



UN Global Compact Communication on progress 2019



Chairman's Statement

First, I would like to congratulate the UN Global Compact (UNGC) on celebrating its 20th year anniversary.

The UN Global Compact has provided strong leadership in driving change and uniting businesses to address and mobilize in response to global environmental, social, and governance challenges over the last two decades. This leadership is especially critical now when the world is coming to terms with the impact of COVID-19 (coronavirus) on health systems, economies, and communities.

At PwC, we are committed to responsible business leadership by leveraging our scale, our knowledge, and our skills to make an impact on society across the globe. [Our commitment to the UN Global Compact](#) aligns with PwC's purpose and values, our own guiding principles, and we have worked to integrate the UNGC's Ten Principles into our strategy and operations throughout our network of firms.

In this year's Communication on Progress, we highlight examples of actions taken both within our business and with our wider stakeholders to advance skills development for the future of work, environmental stewardship, sustainable business models, and an inclusive workforce. We also share updates on current issues relevant to the UNGC, including our response to COVID-19.

Our progress

In 2018, PwC set global ambitions for our [community investments](#) and [environmental action](#). Building off these global commitments, we took steps this year to increase our impact:

Skills, education and communities

Our progress on UNGC principles linked to human rights and labor is strongly demonstrated by our [community commitment](#) to invest in skills training and capacity building with the goal of maximizing the potential of 15 million people, non-governmental organizations (NGOs), and social and micro-enterprises by 2022.

Nearly 61,000 of our partners and staff contributed over 925,000 hours to community programs across the world in FY19, 676,000 of these hours were spent sharing their professional skills. Volunteers helped to build the capacity of the NGO sector, support social enterprises, and assist individuals in building the skills they'll need for the digital world.



In September 2019, we launched a new initiative called [New World. New Skills.](#) to prepare people and organizations with the skills for the workforce of the future.

Over the next four years, we are investing US\$3 billion in upskilling our 276,000+ people and in developing and sharing technologies to support clients and communities. Actions underway this year include:

- PwC is working with students and teachers in disadvantaged communities to grow their skills and capabilities through key programs such as PwC US's [Access Your Potential](#) and strategic local collaborations such as [PwC China's efforts with the Adream Foundation](#).
- We've offered a free version of our [Digital Fitness App](#), a tool to enhance digital acumen, to everyone across the globe to help people and businesses understand essential technologies and new ways of working to navigate today's world.
- PwC joined forces with UNICEF in a [global collaboration](#) focused on upskilling the world's youth. The collaboration supports Generation Unlimited, a multi-sector partnership aimed at giving 1.8 billion young people access to education, skills training, entrepreneurship and employment on a large scale, of which I serve as a board member. Over three years, the collaboration will strive to bring together the unique and complementary skills, experience and resources of PwC and UNICEF to provide young people with the knowledge, skills and access to opportunities in the digital world, particularly in regions and communities where the need is acute. PwC and Generation Unlimited will convene public, private and civil society stakeholders to develop investment opportunities, programs and innovation that support young people on their path to productive futures and engaged citizenship. The collaboration will also contribute to the World Economic Forum's Reskilling Revolution Platform, which aims to provide better job opportunities, education, and skills to one billion people in the next 10 years.

Environment

Our [Environment commitment](#) aims to drive efficiency by reducing our absolute carbon footprint, to source 100% renewable energy for our electricity consumption in our [strategy council territories](#), to offset residual energy use by FY22, and to offset 100% of our air travel emissions from FY19.

- As a signatory to the [RE100](#) initiative, we've committed to source 100% renewable electricity by transitioning the majority of our largest PwC firms by FY22. This financial year, our Scope 1 and Scope 2 emissions decreased by 6% and 2%, respectively. The proportion of electricity coming from renewable sources also increased, from 60% in FY18 to 65%.
- Air travel remains our largest source of carbon emissions and in FY19 we saw an increase in Scope 3 emissions. We are managing this by exploring how to increase our use of online meetings and use less carbon intensive forms of travel, such as rail, within the context of stricter travel policies. In light of COVID-19, we have eliminated all but truly essential travel and will be



considering how we can adapt our longer term outlook on business travel to both support the ongoing safety and wellness of our people and clients, as well as lower our carbon footprint.

- We are supporting a range of high-quality [carbon reduction projects](#) to mitigate the impact of our air travel. These projects not only reduce carbon emissions, but also allow us to take responsibility for our impact while we investigate longer-term solutions. The projects we are helping to support have collectively impacted over 4.6 million people, protected or restored 636,000 hectares of forest, and created over 480 new full time jobs. Some examples include the [Paradigm Kenya Improved Cookstoves](#), which tackles household air pollution and deforestation; [Rimba Raya Biodiversity Reserve REDD+](#) in Indonesia, preserving carbon-dense tropical peat swamp by helping to halt deforestation; and the award-winning [Seneca Meadows Landfill Gas Project](#) in New York, which captures methane from waste to reduce GHG emissions and generate renewable energy.

Our people

In addition to our upskilling commitment outlined above, the PwC network is committed to creating and supporting an inclusive workforce:

- The PwC network is committed to pay equity. PwC firms regularly conduct comprehensive reviews of compensation data to understand any differences between and among staff, and make adjustments as appropriate. Some PwC firms may choose to add additional types of pay equity reviews, such as compensation differences among partners, or an analysis along racial/ethnic lines. Several PwC firms have disclosed this information, including [PwC Australia](#), [PwC Ireland](#) and [PwC UK](#). [PwC Switzerland](#) has obtained the EQUAL-SALARY certification after having been audited by an independent third party.
- We joined the [Partnership for Global LGBTI Equality](#), a coalition of organizations working in collaboration with the World Economic Forum to advance global progress for equality and social and economic inclusion for LGBT+ people. Last year, PwC leaders and employees [marched with Pride](#) in cities around the world and brought together 200 PwC LGBT+ leaders and staff from 28 countries to share knowledge, network and talk about LGBT+ issues at our first ever [Global LGBT+ Summit](#).
- We encourage healthy behaviors and habits through our wellbeing program, [The Habit Bank](#).

Making an impact beyond our own operations

PwC's purpose - to build trust in society and to solve important problems - guides our collective activities and impact as a network. We leverage our skills, knowledge, and resources to make a broader contribution to the communities, clients, and stakeholders we serve. In 2019, we contributed to a broad range of research and insights to support our clients and wider stakeholders to achieve sustainable and inclusive growth:



- As part of our long term partnership with the World Economic Forum, we're contributing to the development of an initial set of [non-financial measures](#) that companies can use based on existing standards and frameworks around four pillars - Principles of Governance, People, Planet and Prosperity linked to the Sustainable Development Goals - to disclose and incorporate into their core and expanded reporting.
- We quantified the contribution and impact of biodiversity on the economy through [Nature Risk Rising: Why the crisis engulfing nature matters for business and the economy](#).
- We consulted with over 50 board members and corporate executives and used their feedback to develop a [guide to help corporate boards drive effective climate governance](#).
- We provided technical feedback on the [2019 Status Report on Climate-related Financial Reporting](#) for the Task Force on Climate Related Financial Disclosure.
- We served as the [lead knowledge partner to the World Economic Forum's Frontier 2030](#) initiative on how and where emerging technologies could help advance progress on achieving the Sustainable Development Goals (SDGs).
- With technology's pervasive impact and potential for society, our research on the [responsible use of AI](#) and standards for organisations to consider in its ethical application, the potential for [technology to deliver for the SDGs](#), and the transition to a [low carbon economy](#) have all supported wider stakeholder understanding and engagement in issues supporting sustainable growth.
- We continue to contribute to a broad range of research and insights to support our clients to achieve sustainable and inclusive growth through [our involvement in Think20 \(T20\)](#), a network of research institutes and think tanks that provides research based policy advice to the G20, and the Global Solutions Summit. We shared analyses that set out the case for realigning business, economies and society.

Issues in focus

This year, we have responded swiftly as a global network of firms to emerging issues. As a network, we are committed to learning lessons to drive and strengthen our business and operations.

COVID-19

As the COVID-19 pandemic unfolded, teams across our global network of firms mobilized quickly and decisively to provide clear action plans at the local level, rolling out support resources [for our people](#) and [clients](#) ranging from wellbeing support, to skills development, to planning and crisis management toolkits.



A number of teams across the network are supplying much needed medical supplies to front line staff and community members, while others are providing financial support to local front line charitable organizations or towards the preparation and delivery of UN care parcels for affected communities.

We have also leveraged our technology capabilities to make a difference. PwC Germany, for instance, has created the [“Corona Manager” app](#) as a scalable technology using location-based targeted information and contact tracing in response to the government’s call for digital solutions to contain the spread of the virus. PwC US has similarly been developing an Automatic Contact Tracing [check-in app](#) to assist organizations in tracking cases of COVID-19 to help keep their workplaces and their people safe. The app includes a mobility analysis, a location-based notification (also in case of risk of infection), a help option, "points of interest" information (such as current visitor densities of relevant facilities), and the recording of health parameters. Additionally, PwC Netherlands has set up a [free help desk](#) for non-client small and medium enterprises, independent entrepreneurs, social enterprises and charity organizations to provide them with guidance on their most pressing questions around government support, crisis management, workforce management, working capital and tax issues during this time.

As we reflect on the UN Global Compact principles, we have an opportunity as a society to examine what can be learned from the cooperative, multinational response from public, private, and community organisations for accelerating decision making and action when focused on a common goal.

Ethics & compliance

The trust that our clients, communities, and our people place in PwC and our high standards of ethical behavior are fundamental to everything we do. As we go about our work, it’s important we have a frame of reference for the decisions we make every day - [Our Code of Conduct](#).

The Code reinforces the importance of conducting business within the framework of professional standards, laws, and regulations, together with our own policies, values, and standards. It outlines the values and behaviors that define how we do business.

You asked earlier in the year about our response to the very serious and concerning allegations that were raised regarding work by PwC with the dos Santos family. When we became aware of these allegations, we immediately initiated an investigation and took action to terminate any ongoing work for entities controlled by members of the dos Santos family. At PwC, we do not hesitate to take appropriate actions to ensure that we always stand for the very highest standards of behavior, wherever we operate in the world. We are working with our firms to ensure adherence to the policies we have in place for taking on and maintaining all client relationships and will examine our policies for any necessary improvements.

We also continue to raise the level of transparency to monitor and continuously improve [audit quality](#) by publicly sharing the results of our internal monitoring and external regulator evaluations. PwC firms make significant investments in audit quality, with each investment reflecting a common determination to understand the factors that drive quality, to identify opportunities for improvement, and to make those enhancements promptly to prevent issues from recurring.



Our commitment to the UN Global Compact

We are proud to re-confirm our support for the UN Global Compact as a signatory. We invite you to read more about our highlights from this year on [our commitment to the UN Global Compact and our work in support of achieving the Sustainable Development Goals](#).

We are now within the decade of action needed to deliver on the SDGs and the Paris Climate Accord. It requires urgent focus and coordinated action from the business community, particularly in the context of a world living with the impact of COVID-19. Businesses must act together to do all they can to protect and support their employees and their communities.

In the face of the human cost and the disruption caused by the pandemic, there have been examples of resilience, agility, and the ability to work together in new ways for the common good. Combining these values with the frameworks of the UNGC Ten Principles and the Sustainable Development Goals will enable society to emerge from the crisis with a renewed and invigorated path towards creating inclusive and sustainable growth.

The UN Global Compact has been a driving force in building the collaboration, innovation and the platform needed to help achieve it.

Bob Moritz
PwC Global Chairman