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# ***PwC UK*** ***Reporting*** ***Criteria*** Corporate Sustainability 2016

August 2016



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## 1. Purpose

This document sets out the principles and methodologies that PricewaterhouseCoopers UK LLP ('PwC') have used in reporting on Corporate Sustainability data in the 2016 Annual Report, and on the Corporate Sustainability website.

## 2. Standards and principles

### 2.1. Standards

We calculate our GHG footprint by applying the requirements and principles of *ISO 14064 – Greenhouse gases, Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals* (The Standard)<sup>1</sup>. This standard was developed by the International Organisation for Standardisation (ISO) and is now jointly promoted by ISO, the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The objective of the Standard is to provide organisations with a common, internationally agreed approach to measuring and reporting greenhouse gas emissions and removals (ISO 14064 Part 1 Preface). We selected this standard because it is an international 'open' standard which supports independent verification of an organisation's GHG assertion (i.e. footprint).

The Standard (Section 1.0.3) states that 'users...are encouraged to refer to The Greenhouse Gas Protocol<sup>2</sup> – also developed by the WRI and the WBCSD – for additional guidance on applying relevant concepts and requirements'. We have also made reference to the guidance document published by Defra in April 2013 – "Environmental Reporting Guidelines: including mandatory greenhouse gas emissions reporting guidance"<sup>3</sup> (which replaces the September 2009 guidance previously used), GHG Protocol Scope 2 guidance<sup>4</sup>, and the GHG Corporate Value Chain (Scope 3) Accounting and Reporting Standard<sup>5</sup>

While these standards only relate to the calculation of greenhouse gas emissions, the calculations themselves depend on the underlying environmental data collected. Accordingly, the standards also guide the measurement and reporting of all of our environmental data.<sup>6</sup>

### 2.2. Principles

In accordance with the above standards, we aim to ensure that:

- We report transparently to help the reader have confidence in the integrity of the data
- The reported data is relevant to our business and represents our performance
- Our data is as complete and accurate as possible
- Our data is meaningful and consistent with the definitions, scope and boundaries stated in these Reporting Criteria
- Consistent methodologies are used where possible to allow comparability of data
- Assumptions, estimations and exclusions are stated and explained

<sup>1</sup> [http://www.iso.org/iso/catalogue\\_detail?csnumber=38381](http://www.iso.org/iso/catalogue_detail?csnumber=38381)

<sup>2</sup> <http://www.ghgprotocol.org/files/ghgp/public/ghg-protocol-revised.pdf>

<sup>3</sup> <https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>

<sup>4</sup> [http://ghgprotocol.org/files/ghgp/Scope%202%20Guidance\\_Final.pdf](http://ghgprotocol.org/files/ghgp/Scope%202%20Guidance_Final.pdf)

<sup>5</sup> <http://www.ghgprotocol.org/standards/scope-3-standard>

<sup>6</sup> The documents referred to in this section are compatible, but provide different levels of detail – for example only the Defra document provides UK specific CO<sub>2</sub>e conversion factors.

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### 3. *Organisational boundaries*

For our Corporate Sustainability reporting, we've set boundaries based on our operational control, as defined by the Greenhouse Gas Protocol. Unless otherwise indicated, the following are deemed within these boundaries:

- all of PwC's UK operational offices occupied in whole or in part, including Northern Ireland, and – for environmental data - the Channel Islands, whether owned, leased in whole or in part, or sub leased via a head tenant
- all PwC UK individuals (partners, employees and contractors whose primary location is a PwC UK office) employed and working in the UK, including Northern Ireland and (with the exception of the metrics for quality and ethics, and workplace and diversity) the Channel Islands.
- individuals who are employed by other territories, but based in the UK and claiming expenses through the PwC UK expense system

The following are deemed outside of these boundaries:

- Offices (or parts thereof) leased by PwC UK, but subsequently sub-let to other organisations, including the Firestation
- Offices which are directed by PwC UK, but which have their own governance board (e.g. Eurofirm offices and joint ventures)
- Offices which are owned by PwC UK but are not occupied or only occupied by construction workers
- Individuals who are employed by PwC UK, but based elsewhere in the world and claim expenses through other territories systems

The following are exceptions excluded from our reporting:

- Offices in the Middle East and from recent acquisitions, where we do not yet have relevant data for these offices. We'll include data from these offices in future years as soon as is practical
- Companies that PwC's insolvency practice and other lines of service control operationally, as data collection is impractical

## 4. Reporting scope

### 4.1. Metrics included

This Reporting Criteria document supports the preparation and reporting of the following metrics in our Annual Report 2016, and our website:

Metric area	Specific metric
<b>Quality and ethics</b>	
<b>Quality</b>	Client advocacy
	Net promoter score
<b>Ethics</b>	Ethical culture
	Dismissals for misconduct
<b>Independence</b>	Breaches of external auditor independence regulations
<b>Information security</b>	ISO 27001: major non-conformities
	ISO 27001: minor non-conformities
<b>Workplace and Diversity</b>	
<b>Talent attraction and retention</b>	People engagement score
	Graduate retention rate (3 years)
	High potential retention
	Voluntary turnover
<b>Employee sustainability expectations</b>	Social responsibility
	Environmental sustainability
<b>Inclusion and diversity</b>	New hire diversity: gender - women
	New hire diversity: ethnicity - BAME <sup>7</sup>
	Partner admissions: gender - women
	Partner admissions: ethnicity - BAME
	Senior management diversity: gender – women
	Senior management diversity: ethnicity – BAME
<b>Employee wellbeing</b>	Absence through sickness
	Work-life balance
<b>Learning and development</b>	Spend on learning and development
<b>Community Involvement</b>	
<b>Financial contribution</b>	Community contribution (cash, time and in-kind)
<b>Employee involvement</b>	Time spent volunteering
	Skills based volunteering
	Volunteering during working hours (occasions)
	Volunteering during working hours (people)
	Payroll giving participation
<b>Beneficiaries</b>	Beneficiaries: direct

<sup>7</sup> BAME: Black Asian and Minority Ethnic

Metric area		Specific metric
<b>Environment</b>		
<b>Carbon emissions: Scope 1</b>		Gas
		Oil
		Biodiesel
		Fugitive emissions
<b>Carbon emissions: Scope 2</b>		Electricity emissions
<b>Carbon emissions: Scope 3</b>		Air travel– client facing
		Air travel– non client facing
		Road travel
		Rail travel
		Fuel and energy upstream emissions
		Material consumption
		Material disposal
<b>Consumption: travel</b>		Business travel: air
		Business travel: road
		Business travel: rail
		Business travel: online meetings
<b>Consumption: energy</b>		Energy: gas / oil / biodiesel
		Energy: renewable electricity
		Energy: non-renewable electricity
<b>Consumption: resources</b>		Paper procured
		Water supply
<b>Consumption: waste</b>		Material disposal: Reuse
		Material disposal: landfill
		Material disposal: incineration to energy
		Material disposal: recycling
		Recycling performance: Recycling as a percentage of total waste
<b>Other</b>		
<b>Basis for environmental ratios</b>		Real estate: let area
		Average monthly workforce FTEs
<b>Supply chain sustainability</b>		
<b>Supplier engagement</b>		Key suppliers assessed by PwC sustainability survey
		Key suppliers reporting to CDP
		Key suppliers reporting GHG reduction targets
		Key suppliers reporting emissions reduction to the CDP
<b>Commercial integration</b>		Key suppliers with sustainability in commercial arrangements
<b>Responsible procurement</b>		PwC average supplier payments days
		Key suppliers with a Human Rights policy

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## **5. *Estimation and restatement***

### **5.1. Estimation**

In line with our principles, we aim to ensure that our data is as complete as possible. However, if we've been unable to gather all data and have therefore made estimates, we'll make this clear for the relevant metrics, within the Reporting Specifics section of this document.

For the environmental metrics reported, we may estimate data for the month of June if actual data was not available in time for year-end reporting deadlines. This is calculated by applying the average year-on-year reduction or growth (year-to-date or a relevant time period) to the previous June data. If necessary, we will then make further adjustments to account for any known unusual events which may distort the estimate, such as an extra bank holiday.

For some people metrics, we rely on voluntary data submissions from employees. Examples of incomplete data sets include those referring to ethnicity, and the Youmatter engagement and wellbeing metrics. We ensure that response rates from employees for each of these metrics remain high and therefore provide a representative dataset of the overall PwC UK workforce. Because of this, and the need to comply with Data Protection legislation, we do not make estimations for people metrics.

### **5.2. Restatement**

Every effort is made to ensure that data we report is accurate and our processes are designed to support this. However should updated data be available for prior years, we will usually only consider restatement if it results in a discrepancy of at least 5% of the reported data. Where we've done this we'll provide details in the data notes supporting any reported data.

If a new emissions source is included prior year annual figures will be restated, as per the Greenhouse Gas Protocol.

We may restate carbon emissions even when there is no change in consumption data, due to updates to the emissions factors provided by Defra. There have been no such changes in 2016.

## 6. Reporting specifics

### Quality and Ethics

#### 6.1. Quality

##### Reported metrics

Metric	Description	Units
Client advocacy	An average score, 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?”	Score out of 10
Net promoter score	Based on the same question as ‘client advocacy’ above, taking the number of promoters (giving a score of 9 or 10) minus the number of detractors (giving a score of 0 to 6)	Percentage

##### 6.1.1. Scope

Data for these metrics is gathered from feedback surveys completed with a sample of clients of PwC UK.

##### 6.1.2. Methodology

Data are gathered through a combination of face-to-face interviews with PwC partners, telephone interviews and online surveys, and are collated by a central team.

#### 6.2. Ethics

##### Reported metrics

Metric	Description	Units
Ethical behaviour	An average score of responses to the Youmatter survey question: “At PwC, I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences”	Score out of 5
Dismissals for misconduct	Dismissals for misconduct (excluding dismissals for failed exams and missed performance standards).	Number

##### 6.2.1. Scope

Data for the ethical behaviour metric covers all our UK employees and partners deemed within our organisational boundaries. Data for dismissals for misconduct covers all permanent employees of PwC UK. It excludes dismissals for failed exams and missed performance standards.

##### 6.2.2. Methodology

The ethical culture metric is assessed at least annually through a confidential internal staff satisfaction survey to all UK people, which covers a range of questions about working at PwC. The results of the question about how comfortable our people feel about raising ethical issues are confidentially summarised to generate the ‘ethical culture’ metric.

Data for dismissals for misconduct is generated from the Human Capital (HC) database where all disciplinary cases are recorded.

#### 6.3. Independence



**Reported metrics**

Metric	Description	Units
Breaches of external auditor independence regulations	Breaches of the auditor personal independence regulations reported to the regulator as a percentage of Full Time Equivalent (FTE)	%

**6.3.1. Scope**

Data for these metrics is measured against all our UK employees and partners deemed within our organisational boundaries. It reflects breaches of external personal independence rules only.

**6.3.2. Methodology**

Breaches are identified by the Independence Team through a series of internal processes including annual independence confirmations by partners and employees, personal independence compliance testing processes, and confirmations by members of client engagement teams. Once identified, all breaches are recorded on an internal register.

**6.4. Information Security****Reported metrics**

Metric	Description	Units
ISO 27001: major non-conformities	Number of major nonconformities identified by the external assessor of our management systems. A major non-conformity 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	Number
ISO 27001: minor non-conformities	Number of minor nonconformities identified by the external assessor of our management systems. A minor non-conformity is a single identified lapse which would not in itself raise significant doubt as to the capacity of the firm's information management system to achieve its intended policy and objectives	Number

**6.4.1. Scope**

Information security data refers to nonconformities from across all offices deemed within our organisational boundaries, excluding the Channel Islands.

**6.4.2. Methodology**

Our external assessor provides an audit report following every ISO 27001 audit, showing the number of nonconformities identified, and the reason for their award. These are logged and aggregated at the end of each reporting year.

## Workplace and Diversity

### 6.5. Talent Attraction and Retention

#### Reported metrics

Metric	Description	Units
People engagement score	An average score based on the responses for the following seven key statements in the Youmatter surveys: <ul style="list-style-type: none"> <li>• 'I am satisfied with PwC as a place to work'</li> <li>• 'I am willing to go the extra mile for the success of PwC'</li> <li>• 'I understand how my objectives are important in delivering the firm's strategy'</li> <li>• 'I am proud to work at PwC'</li> <li>• 'I am passionate about providing exceptional client service'</li> <li>• 'I expect to be working at PwC 12 months from now'</li> <li>• 'I would recommend PwC to my friends and family as a great place to work'</li> </ul>	Score out of five
Graduate retention rate (3 years)	[Number of people who joined the firm through a university student recruitment pathway who are still with the firm after 3 years of service] / [Total number of people who joined firm in this way who could have completed 3 years of service]	Percentage
High potential retention	[Number of high potential leavers since 1st July in the current reporting year] / [Total number of people identified as high potential in the latest reporting year]	Percentage
Voluntary turnover	[Total number of our people voluntarily leaving the firm during the reporting year] / [Average headcount over the preceding 12 months]	Percentage

#### 6.5.1. Scope

Data for these metrics is measured against all our UK employees and partners deemed within our organisational boundaries.

#### 6.5.2. Methodology

Engagement of our people is assessed at least annually through a confidential internal staff satisfaction survey to all UK people, which asks a range of engagement related questions about working at PwC. The results of the survey are confidentially summarised to generate an overall Engagement Index which is reported across the firm. The 'people engagement score' metric is taken from the results of the April survey.

Employee data, including the means through which they joined the firm and their dates for joining and leaving the firm, are recorded and monitored within our Human Capital (HC) system. This system is used to administer all employee personal, job, pay and performance data. Each year our people are rated on their performance and their potential, and these details are also updated in the HC system.

### 6.6. Employee sustainability expectations

#### Reported metrics

Metric	Description	Units
Social responsibility	Results are derived from the firmwide staff Youmatter survey for the question 'I am satisfied with the actions PwC is taking to be socially responsible (e.g. supporting community events, organisations and charities)'	Score out of five
Environmental responsibility	Results are derived from the firmwide staff Youmatter survey for the question 'I am satisfied that PwC is responding appropriately to address the impact of our business activities on the environment'	Score out of five

#### 6.6.1. Scope

Data for these metrics is measured against all our UK employees and partners deemed within our organisational boundaries

### 6.6.2. Methodology

Engagement of our people is assessed at least annually by a confidential internal staff satisfaction which asks a series of questions about working at PwC. The responses to two specific questions about their perceptions of the social and environmental actions PwC is taking are used to calculate these metrics.

## 6.7. Inclusion and Diversity

### Reported metrics

Metric	Description	Units
New hire diversity: gender - women	[Total number of new hires made in the reporting year who are female] / [Total number of new hires during this period]	%
New hire diversity: ethnicity - BAME	[Total number of new hires made in the reporting year who are BAME] / [Total number of new hires during this period]	%
Partner admissions: women	[Number of new female partner admissions in the reporting year] / [Total number of new partner admissions]	%
Partner admissions: BAME	[Number of new BAME partner admissions in the reporting year] / [Total number of new partner admissions]	%
Senior management diversity: gender - women	Female representation in roughly the top hundred senior leadership roles that the business defines each year.	%
Senior management diversity: ethnicity – BAME <sup>2</sup>	BAME <sup>8</sup> representation in the top hundred or so senior leadership roles that the business defines each year.	%

### 6.7.1. Scope

Data for these metrics is measured against all our UK employees and partners deemed within our organisational boundaries.

### 6.7.2. Methodology

Employee data, including gender and ethnicity, is recorded and monitored within the PwC UK HC system. This is used to administer all employee personal, job, pay and performance data, and provides the data for all our inclusion and diversity metrics.

Upon joining the firm, employees are encouraged to provide personal biographic details including diversity details such as ethnicity and disability information, which they can update at any time during their time with the firm. This self-disclosed diversity data is used to generate the metrics.

Once people have joined the firm the HC System is then used to administer any changes to their job details including promotions. This part of the HC system is used to generate this metric.

## 6.8. Employee wellbeing

### Reported metrics

Metric	Description	Units
Absence due to sickness	Proportion of available time recorded by our people as sickness absence	%
Employee wellbeing	An average score based on the results of the Youmatter staff survey question: “The people I work for support the flexibility I need to get my work done and achieve a balance with my private life”	Score out of five

### 6.8.1. Scope

Data for these metrics is measured against all our UK employees and partners deemed within our organisational boundaries

<sup>8</sup> Black Asian and Minority Ethnic

### 6.8.2. Methodology

Engagement of our people is assessed at least annually by a confidential internal staff satisfaction which asks a series of questions about working at PwC. The responses to a specific question about ability of our people to balance work and their personal lives are used to calculate this metric.

People record details of the time they spend during the working week onto personal electronic timesheets in the finance system, using numerical codes which align to specific projects or activities. One code they can record time against is sickness absence. The aggregate figure for this is then calculated as a proportion of the total working hours available to generate the employee absence rate.

## 6.9. Learning and Development

### Reported metrics

Metric	Description	Units
Spend on learning and development	Assessing [Total financial investment into Learning and Development in the reporting year] / [Average Full Time Equivalent (FTE) for the same period]	£per FTE

### 6.9.1. Scope

Learning and development data is collected for all individuals deemed within our organisational boundaries

### 6.9.2. Methodology

The financial spend on learning and development includes the cost of developing and running formal learning, people costs associated with its development, internal and external fees, and relevant overheads. Costs are allocated to the relevant codes in the firm’s finance system, from which the total investment can be calculated, and in turn calculate an average spend per FTE.

## Community Involvement

### 6.10. Community contribution

#### Reported metrics

Metric	Description	Units
Community contribution	Cash, time, in-kind and running costs contributed to communities	£

#### 6.10.1. Scope

Community contribution is calculated for all contributions deemed within our organisational boundaries.

The data is compiled in accordance with LBG guidance and is made up of four component parts:

1. *Cash*. The gross monetary amount that a company pays in support of a community organisation or project (e.g. donations, employee volunteering expenses, memberships).
2. *Time*. The value of general volunteering time during working hours (e.g. mentoring, sharing technical skills, supporting work experience placements etc.)
3. *In kind*. The value of discounted or pro-bono work (e.g. auditing a community organisation's accounts, providing advisory services to community organisations) as well as other in-kind contributions (e.g. costs of providing hospitality for community partners' events)
4. *Running costs*. The cost of running the community affairs programme (e.g. staff costs, office space, support services, communicating the community affairs programme)

#### 6.10.2. Methodology

The data collection methodology for each of these component parts is outlined below. Actual data for each component part is collated at half year and year end.

##### 6.10.2.1. Cash

Cash contributions are largely made from the Community Affairs budget, although some are made from other parts of the business. Finance reports are then run each year for both Community Affairs and for these other donation account codes in order to extract the cash contribution data.

##### 6.10.2.2. Time

In accordance with LBG guidance, the value of volunteering time is calculated by applying an average employment cost (salaries and benefits) to the hours of volunteering during working hours. This cost is, therefore, less than our full commercial charge-out rate.

If a volunteering programme requires the specific skills set of senior managers, directors or partners, then the average hourly employment cost specifically for those grades is used. These average costs are provided by the HC Team and the Finance Team.

Details on how volunteering hours are collected can be found in the section below.

##### 6.10.2.3. In-kind

Discounted and pro bono work with voluntary organisations differs from general volunteering in that the nature of the work relates specifically to the firm's core products and services. This work would have a formal engagement under which we would take liability for the service delivered to the voluntary organisation, distinguishing it from general volunteering.

We calculate the value of discounted or pro bono work in accordance with LBG guidance. This equates to the difference between the cost of performing the work and the actual price charged.

For other in-kind contributions, costs are worked out on the principle of cost to our business, rather than what the community organisation would otherwise have had to pay in the open market.

#### 6.10.2.4. Running costs

In accordance with LBG guidance, the value of running costs include the salaries, benefits and other overheads of Community Affairs, along with any research and communications spend designed to help the company engage with its community stakeholders. For those with responsibilities outside of the Community Affairs team, their time is apportioned to community affairs as appropriate.

## 6.11. Employee involvement

### Reported metrics

Metric	Description	Units
Time spent volunteering	Hours volunteered with community partners during working hours	Working hours
Skills based volunteering	Percentage of time spent volunteering classified as 'skills-based'	Percentage
Volunteering during working hours	Number of occasions of volunteering– individuals may have taken part in more than one activity, all of which will be included as volunteering occasions	No. of occasions
Volunteering during working hours	Number of unique individuals volunteering– individuals may have taken part in more than one activity but individuals are only counted once	No. of people
Payroll giving participation	Percentage of eligible staff that have participated in the payroll giving scheme	Percentage
Beneficiaries	Number of people directly benefiting from employee volunteering	No. of people

#### 6.11.1. Scope

Volunteering data is collected for all individuals deemed within our organisational boundaries. It does not include volunteering activity occurring outside of working hours.

Payroll giving data is collected for all individuals deemed within our organisational boundaries who are eligible to participate in the scheme. This excludes our partners and contractors.

Beneficiaries refer to the people outside of PwC who benefit directly from the volunteering activity, above.

#### 6.11.2. Methodology

##### 6.11.2.1. Volunteering

Volunteering activity is recorded in the Community Affairs database on an on-going basis. This includes the volunteer's staff identifier, date of activity, name of community organisation and planned time volunteered. Further demographic information (including staff grade) is also populated into the Community Affairs database automatically from the firm's HC system.

At half year and year end, data is separated into 'occasions' and unique 'volunteers' (people) using the staff identifier. The expected time to be volunteered is then checked on a sample basis against actual records and amended, if necessary. This is done using either the firm's cost codes, the volunteer's diary, volunteer feedback or community partner feedback. LBG guidance encourages members to reach a conservative and informed estimate.

Time volunteered is then further classified as 'skills-based' or 'not skills-based', according to the nature of the volunteering activity. This classification reflects the use of an individual's professional skills but in an informal way that does not involve the delivery of a service for which the firm is liable. So, for instance, CV interview skills workshops, and mentoring a school student or a social entrepreneur would be classed as skills-based, whereas painting a school would not.

#### **6.11.2.2. Beneficiaries: direct**

Beneficiaries are recorded in the Community Affairs database on an on-going basis by the Community Affairs team. For some activities (e.g. individual mentoring), the individual beneficiaries are generally known by name and recorded. For others, the numbers are collected either from attendance registers, the volunteers, recipient organisation records or our own social value surveys. Where the exact number of beneficiaries is not known, estimation is made based either on the same activity from the previous year or a comparable activity in the same year (e.g. a typical CV interview skills workshop).

#### **6.11.2.3. Payroll giving**

The number of payroll giving participants is provided by the payroll team each year. This is then compared against the number of people who are eligible to participate in payroll giving, which is extracted from the firm's HC system.

## Environment

### 6.12. Energy

#### Reported metrics

Metric	Description	Units
Gas / Oil / Biodiesel consumption	Gas, oil and biodiesel used for cooling, heating and power in our buildings	kWh
Electricity consumption	Electricity purchased from the National Grid	kWh

#### 6.12.1. Scope

Data for these measures is collected across all buildings deemed within our organisational boundaries.

#### 6.12.2. Methodology

- Gas, oil, biodiesel and electricity data from properties is gathered monthly, one month in arrears as follows:
  - For PwC owned properties, from supplier invoices
  - For PwC leased properties, from the landlord service charge
  - For electricity in each case, the source is recorded as renewable or non-renewable<sup>9</sup>.
- Data is entered into the environmental data management system monthly.

### 6.13. Business travel: Air

#### Reported metrics

Metric	Description	Units
Air travel	Business air travel by partners, employees and contractors	km

#### 6.13.1. Scope

Air travel data is collected for all individuals deemed within our organisational boundaries.

#### 6.13.2. Methodology

- Business air travel is booked through a central booking system managed by our travel management supplier
- Monthly data is sourced from our travel management supplier one month in arrears
- Data is grouped into distance categories as follows:
  - Short-haul: to UK destinations, no class split
  - Medium-haul: to non-UK destinations up to 3,700km, split by class – economy/business
  - Long-haul: to non UK destinations over 3,700km split by class - economy/premium economy/business/first.
- Data is further arranged by chargeable, business development or non-chargeable according to the internal cost code against which the flight was booked

<sup>9</sup> Electricity purchased from an eligible renewable electricity tariff as per the GHG Protocol Scope 2 standard (Table 6.3, p48): [http://ghgprotocol.org/files/ghgp/Scope%202%20Guidance\\_Final.pdf](http://ghgprotocol.org/files/ghgp/Scope%202%20Guidance_Final.pdf)



- Cancelled flights are recorded by our travel management supplier as negative distances once they have been refunded (this may be reported in the following month from when the flight was booked)
- Data is entered into our environmental data management system monthly

### 6.13.3. Estimation

The majority of business flights are booked through our travel management supplier system and therefore get captured in the data above. However, a small number of flights may be booked outside of our travel management system and so we would estimate these by applying the average cost per kilometre from the travel management supplier data to the spend on air travel collected from the expenses system.

## 6.14. Business travel: Road

### Reported metrics

Metric	Description	Units
Road travel	Business road travel by partners, employees and contractors	km

### 6.14.1. Scope

Road data is collected for all individuals deemed within our organisational boundaries.

Road travel includes reimbursed taxi, car, motorbike and bicycle mileage for both the PwC leased fleet and vehicles owned by partners and staff used for business travel. Data for car hire and bus use aren't currently captured.

### 6.14.2. Methodology

#### 6.14.2.1. Cars, motorbikes and bicycles

- Monthly data on total reimbursed mileage is sourced from our expenses system, one month in arrears
- Car data is arranged by diesel and petrol cars and is grouped according to the HMRC engine sizes (e.g. '1400cc and less') in order to help calculate our carbon emissions accurately
- Data is entered into our environmental data management system monthly

#### 6.14.2.2. Taxis

- Monthly spend data on total expensed taxi journeys is sourced from our expenses system, 1 month in arrears
- We estimate the total kilometres travelled from the spend data, using an average spend per kilometre (£/KM) figure, which is derived from publicly available data sources.
- To reflect the fact that different types of taxis are used, the resulting figure for total kilometres travelled by taxi is allocated equally to the Defra conversion factors for 'Black cabs' and 'Other taxis'.

## 6.15. Business travel: Rail

### Reported metrics

Metric	Description	Units
Rail travel	Business rail travel by partners, employees and contractors	km

### 6.15.1. Scope

Rail data is collected for all individuals deemed within our organisational boundaries.

### 6.15.2. Methodology

- Business rail travel is booked through a central booking system managed by our travel management supplier
- Monthly data is sourced from our travel management supplier one month in arrears and is classified as national rail or Eurostar in order to help calculate our carbon emissions accurately
- Cancelled rail journeys are recorded by our travel management supplier as negative distances once they have been refunded (this may be reported in the following month from when the journey was booked)
- Data is entered into our environmental data management system monthly

### 6.15.3. Estimation

Where possible, business rail is booked through our travel management supplier system and therefore gets captured in the data above. However many rail journeys are currently booked outside of our travel management system. We estimate these by comparing the spend through the travel management supplier with the spend through the expenses system by class of travel. An adjustment is then made to account for the fact that journeys from the expense system are typically more expensive as they are booked on the day rather than in advance.

## 6.16. Business travel: Online meetings

### Reported metrics

Metric	Description	Units
Online meetings	Number of online meetings per person	Number

### 6.16.1. Scope

Online meetings refer to those arranged through our online meeting tools, hosted by individuals deemed within our organisational boundaries.

### 6.16.2. Methodology

Online meetings are logged automatically in the online tool systems, including details of the meeting host. Reports are then extracted from the system and entered into our environmental data management system biannually.

## 6.17. Key resource consumption

### Reported metrics

Metric	Description	Units
Paper procured	Paper procured during the course of our business	Tonnes
Water supply	Water supplied to our buildings	M3

### 6.17.1. Scope

Paper and water consumption data is collected across all buildings deemed within our organisational boundaries. This includes paper purchased by our in-house Document Processing Centre (DPC) as well as paper

sent to training centres. Documents produced externally by an external printer are not captured, although these are expected to be minimal.

Paper and water consumption data refers to the supply (not treatment) of resources for our business.

### 6.17.2. Methodology

- Data is collected one month in arrears as follows:
  - Water consumption for PwC owned properties is obtained from supplier invoices and periodically checked against manual meter readings
  - Water consumption for PwC leased properties is obtained from estimates based on average consumption per person
  - Paper consumption is obtained from purchase orders

Data is entered into the environmental data management system monthly.

### 6.17.3. Estimation

Occasionally resource consumption data is not available in time for year end for more than just the last month of the year (June). In this case, estimates are also made for these months based on data from previous years, adjusted for known variances (e.g. changes in occupied floors).

## 6.18. Material disposal

### Reported metrics

Metric	Description	Units
Reuse	Waste reused in current form	Tonnes
Landfill	Waste treated through landfill	Tonnes
Incineration to energy	Waste treated through incineration to energy	Tonnes
Recycling	Waste treated through recycling	Tonnes
Recycling as a percentage of total waste	Recycling as a percentage of total waste	Percentage

### 6.18.1. Scope

Waste data refers to waste disposed of from our business and collected across all buildings deemed within our organisational boundaries.

### 6.18.2. Methodology

- Monthly data is collected one month in arrears as follows:
  - For general waste (landfill and incineration to energy) at PwC controlled buildings, data is taken from invoices from our waste management suppliers
  - For general waste on landlord controlled buildings, data is taken from our cleaning supplier and from the landlord service charge
  - For all recycling/ reuse, data is taken from invoices from our waste management suppliers
- Recycling/ reuse data is further arranged into paper, cardboard, wax cups, glass, plastic (cups and bottles), aluminium cans, batteries, food waste, compostables, mobile phones, laptops and other IT equipment, and archive paper by the waste management suppliers in order to help calculate our carbon emissions accurately
- Data is entered into the environmental data management system monthly

### 6.18.3. Estimation

Occasionally resource consumption data is not available in time for year-end. In these cases, we make estimates for the relevant months, based on data from previous years, and adjust it for known variances (e.g. changes in occupied floors). Where previous years data is not available for a particular office, consumption data from a similar sized office is used to create an estimate.

## 6.19. Carbon emissions

We report on our carbon emissions in line with the Greenhouse Gas Protocol classification as follows:

- *Scope 1:* Direct emissions from the burning of fossil fuels and bio-fuel on-site
- *Scope 2:* Indirect emissions from purchased energy arising from the consumption of electricity
- *Scope 3:* Other indirect emissions, notably from business travel, well-to-tank, consumption, waste and water in our operations

The six regulated greenhouse gases which are included within our carbon emissions reporting are as follows:

- Carbon dioxide (CO<sub>2</sub>);
- Methane (CH<sub>4</sub>);
- Nitrous oxide (N<sub>2</sub>O);
- Hydrofluorocarbons (HFCs);
- Perfluorocarbons (PFCs); and
- Sulphur hexafluoride (SF<sub>6</sub>).

We use DEFRA conversion factors to calculate our carbon emissions from our consumption data<sup>10</sup>.

A single figure for the total impact of all these emissions sources is reported as a carbon dioxide equivalent (CO<sub>2</sub>e). This is achieved by converting the gases to an equivalent CO<sub>2</sub>e number based on their 100 year global warming potential. These Global Warming Potential conversions are calculated by the Intergovernmental Panel on Climate Change (IPCC) and included in the Defra conversion factors.

### 6.19.1. Scope 1

#### Reported metrics

Metric	Description	Conversion factor source	Units
Carbon: Oil	Carbon emissions associated with oil consumption	Defra: Gas Oil	Tonnes CO <sub>2</sub> e
Carbon: Gas	Carbon emissions associated with gas consumption	Defra: LNG	Tonnes CO <sub>2</sub> e
Carbon: Biodiesel	Carbon emissions associated with biodiesel consumption	Defra: Biodiesel	Tonnes CO <sub>2</sub> e
Carbon: Fugitive emissions	Carbon emissions associated with refrigerant gases	Defra: process factors, e.g. R22, R410A etc.	Tonnes CO <sub>2</sub> e

Fugitive emissions refer to refrigerant gases leaked from equipment in buildings that are deemed within our organisational boundaries. Leakage is measured on a rolling basis as part of our planned maintenance schedules and recorded by office, by gas, as part of our F-Gas register. We've adopted the Simplified Material Balance Method<sup>11</sup> to calculate the kilograms of gas leaked, which measures the amount of gas topped up minus the gas recovered during maintenance.

<sup>10</sup> For 2016 we've used Defra's May 2015 conversion factors

<sup>11</sup> See DEFRA guidance for details

Data is currently only captured for PwC-controlled buildings, therefore an estimate is made for landlord-controlled buildings based on real estate let area. Data is then entered into the environmental data management system monthly.

## 6.19.2. Scope 2


### Reported metrics

Metric	Description	Conversion factor source	Units
Carbon: Electricity: Market based	Carbon emissions associated with electricity consumption based on PwC procurement	Varied (Electricity supplier, RE-DISS, Defra)	Tonnes CO <sub>2</sub> e
Carbon: Electricity: Location based	Carbon emissions associated electricity consumption based on location	Defra: Electricity consumed	Tonnes CO <sub>2</sub> e

GHG scope 2 guidance<sup>12</sup> requires the dual reporting of two carbon emission figures for our electricity consumption using different carbon emission factors.

### 6.19.2.1. Market based

The market-based method involves using an emission factor that is specific to the electricity contract, so that it reflects the actual emissions from the electricity that PwC is purchasing, rather than the grid average. The emission factors we use follow the market based emission hierarchy (see chart below, as set out in the GHG Protocol Scope 2 guidance) which has emission factors specific to our electricity contract at the top, and Defra average UK factors at the bottom.

Emission factors	Indicative examples	Precision
<b>Energy attribute certificates</b> or equivalent instruments (unbundled, bundled with electricity, conveyed in a contract for electricity, or delivered by a utility)	<ul style="list-style-type: none"> <li>Renewable Energy Certificates (U.S., Canada, Australia and others)</li> <li>Generator Declarations (U.K.) for fuel mix disclosure</li> <li>Guarantees of Origin (EU)</li> <li>Electricity contracts (e.g. PPAs) that also convey RECs or GOs</li> <li>Any other certificate instruments meeting the Scope 2 Quality Criteria</li> </ul>	 <p>Higher</p> <p>Lower</p>
<b>Contracts</b> for electricity, such as power purchase agreements (PPAs) <sup>a</sup> and contracts from specified sources, where electricity attribute certificates do not exist or are not required for a usage claim	<ul style="list-style-type: none"> <li>In the U.S., contracts for electricity from specified nonrenewable sources like coal in regions other than NEPOOL and PJM</li> <li>Contracts that convey attributes to the entity consuming the power where certificates do not exist</li> <li>Contracts for power that are silent on attributes, but where attributes are not otherwise tracked or claimed</li> </ul>	
<b>Supplier/Utility emission rates</b> , such as standard product offer or a different product (e.g. a renewable energy product or tariff), and that are disclosed (preferably publicly) according to best available information	<ul style="list-style-type: none"> <li>Emission rate allocated and disclosed to retail electricity users, representing the entire delivered energy product (not only the supplier's owned assets)</li> <li>Green energy tariffs</li> <li>Voluntary renewable electricity program or product</li> </ul>	
<b>Residual mix</b> (subnational or national) that uses energy production data and factors out voluntary purchases	<ul style="list-style-type: none"> <li>Calculated by EU country under RE-DISS project <sup>b, c</sup></li> </ul>	
<b>Other grid-average emission factors</b> (subnational or national) – see location-based data	<ul style="list-style-type: none"> <li>eGRID total output emission rates (U.S.),<sup>d</sup> In many regions this approximates a consumption-boundary, as eGRID regions are drawn to minimize imports/exports</li> <li>Defra annual grid average emission factor (UK)</li> <li>IEA national electricity emission factors<sup>e</sup></li> </ul>	

<sup>12</sup> [http://ghgprotocol.org/files/ghgp/Scope%202%20Guidance\\_Final.pdf](http://ghgprotocol.org/files/ghgp/Scope%202%20Guidance_Final.pdf)

### 6.19.2.1. Location based

The location-based method involves using an average emission factor that relates to the grid from which electricity is drawn. Defra provide electricity conversion factors for the average carbon dioxide emission from the UK national grid per kWh of electricity used at the point of final consumption. These factors include only carbon emissions at UK power stations and do not include emissions resulting from production and delivery of fuel to these power stations (i.e. from gas rigs, refineries and collieries, etc).

### 6.19.3. Scope 3

#### 6.19.3.1. Air travel

##### Reported metrics

Metric	Description	Conversion factor source	Units
Carbon: Air travel– client facing	Carbon emissions associated with business air travel servicing clients and well-to-tank	Defra: Long haul, short haul and domestic, split by class of travel (e.g. economy / business) + Defra: Well to tank EF	Tonnes CO <sub>2</sub> e
Carbon: Air travel – non client facing	Carbon emissions associated with business air travel for internal purposes and well-to-tank	Defra: Long haul, short haul and domestic, split by class of travel (e.g. economy / business) + Defra: Well to tank EF	Tonnes CO <sub>2</sub> e

Defra have introduced separate ‘Well to tank (WTT)’ emission factors for all processes which consume fossil fuels (flights, electricity generation etc). These Scope 3 factors enable organisations to account for the emissions associated with extracting, refining, and transportation of the raw fuel to the vehicle, asset or process where it is consumed, but are separate to the factors for the point at which the fuel is combusted.

However, as WTT factors are directly linked with the Scope 3 activity, we have chosen to combine the two for reporting our business travel emissions, so that we report a single figure.

#### 6.19.3.2. Road Travel

##### Reported metrics

Metric	Description	Conversion factor source	Units
Carbon: Road travel	Carbon emissions associated with business road travel and well-to-tank	Defra: Diesel and petrol cars (split by engine size), Black cab taxi, Regular taxi, and motorbike (all engine) ) + Defra: Well to tank EF	Tonnes CO <sub>2</sub> e

Our expenses system uses HMRC engine capacities to classify vehicle types (e.g. ‘1400cc and less’). These largely reconcile with the Defra’s classification above<sup>13</sup>.

Taxi kilometres are converted in carbon using the separate Defra emission factors for black cabs and regular cabs. As our expenses system doesn’t record the type of taxis we have used, we’ve assumed an equal (50:50) split between both taxi types.

Although business travel by bicycle is recorded under our business road travel, it does not have an associated carbon emission and so does not get included in the carbon emissions from road travel metric.

As with the figures for air travel (see 6.19.3.1) we’ve combined the ‘well to tank (WTT)’ emission factors for road travel, so that we can report a single figure associated with the activity.

<sup>13</sup> The exception to the reconciliation is for diesel cars where the HMRC threshold between small and medium cars is 1600cc as opposed to 1700cc for Defra. However, this discrepancy is small and we have very few diesel cars of these engine sizes in our fleet, so the difference will not materially affect our reported emissions.

### 6.19.3.3. Rail travel

#### Reported metrics

Metric	Description	Conversion factor source	Units
Carbon: Rail travel	Carbon emissions associated with business rail travel and well-to-tank	Defra: National rail and Eurostar) + Defra: Well to tank EF	Tonnes CO <sub>2</sub> e

As with the figures for air and road travel above, we've combined the 'well to tank (WTT)' emission factors for rail travel, so that we can report a single figure associated with the activity.

### 6.19.3.1. Fuel and energy upstream emissions

#### Reported metrics

Metric	Description	Conversion factor source	Units
Carbon: Fuel and energy upstream emissions	Carbon emissions associated with WTT for Scope 1 & 2 (fuels and electricity), and transmission & distribution losses for electricity	Defra: WTT- fuels (by type of fuel) + Defra: T&D- UK electricity	Tonnes CO <sub>2</sub> e

For our fuel and energy, Defra provide separate emissions factors for both well to tank (WTT) and for losses in transmission and distribution (T&D) of the energy to the point at which it is consumed. As these WTT and T&D factors are Scope 3, we can't combine them for reporting purposes with our Scope 1 and 2 emissions from energy consumption. We therefore report a single combined WTT and T&D figure in Scope 3, which is associated with our Scope 1& 2 fuel consumption.

### 6.19.3.2. Material consumption

#### Reported metrics

Metric	Description	Conversion factor source	Units
Carbon: Material consumption	Carbon emissions associated with material consumption during the course of our business	Defra: material consumed split by type (e.g. cardboard / glass)	Tonnes CO <sub>2</sub> e

According to Defra guidance<sup>14</sup>, carbon emissions from material consumption should be reported separately from waste disposal, requiring all resources procured to be documented by type and level of recycled content. We don't currently measure our procurement at this level of detail, so we've assumed that all waste disposed from our buildings was originally procured by the business and should be included. This means that we're not only including materials procured by our business, but being prudent and also including materials bought by our people that are subsequently disposed of at work (e.g. food wrappers, newspapers etc.)

Most of our waste is classified by type (e.g. cardboard, glass etc.) and so can easily be converted to carbon emissions from material consumption using the Defra guidelines. Our incineration waste isn't split out by type, so we've taken a sample of this waste to estimate the approximate composition in order to calculate the associated carbon emissions. Where we know the recycled content of what we've procured, we've included this in the calculations, otherwise we've been conservative and assumed that only primary material has been procured.

### 6.19.3.3. Material disposal

#### Reported metrics

Metric	Description	Conversion factor source	Units
Carbon: Material disposal	Carbon emissions associated with total waste produced and treated, including water supply	Defra: waste disposal split by type (e.g. cardboard / glass), & Water supply	Tonnes CO <sub>2</sub> e

According to Defra guidance, carbon emissions from waste disposal should be separated from material consumption. Furthermore, any benefits of recycling are now attributed to the user of recycled materials and

<sup>14</sup> <https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>

not the entity disposing of the waste. As such, the carbon emissions from waste only reflect the emissions from transportation and preparation of the waste.

We've also continued to include carbon associated with our water supply into our waste calculation, in line with the GHG Scope 3 Standard<sup>15</sup>.

## *Basis for environmental ratios*

### 6.20. Real Estate

#### Reported metrics

Metric	Description	Units
Let area	Net lettable area of our real estate	M2

#### 6.20.1. Scope

All buildings deemed within our organisational boundaries are included in our real estate metric.

#### 6.20.2. Methodology

Real estate data is measured as “net lettable area” which refers to the operational space within our buildings. Where we share areas of a building with other organisations (e.g. hallways) the area is apportioned according to the space we use. For new or closed buildings or space within buildings, the average net lettable area is calculated in proportion with the amount of time the space was available for use throughout the year. Actual data is collated at year end.

### 6.21. Headcount

#### Reported metrics

Metric	Description	Units
Average monthly workforce FTEs	Average monthly number of Full Time Equivalents, including partners, employees and contractors	No. of people

#### 6.21.1. Scope

Employee involvement data is collected for all individuals deemed within our organisational boundaries.

#### 6.21.2. Methodology

Data on all individuals is captured in the firm's Finance system. At year end, a standard report showing the average monthly FTEs is run which includes partners, employees and contractors.

## *Supply Chain*

### 6.1. Supplier engagement

#### Reported metrics

Metric	Description	Units
Key suppliers assessed by sustainability survey	Count of survey response by key suppliers	%
Key suppliers reporting to CDP	Count of survey responses to CDP by key suppliers	%

<sup>15</sup> [www.ghgprotocol.org/standards/scope-3-standard](http://www.ghgprotocol.org/standards/scope-3-standard)



<b>Key suppliers reporting greenhouse gas reduction targets</b>	Count of the number of key suppliers with GHG reduction targets as reported by CDP	%
<b>Key suppliers reporting emissions reductions to CDP</b>	Count of the number of key suppliers who achieve emissions related savings as reported by CDP	%

### 6.1.1. Scope

Data is collected for our “top 100 or so” suppliers. This list based on our annual spend, which we refine using a number of criteria to ensure relevance<sup>16</sup>.

### 6.1.2. Methodology

We invite our key suppliers to take part in the PwC supplier sustainability survey each year. The number of suppliers that respond to the survey is reported as a ratio (%) of the number of key suppliers asked to respond.

Key suppliers are also invited to respond to the CDP supply chain survey each year<sup>17</sup>. The survey is issued to suppliers and managed by CDP via their online portal. CDP provide a tailored report at the end of each survey period<sup>18</sup> with details of the survey responses. The number of suppliers that respond to the survey is reported as a ratio (%) of the number of key suppliers asked to respond.

CDP’s report details both the number of suppliers reporting greenhouse gas reduction targets, and the number of suppliers reporting emissions reductions to CDP.

## 6.2. Commercial integration

### Reported metric

Metric	Description	Units
<b>Key suppliers with sustainability in commercial arrangements</b>	Count of the number of key suppliers where sustainability criteria are included in commercial arrangements	%

### 6.2.1. Scope

Data is collected for our “top 100 or so” suppliers. This list based on our annual spend, which we refine using a number of criteria to ensure relevance<sup>9</sup>.

### 6.2.2. Methodology

Sustainability is considered to be included in the commercial arrangements with suppliers if environmental or social criteria have been considered during the supplier selection process (e.g. Request for Proposal); or if sustainability-related requirements are included in the contract or related service schedules. This metric is reported as a ratio (%) of the number of our key suppliers where sustainability criteria are included in the commercial arrangements, to the number of our key suppliers.

<sup>16</sup> These include, for example: the value of the contract, the sustainability risk associated with products or services procured, and the nature of the relationship.

<sup>17</sup> [www.cdp.net/supplychain](http://www.cdp.net/supplychain)

<sup>18</sup> As the CDP survey period crosses our financial years we report on responses from the previous calendar year in our scorecard (i.e. 2014)

## 6.3. Responsible Procurement

### Reported metric

Metric	Description	Units
<b>Average supplier payment days</b>	Average number of days taken to pay supplier invoices (excluding those from PwC network firms), from receipt of invoice at our accounts payable processing centre	Number of days

#### 6.3.1. Scope

Data is collected for all suppliers paid by the UK-based entities in the PricewaterhouseCoopers LLP Group, excluding those from PwC network firms.

#### 6.3.2. Methodology

A report is run from the finance system, detailing all supplier invoices that have been paid in the year. Invoices from other PwC Network firms are excluded. The average number of days taken to pay the remaining invoices – after they have reached the accounts payable centre – is then calculated.

### Reported metric

Metric	Description	Units
<b>Key suppliers with a Human Rights policy</b>	Count of survey response by key suppliers	%

#### 6.3.1. Scope

Data is collected for our “top 100 or so” suppliers. This list based on our annual spend, which we refine using a number of criteria to ensure relevance<sup>19</sup>.

#### 6.3.2. Methodology

We invite our key suppliers to take part in the PwC supplier sustainability survey each year. The survey includes a question about whether or not the suppliers have a human rights policy for their business. The number of suppliers answering that they have such a policy is reported as a ratio (%) of the number of key suppliers asked to respond.

<sup>19</sup> These include, for example: the value of the contract, the sustainability risk associated with products or services procured, and the nature of the relationship.