

# *Our non-financial performance scorecard*

Annual Report 2018

# Our purpose

## Non-financial performance 2018

This document provides a consolidated view of our performance against the metrics that underpin our responsible business framework.

It is intended to be read in conjunction with the narrative in our [2018 digital Annual Report](#) and our [website](#).

All data excludes the Middle East.

## Introduction

Our purpose is to build trust in society and to solve important problems. It's ambitious, but keeping it front of mind helps us to learn from our experiences and to get better at what we do.

Last year we introduced a new, outcome-based responsible business framework. This focuses on the key areas where we feel we can make a positive impact for our business and society, it covers the work we do for our clients and how we run our business. This year, we've further refined the framework to show how it links the different aspects of our purpose.

The key outcome areas are:

- Working with purpose in our client work
- Being a fair and trusted business
- Becoming a low carbon and circular business
- Empowering our people and the communities we work in

We prioritised these areas from our [materiality matrix](#), which we developed based on inputs from our stakeholders. The matrix is aligned with our [business model](#) and [principal risks](#), and has also shaped our approach to reporting and the metrics we disclose.

These outcomes also cover the [Sustainable Development Goals](#) that are most relevant for our business, and so should also help to tackle the important problems that governments around the world have prioritised.

Over the years, we've developed, assured and reported a number of key performance indicators that support the different outcome areas, together with progress against our targets, which we report in our [Annual Report](#). This year, we've aligned these metrics to the new framework, and will continue to review them for their ongoing relevance. For details about our metrics, see our [Reporting Criteria](#).

## Living our purpose - our Responsible Business framework

*Our Purpose is at the heart of everything we do, informing the work we do for clients as well as how we run the business.*



# 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 2018 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 2018 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 2018, and on PwC UK's corporate sustainability website<sup>1</sup>.

It includes:

- all baseline and 2018 performance data for all metrics
- data relating to let area and full time equivalent employees for 2018 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 2012-2017 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<sup>2</sup>.

### 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 & Ireland) 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<sup>3</sup>. 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 2018 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 10 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 2018 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 2018 online Annual Report and on PwC UK's corporate sustainability website<sup>4</sup>, 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.



**Richard Baker**  
For and on behalf of Crowe UK LLP  
Chartered Accountants, London

14<sup>th</sup> September 2018

1. [www.pwc.co.uk/corporateresponsibility](http://www.pwc.co.uk/corporateresponsibility)

2. [www.pwc.co.uk/who-we-are/corporate-sustainability/downloads.html](http://www.pwc.co.uk/who-we-are/corporate-sustainability/downloads.html)

3. [www.pwc.co.uk/who-we-are/corporate-sustainability/assurance.html](http://www.pwc.co.uk/who-we-are/corporate-sustainability/assurance.html)

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

## Fair and trusted business

	Units	2022 target	Ongoing target	2018	2017	Base	Base year
<b>Ethics and integrity</b>							
Breaches of external audit independence regulations <sup>1</sup>	Percentage	–	0.00%	0.34%	0.44%	0.24%	2012
Staff perception of ethical culture <sup>2</sup>	Percentage	–	80%	74%	74%	73%	2013
Issues raised with the Professional Behaviour Team <sup>3</sup>	Number	–	–	32	32	30	2016
Dismissals for misconduct <sup>4</sup>	Number	–	–	18	21	14	2011
<b>Information protection<sup>5</sup></b>							
ISO 27001: major non-conformities	Number	–	0	0	0	0	2011
ISO 27001: minor non-conformities	Number	–	–	0	0	10	2011
<b>Fair payment</b>							
Average partner pay vs average staff pay <sup>6</sup>	Ratio	–	–	13.1	12.0	12.8	2016
Average supplier payment days <sup>7</sup>	No. of days	–	<30	28	29	29	2013
<b>Responsible supply chain</b>							
Key suppliers with sustainability in commercial arrangements <sup>8</sup>	Percentage	80%	–	72%	62%	32%	2013
Key suppliers with Human Rights policy <sup>9</sup>	Percentage	80%	–	72%	66%	14%	2013
Payments to social enterprises <sup>10</sup>	£ million	10 <sup>11</sup>	–	1.1	1.9	1.2	2016

1. Breaches of the auditor personal independence regulations reported to the regulator, as a percentage of Full Time Employees.
2. 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”. Percentage of PwC staff who ‘agree’ or ‘strongly agree’.
3. Number of issues raised through our ‘Speak Up’ helpline and other channels, from partners and staff, clients and third parties (as disclosed to the Public Interest Body). All issues raised are considered although not all are substantiated.
4. Data includes all permanent UK staff excluding dismissals for failed exams and missed performance standards, and includes partners who were required to retire from the firm as Enforced Retirements for Cause.
5. 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. A minor non-conformity is a single identified lapse which would not in itself raise significant doubt. Audit performed by BSI assessors.
6. Ratio of average partner pay (distributable profit) to average staff pay (base pay and bonus).
7. Calculated as the average days taken by the UK-based entities in the PricewaterhouseCoopers LLP Group to pay supplier invoices (excluding those from PwC network firms), from recording of invoice at our accounts payable processing center, as **reported** to the UK government.
8. Based on inclusion of relevant sustainability criteria in ‘request for proposals’ (RFP) documents or contracts.
9. Includes suppliers which have either a Human Rights policy or Modern Slavery statement. Based on responses to PwC’s supplier survey. Non-responders treated as a negative response.
10. Primarily procurement spend with suppliers deemed as meeting social enterprise criteria by Social Enterprise UK (SEUK), but also includes some contributions through other channels. 2017 figure restated.
11. Cumulative target covering spend between 2016 and 2022. 2018 cumulative progress: 42%.

## Empowered people and communities

	Units	2020 target	Ongoing target	2018	2017	Base	Base year
<b>Talent attraction and retention</b>							
People engagement score <sup>1</sup>	Percentage	–	80%	71%	72%	78%	2007
Voluntary turnover	Percentage	–	12-15%	17%	15%	14%	2008
Graduate turnover (after three years) <sup>2</sup>	Percentage	–	15%	23%	21%	23%	2010
High potential turnover	Percentage	–	5%	16%	13%	11%	2012
Spend on learning and development <sup>3</sup>	£ per FTE	–	–	1,311	1,344	913	2010
<b>Diversity</b>							
New hires: women	Percentage	50%	–	46%	45%	41%	2009
New hires: BAME <sup>4</sup>	Percentage	30%	–	29%	29%	21%	2009
Partners: women	Percentage	24%	–	19.5%	18.8%	18.8%	2017
Partners: BAME <sup>4</sup>	Percentage	10%	–	7.4%	6.5%	6.5%	2017
Pay gap: women (including partners) <sup>5</sup>	Percentage	–	–	43.2%	43.8%	43.8%	2017
Pay gap: BAME (including partners) <sup>4,5</sup>	Percentage	–	–	35.7%	35.9%	35.9%	2017
<b>Employee wellbeing</b>							
Absence through sickness <sup>3</sup>	Percentage	–	<3.5%	3.3%	3.3%	3.3%	2009
Work-life balance <sup>6</sup>	Percentage	–	75%	68%	69%	67%	2008

1. 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”. Percentage of PwC staff who ‘agree’ or ‘strongly agree’.
2. 2010 figure restated.
3. 2017 figure restated.
4. BAME: Black, Asian and Minority Ethnic. Data is based on voluntary disclosure.
5. 2018 gender pay gap for staff only (excluding partners), as per [mandatory disclosure](#): 12.2%. BAME: 13.5%.
6. Results are derived from the Youmatter question: “The people I work for are considerate of my life outside of work”. Score represents percentage of PwC staff who ‘agree’ or ‘strongly agree’.

## Empowered people and communities (continued)

	Units	2022 target	Progress	2018	2017	Base	Base year
<b>Community contribution<sup>1</sup></b>							
Total community contribution <sup>2,3</sup>	£ million	–	–	7.4	8.9	4.3	2007
Community beneficiaries <sup>2</sup>	No. of people	–	–	23,500	19,500	19,559	2012
Volunteered time	Hours	>250,000 <sup>4</sup>	26%	66,402	85,400	37,400	2007
Proportion of people volunteering	Percentage	>25%	–	29%	30%	25%	2011
Skills-based volunteering	Percentage of volunteered time	>50%	–	47%	48%	58%	2011
Employee donations <sup>5</sup>	£ million	–	–	0.7	1.0	0.5	2014
Perception that PwC's community initiatives drive positive societal change <sup>6</sup>	Percentage	80%	–	71%	71%	81%	2010
<b>Social mobility</b>							
New hires: Free School Meals <sup>7</sup>	Percentage	15%	–	9%	7%	6%	2015
Workplace experiences provided <sup>8</sup>	Number	1,000 <sup>4</sup>	8%	75	84	28	2015
Young people supported with skills development <sup>2,9</sup>	Number	25,000 <sup>4</sup>	40%	10,130	8,370	5,300	2016
Social enterprises supported <sup>10</sup>	Number	250	–	241	294	83	2012
Perception of PwC championing social mobility <sup>11</sup>	Percentage	90%	–	60%	66%	66%	2017

1. Measured according to London Benchmarking Group (LBG) principles.
2. Community contribution and beneficiary numbers have been rounded down to provide a prudent representation of activity.
3. Includes cash, time, in-kind and management costs. These figures exclude a significant amount of work undertaken for charities and social enterprises because it does not meet LBG recording criteria.
4. Cumulative target for the new five-year period to 2022. 2018 figure is the first year of progress.
5. Employee donations defined as those facilitated via PwC payroll giving and the PwC Foundation. This is additional to PwC's 'total community contribution' figure.
6. Results are derived from the firmwide staff Youmatter survey. Question changed in 2017 from: "I am satisfied with the actions PwC is taking to be socially responsible" to "PwC drives societal change through its community initiatives". Score represents percentage of staff who 'agree' or 'strongly agree'.
7. Proportion of people hired during the year who have self-reported being in receipt of Free School Meals while attending a state secondary school.
8. People under 18 who have undertaken formal work experience, attended a state school, and: were in receipt of free school meals; or whose parents did not go to university; or whose family received Income Support.
9. Secondary school and Sixth Form college students.
10. Members of PwC Social Entrepreneurs club only.
11. Results are derived from the firmwide staff Youmatter survey question: "PwC is championing social mobility through its recruitment, development and community activities." Score represents percentage of PwC staff who 'agree' or 'strongly agree'.

## Low carbon and circular business

	Units	2022 target	Status	2018	2017	2007 base
<b>Carbon emissions: operations<sup>1</sup></b>						
Total emissions	Tonnes CO <sub>2</sub> e	-40%	-37%	72,943	81,790	115,242
Scope 1	Tonnes CO <sub>2</sub> e	–	–	1,214	2,158	5,603
Scope 2 <sup>2</sup>	Tonnes CO <sub>2</sub> e	-100%	-86%	3,628	4,899	25,546
Scope 3	Tonnes CO <sub>2</sub> e	–	–	68,101	74,733	84,093
Carbon emissions offset <sup>3</sup>	Percentage	100%		100%	100%	100%
Total emissions intensity (Scope 1, 2 and 3)	Tonnes CO <sub>2</sub> e/£m revenue	–	–	23	27	55
Business travel emissions intensity	Tonnes CO <sub>2</sub> e/FTE	-33%	-20%	3.26	3.47	4.08
<b>Carbon emissions: supply chain<sup>4</sup></b>						
Key suppliers with GHG reduction targets	Percentage	80%	44%	44%	52%	39%
Key suppliers reporting emissions reduction	Percentage	–	–	59%	49%	36%
<b>Consumption</b>						
Business travel	Million km	–	–	226	251	234
Energy consumption	Million kWh	-50%	-52%	39	41	82
Energy from renewable sources <sup>5</sup>	Percentage	–	–	61%	50%	0%
Renewable energy generated by PwC	Percentage	–	–	11%	9%	0%
<b>Resources</b>						
Paper procured	Tonnes	-80%	-65%	293	301	844
Water supply <sup>6</sup>	m <sup>3</sup> (k)	-50%	-39%	126	124	206
<b>Waste<sup>6,7</sup></b>						
Proportion recycled or reused	Percentage	80%	90%	90%	86%	55%
Recycling and reuse	Tonnes	–	–	2,236	2,104	2,482
Incineration to energy	Tonnes	–	–	253	333	1,408
Landfill	Tonnes	-100%	-100%	–	–	587
Total	Tonnes	-75%	-44%	2,489	2,437	4,477
Perception that PwC's environment initiatives drive positive societal change <sup>8</sup>	Percentage	80%	65%	65%	66%	71%

1. Calculated using UK Government GHG conversion factors for company reporting (May 2017). Includes associated well-to-tank (WTT) and transportation and distribution (T&D) factors.
2. Electricity emissions under the GHG protocol 'Market Based' approach. Emissions per 'Location Based' approach for 2018: 8,541 tonnes CO<sub>2</sub>e.
3. All offsets are Verified Carbon Standard (VCS) and, since 2017, from REDD+ projects. Retired on behalf of PwC by registered broker.
4. Based on responses to PwC's supplier survey. Non-responders treated as a negative response. Base year 2014.
5. Includes biodiesel, biogas and electricity purchased under a renewable tariff. 72% of total electricity use in 2018 was from renewable sources, as per the [GHG Protocol Scope 2 standard](#).
6. Includes estimated data using Full Time Employees.
7. Excludes some data relating to archive paper and IT equipment for offices in the Channel Islands.
8. Results are derived from the firmwide staff Youmatter survey. Question changed in 2017 from: "I am satisfied that PwC is responding appropriately to address the impact of our business activities on the environment" to "PwC drives societal change through its environmental initiatives". Score represents percentage of staff who 'agree' or 'strongly agree'. Base year 2010.



[www.pwcannualreport.co.uk](http://www.pwcannualreport.co.uk)

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