

UN Global Compact Communication on Progress

Chairman's Letter 2021



Let me start by thanking the United Nations Global Compact (UNGC) for its continued leadership in encouraging responsible business practices and advancing the Sustainable Development Goals. We are proud to have been a signatory to the UNGC since 2002 and remain deeply committed to its mission.

Achieving the Sustainable Development Goals has never been more important. Over the past year, COVID-19 has been a human and economic tragedy that has deeply impacted the lives of millions of people and continues to devastate many parts of the world. It has also exacerbated many challenges that existed before the pandemic – from rising disparities and social unrest, to a deepening climate crisis, to a growing digital divide and more. Building back better in the recovery will require the collaboration of a wide range of societal stakeholders to address these challenges. We need a market system that puts the needs of stakeholders at its heart and connects goals, actions and outcomes into desired social and

economic results that will fuel long-term sustainability.

PwC strongly supports the UNGC's Ten Principles as part of a roadmap for creating this systemic change, helping to redefine the role of business in recoupling economic growth with social progress. By guiding businesses on where and how they can make a positive impact on labor, human rights, the environment and anti-corruption, the Ten Principles enable companies to catalyze change in their own operations, in their communities, and in market systems.

Delivering change means taking action on inclusion and sustainability while also acting to address the underlying systemic factors that drive the way our economies and societies work. Below, we share highlights of our progress in each of these areas. While we are proud of the progress we have made, we know there is always more we can do. You can read more about these milestones in our [Global Annual Review](#).

Inclusion

Our work on inclusion spans across several areas; however, we would like to focus on two key areas in particular where we are making an impact: upskilling and social inclusion.

Upskilling

Through our **New world. New skills** program, we're working with governments, businesses and non-governmental organizations worldwide to close the digital divide and help millions of people to improve their understanding, skills and knowledge for the digital world.

Since the launch of the initiative, we have reached nearly 3.5 million people in our communities. Our collaboration with **UNICEF**, in support of Generation Unlimited, is helping to upskill youth and connect them to opportunities for employment, entrepreneurship and social impact. I recently had the honor of speaking about this effort at the UN General Assembly High-Level Thematic Debate on **Digital Cooperation and Connectivity**.

We are also a founding member of the **World Economic Forum's Reskilling Revolution platform**, which aims to



provide 1 billion people with better education, skills and jobs by 2030. We collaborated with the Forum to develop **research** to advance the skills agenda, looking at how closing skills gaps can create more inclusive economies and societies.

Our focus on upskilling **extends to our 284,000 people**. Over the course of the past year, our employees accessed an average of 1.2 million learning assets each month.

Social inclusion

Over the past year, many of our PwC firms have taken actions to help address inequalities and discrimination in our communities. PwC US, for example, launched **CEO Action for Racial Equity**, a two-year fellowship that provides the opportunity for our people and the employees of CEO Action signatories to apply their skills and work with key stakeholders for the advancement of policy solutions on racial equity. The PwC US firm also committed \$125 million to support Black and Latinx college students in building the digital skills needed to succeed in the workplace and subsequently to hire 10,000 of them. PwC UK established a **ColourBrave Charity Committee** to help allocate grants and develop volunteering opportunities to increase our support for Black-led social enterprises, as well as charities with ethnic minority beneficiaries. In October 2020, the Committee selected 25 Black-led charities and social enterprises to add to those we already support through the PwC UK Foundation and PwC UK Social Entrepreneurs Club.

We are committed to building an environment where all of our people feel they belong and can reach their full potential. In the past year, we set up an **Inclusion and Diversity Council** at the global level to accelerate change.

Additionally, we joined the new HeForShe **Alliance** to continue our collaboration with the HeForShe movement through the lens of embedding common environmental, social and corporate governance (ESG) standards, which include measures such as gender pay equity and representation in leadership, into corporate reporting. I'm proud to serve as a HeForShe champion to advance gender equality. We are also a founding member of the **Partnership for Global LGBTI Equality**, an initiative of the World Economic Forum, to take action on making global progress on **LGBTI social and economic inclusion**.

As the pandemic has impacted the mental health and wellbeing of people worldwide, our firms have expanded the programs they have in place to support employees. For example, PwC Netherlands, PwC Malaysia and PwC UK offer Mental Health First Aid training to raise awareness and identify mental health issues, while in the PwC US firm offers 'Ginger' – an app that helps people look after their mental health.

Sustainability

In September 2020, we took the important step of making a worldwide science-based commitment to reach **net zero greenhouse gas emissions by 2030** – building on our existing global environmental commitment. We will decarbonize our operations, including our travel footprint, by reducing our total greenhouse gas emissions by 50% in absolute terms by 2030, including switching to 100% renewable electricity in all territories and making energy efficiency improvements in our offices. We will neutralize our remaining climate impact by investing in carbon removal projects.

In addition to managing our own operational footprint, we are transforming our business model to decarbonize our value chain – collaborating with suppliers, clients and our people. We are also ramping up our contributions to policy and advocacy to support system-level transformation.

Last year, we served 84% of the Global Fortune 500 companies and more than 100,000 entrepreneurial and private businesses, so we are positioned to make a real difference across the 155 countries where we have offices.



Systemic reform

Collaboration between the private, public and non-profit sectors can help to drive systemic change in the way the global economy is structured so that it can deliver sustained outcomes for people and the planet. To this end, our focus has been on engaging with policy makers, standard setters and businesses to align around a common set of reporting standards for non-financial information. Better and comparable corporate reporting will make it much easier for investors and other stakeholders to understand how companies are operating and make decisions so capital will flow to the right places.

In order to move forward quickly and benefit from an existing, well established and respected organizational structure and processes, we support the creation of an independent international sustainability standards board (ISSB) within the sphere of the IFRS Foundation as a first step in the short term. We support a longer term objective to achieve globally consistent standards addressing both enterprise value and societal impact. We are engaging with regulators and a range of broader stakeholders on this topic.

We have also collaborated with the World Economic

Forum's International Business Council and the profession to identify a **universal set of ESG metrics and disclosures** which companies from all industries can use to align their mainstream reporting on performance against ESG indicators and track their contributions towards the Sustainable Development Goals on a consistent basis. The metrics cover areas such as anti-corruption measures, diversity and inclusion data, environmental impact and much more. So far, over 60 companies have committed to these disclosures.

We also engage with major global organizations including the G20, the Organization for Economic Cooperation and Development (OECD), United Nations (UN), European Union (EU), World Business Council for Sustainable Development (WBCSD) and others. For example, we play a key role at the Global Solutions Summit which brings together leading thinkers to inform policy making by the G20. We are also supporting the **United Nations Development Programme (UNDP)** on the COVID-19 Private Sector Global Facility to help local communities recover better from the pandemic across a number of countries.



Bob Moritz
Global Chairman, PwC

Reaffirming our commitment to UNGC

We reaffirm our commitment to the UNGC Ten Principles for responsible business practices and remain steadfast in delivering positive societal and environmental outcomes. By embedding the Ten Principles across our operations, we hope to continue using our scale, knowledge and skills to make a difference for our broader stakeholders.

We value our membership of the UNGC very highly and look forward to continuing to work together to make sure business is a force for good in society.