towards quantifying the social and business impact of our community work.	↺	Developed methodologies for measuring the impact of each of our four community programmes.
2014	2017	Raise £3m for chosen PwC Foundation charities.	◑	On track. Reached £2m in 2016.
2015	2017	Roll-out environmental volunteering activities with focus on educating our people.	●	Developed, piloted and launched volunteering modules with environmental partners, covering biodiversity, carbon sequestration and marine conservation.
New	2017	Integrate our school leavers' recruitment programme and community school volunteering programme, for greater impact.	Ⓝ	
New	2017	Measure and report on the outcome and impacts since 2012 of our four core community programmes.	Ⓝ	
New	2017	Review and update our five-year Community Engagement strategy and targets.	Ⓝ	

Environment

Date set	End date	Commitment	Progress	Comment
2013	Ongoing	Apply the technologies and lessons learned so far from energy and water reduction to other, regional offices in our estate.	●	2016 regional refurbishment programme included Bristol, Southhampton, and Swansea offices.
2013	Ongoing	Analyse our suppliers' responses to the CDP as well as our own questionnaire, and identify opportunities to address our indirect impacts.	●	Improved response rates to both surveys. Delivered a bespoke game and workshop to help suppliers calculate carbon emissions and set realistic reduction targets.
2013	Ongoing	Look for opportunities with suppliers to further improve waste, recycling rates and recycled content of materials we purchase.	●	Developed and piloted supplier uniform take-back scheme. Introduced compostable cups in all offices, to allow recycling with food waste. Rolled out Going Circular programme.
2015	2016	Develop and roll-out new phase of campaign to encourage online meetings as alternative to travel.	●	Implemented "Bring your calls to life" campaign to increase usage. Online meetings increased 6% per FTE.
2015	2016	Launch behaviour change campaign to support better recycling in our offices.	●	Rolled out "Let's talk rubbish" campaign across all UK offices. Incineration waste decreased 19%.
New	2017	Evaluate and establish closed loop solution for all office paper.	Ⓝ	
New	2017	Introduce new environmental performance criteria in tender and contract process for key strategic suppliers who will run our office operations in 2017+.	Ⓝ	
New	2017	Measure and report on five year environmental performance since 2012.	Ⓝ	
New	2017	Review and update our five year environmental stewardship strategy and targets for launch in 2017.	Ⓝ	

Supply chain

Date set	End date	Commitment	Progress	Comment
New	2017	Strengthen policies on diversity and inclusion within suppliers working on our sites.	N	