
Environment & community metrics

A detailed view

2018 performance data
and basis for reporting



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*Environment and community
performance data*

Introduction

PwC's historical corporate responsibility performance data is presented in the tables and charts below, quantifying our progress on community investment and environmental performance indicators. Unless otherwise stated, these figures relate to the 20 largest member firms in the PwC network, reported on a financial year basis (ending 30 June).

This information should be considered and read in conjunction with our website and section 2 of this document (*'Basis of reporting'*), which details our network's environment and community reporting scope, boundaries and methodologies.

Our global community and environmental commitments

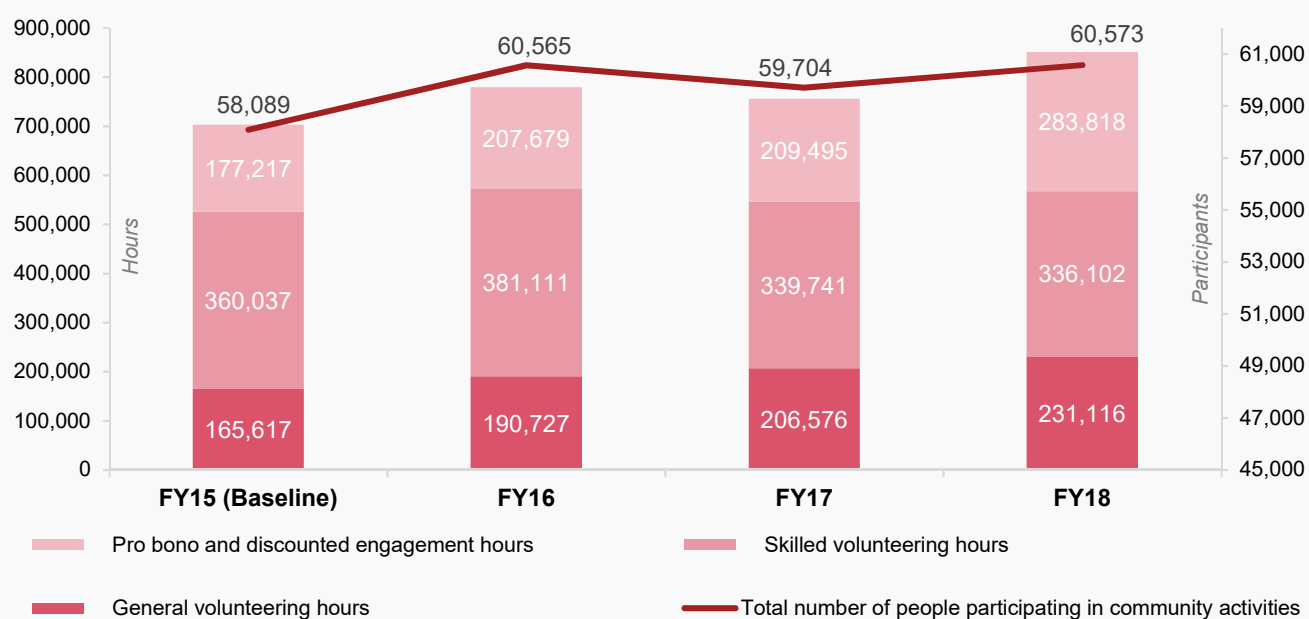
In early 2018, across the PwC network we committed to harness the full strength and reach of our network and established two global ambitions:

- We're investing in the future and growth of 15 million people, NGOs and social & micro enterprises to help them maximise their potential by 2022.
- While driving efficiency to reduce our absolute carbon impact, we commit to offsetting air travel emissions from FY19 and to sourcing 100% renewables for our electricity consumption and offsetting residual energy use by FY22.

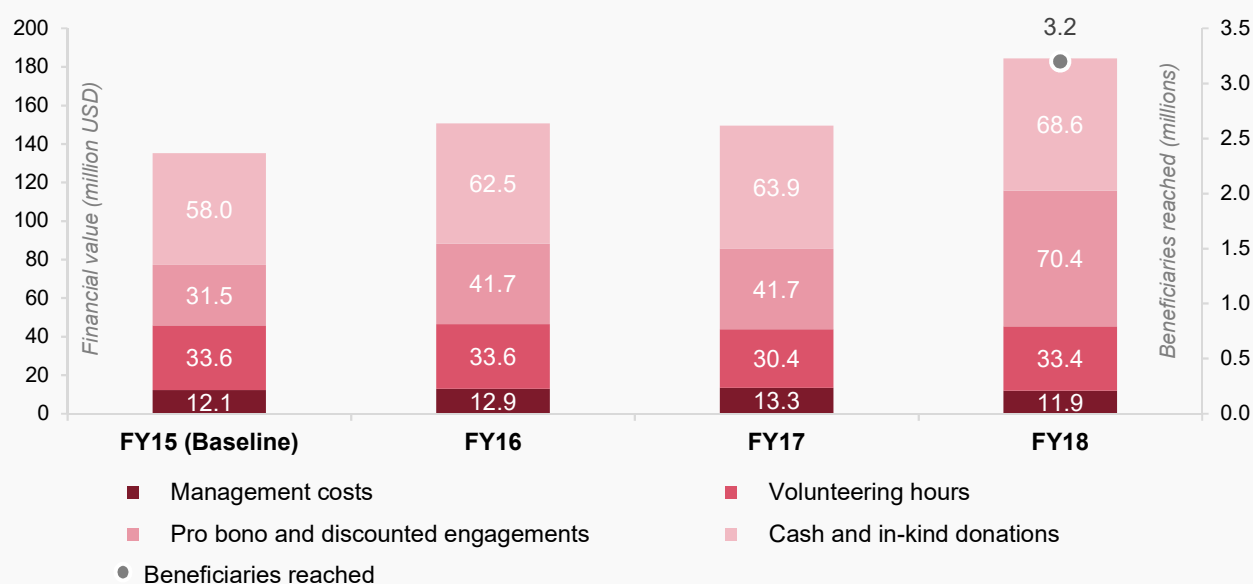
Our ambitions were signed off in early 2018 by our 20 Strategy Council territories (representing over 88% of revenue). They builds on the great work already being undertaken by firms across the PwC network, aligning and focusing our collective efforts and commitments to enhance the positive impact of our business.

Community investment

Number of community participants and hours



Financial value of community activities (million USD) and beneficiaries reached



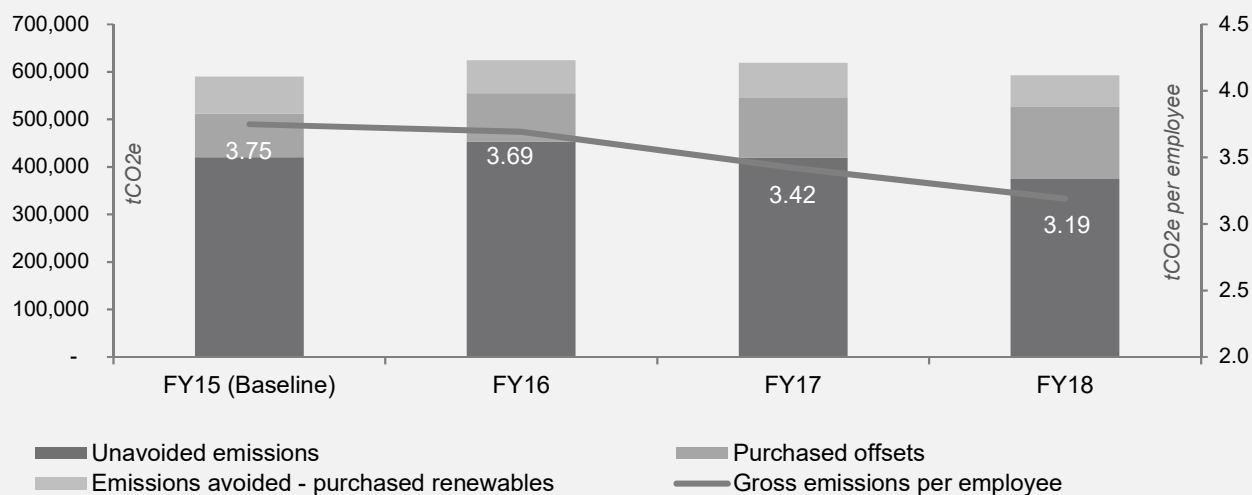
	Units	FY15 (Baseline)	FY17	FY18
Total number of people participating in community activities	# people	58,089	59,704	60,573
Pro bono and discounted engagements	# people	4,099	4,082	5,260
Skilled volunteering	# people	29,248	28,009	24,254
General volunteering	# people	24,742	27,613	31,059
Total number of hours of community activities	Hours	702,872	755,811	851,036
Pro bono and discounted engagements	Hours	177,217	209,495	283,818
Skilled volunteering	Hours	360,037	339,741	336,102
General volunteering	Hours	165,617	206,576	231,116
Total financial value of community activities	Million USD	150.6	149.4	184.3
Cash and in-kind donations	Million USD	58.0	63.9	68.6
Management costs	Million USD	12.1	13.3	11.9
Pro bono and discounted engagements	Million USD	31.5	41.7	70.4
Volunteering hours	Million USD	33.6 ¹	30.4 ¹	33.4
Beneficiaries reached²	NGOs, social and micro enterprises, students and educators	-	-	3,165,033

¹ The financial value of volunteer hours has been restated for FY17 and FY18.

² The beneficiaries reached metric was incorporated across the PwC network in FY18. Accordingly, prior year data is not available. Please refer to our 'Basis of reporting' section for more detail on how this is calculated.

Greenhouse gas (GHG) emissions

Network GHG emissions



Tonnes CO ₂ -e	FY15 (Baseline)	FY17 ³	FY18
Scope 1 – direct emissions			
Natural gas	14,295	12,696	13,200
Diesel combustion in buildings	218	422	281
Petrol combustion in buildings			
Fuel oil combustion in buildings	736	592	548
Biofuel/biodiesel combustion in buildings	6	8	9
Gas oil combustion in buildings	9	10	6
Average passenger car - petrol	10,374	10,132	10,699
Average passenger car – diesel	8,704	9,148	8,043
Average passenger car - LPG	826	163	185
Average passenger car – hybrid	29	357 ⁴	438
Scope 1 Total	35,196	35,530	33,409
Scope 2 – energy indirect emissions			
Purchased electricity in owned/controlled buildings (location-based)	152,339	145,068	120,670

³ Activity data was not available for PwC South Africa in FY17. GHG data has been estimated by extrapolating actual FY16 activity data to estimate emissions for inclusion in network totals.

⁴ FY17 emissions from hybrid cars has been restated. Scope 1, and total emissions have been adjusted accordingly.

Purchased electricity in owned/controlled buildings (market-based)	73,599	72,418	53,787
Purchased heat, steam and hot water	12,676	8,961	9,583
Scope 2 Total (location-based)	165,014	154,029	130,252
Scope 2 Total (market-based)	86,274	81,380	63,370
Electricity consumption from renewable sources	54%	55%	60%
Scope 3 – other indirect emissions			
Business travel – air	389,785	431,286	428,632
Scope 3 Total	389,785	431,286	428,632
TOTAL (location-based)	589,995	618,845	592,293
TOTAL (market-based)	511,255	548,323	525,410
Purchased carbon offsets	91,233	127,730	151,000

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*Basis of reporting –
environment and community
metrics*

PwC structure

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. Further information

about the structure of the PwC network is available on our website www.pwc.com/structure.

Within this context, this document outlines the approach PwCIL uses when aggregating and reporting network Corporate Responsibility (CR) information from individual member firms. It also provides an overview of the network standard for CR reporting to which member firms adhere.

Network CR information is presented in the PwC Global Annual Review www.pwc.com/annualreview, the PwC global CR website www.pwc.com/corporateresponsibility, and in this document.

Organisational boundary

For our network CR reporting, we have set organisational boundaries based on the operational control approach at the individual member firm level, as defined by the Greenhouse Gas Protocol. Neither PwCIL nor any individual member firm has operational control over the rest of the PwC network, however applying this approach allows for a pragmatic way of aggregating member firm data and reporting CR information at the PwC network level.

Our reported CR information covers our 20 largest member firms: *PwC Australia, PwC Brazil, PwC Canada, PwC Central & Eastern Europe, PwC China & Hong Kong, PwC France, PwC Germany, PwC India, PwC Italy, PwC Japan, PwC Korea, PwC Middle East (Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Palestinian Territories, Qatar, Saudi Arabia and United Arab Emirates), PwC Netherlands, PwC Singapore, PwC South Africa, PwC Spain, PwC Sweden, PwC Switzerland, PwC United Kingdom and PwC United States & Mexico.*

Unless otherwise stated, references to the "network" or "PwC" in this document refer to these member firms collectively. Together these entities account for 74% of our total network headcount and 88% of aggregate member firm revenues for FY17. PwCIL does not currently extrapolate or estimate CR data for other PwC member firms beyond the 20 largest firms listed above.

Within these geographical boundaries, any organisation that trades under the PwC brand or is operationally controlled by an organisation that trades under the PwC brand, is included within the organisational boundary, with one exception: we exclude companies that PwC's insolvency practices and other lines of service control operationally for short periods of time.

In certain scenarios where operational control may not be clearly attributable, the following guidance is used by member firms to determine whether PwC has operational control or not:

- **Offshore:** Member firms will report sustainability impacts for those activities under operational control within their domestic geographical boundary.
- **Joint ventures:** All of the impacts associated with the activities of all joint ventures where PwC has management control of the associated operation are included. Where PwC is not responsible for the management, all impacts from the operations are excluded.
- **Third-party contractors:** Activities of all third-party contractors should be included if the contractors are required to carry out work specified by PwC in accordance with its operating policies.

- **Tenants:** The activities of tenants within PwC's organisational boundaries are not included when tenancy lease agreements release full operational control over the leased space to the tenants and provide sub-metering (or equivalent arrangements) for their own electricity consumption, which enables them to pay for their actual electricity use.
- **Common areas in non-owned buildings:** Where PwC occupies (but does not own) an entire building, all energy consumed in the common areas and facilities (e.g. lobby, corridors and elevators) is attributable to PwC. Where PwC is one of a number of tenants, common areas are outside the organisational boundary.
- **Data centres:** All of the impacts associated with a data centre where we own the building are included. Where member firms either lease some or all of a data centre, i.e. lease the site, a specified number of racks or defined storage space, the terms of the lease must be carefully considered to determine if there is operational control over these facilities

Scope of reporting

The table below provides a summary of the CR key performance indicators (KPIs) reported at the network level.

<i>KPI</i>	<i>Definition</i>	<i>Unit</i>
Community investment		
# of people participating in community activities	Number of PwC people participating in PwC-organised community activities. Includes general volunteering, skilled volunteering, pro bono and discounted services.	# of people
# of hours of community activities	The number of hours contributed by PwC people in PwC-organized activities. Includes general volunteering, skilled volunteering, pro bono and discounted services.	# of hours
Cash donations	A cash contribution is the gross monetary amount paid by the firm in support of a community organisation or project.	US \$
In-kind donations	Financial value of all in-kind contributions other than professional services (pro bono and discounted services) e.g. equipment, property, facilities and other non-cash contributions.	US \$
Management costs	Financial value of other directly attributable administrative and management costs associated with making the firm's contribution to the community.	US \$
Beneficiaries reached	Beneficiaries reached included: <ul style="list-style-type: none"> • Number of individual beneficiaries reached through education/skills building programmes • Number of NGOs reached • Number of social enterprises/small businesses reached 	# of NGOs, social and micro enterprises, students and educators
Greenhouse Gas emissions		
Scope 1: Direct emissions	Emissions sources included: <ul style="list-style-type: none"> • Natural gas • Stationary fuel (diesel, petrol, fuel oil, gas oil, biofuel) • Owned/controlled transport (petrol, diesel, LPG, hybrid) 	tCO ₂ -e
Scope 2: Energy indirect emissions	Emissions sources included: <ul style="list-style-type: none"> • Indirect GHG emissions from the generation of purchased electricity • Indirect GHG emissions from the generation of purchased heat, steam and hot water 	tCO ₂ -e
Scope 3: Other indirect emissions	Emissions sources included: <ul style="list-style-type: none"> • Business air travel 	tCO ₂ -e

Reporting principles and frameworks

CR data is monitored and measured by member firms in line with best practice reporting principles, which are aligned with the Greenhouse Gas Protocol (GHG Protocol) and Global Reporting Initiative standards. These principles include accuracy, completeness, consistency, CR context, relevance, stakeholder inclusiveness and transparency. These reporting principles guide us in the application of common reporting standards, particularly where ambiguous situations arise and help us to ensure that our CR reporting is a true and fair representation of our business.

We apply the following standards and frameworks when reporting network CR information:

Greenhouse Gas Protocol

Our greenhouse gas emissions are calculated and reported in accordance with the “*Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard*” (“GHG Protocol”), created by the World Resources Institute and the World Business Council for Sustainable Development.

In October 2011, the “*Corporate Value Chain (Scope 3) Accounting and Reporting Standard*” (“Scope 3 standard”) was published, to supplement the GHG Protocol. Our network CR reporting does not include all upstream and downstream scope 3 emission sources, instead focusing on business air travel, which is the most significant source of scope 3 emissions for our business.

More recently the GHG Protocol launched an amendment to the GHG Protocol, covering Scope 2 Guidance. We report out Scope 2 emissions from purchased electricity in two ways, in accordance with this new guidance:

1. Using the *location-based* methodology. The location-based method involves applying a “grid

average” emissions factor which is an average that relates to the grid on which electricity consumption occurs.

2. Using the *market-based methodology*. The market-based method involves using supplier-specific emissions information wherever it is available and then applying the relevant “residual mix” emissions factor to any electricity that does not have supplier-specific emissions information. The market-based method has been designed to better reflect electricity purchasing decisions, including accounting for the impact of green or renewable electricity products.

London Benchmarking Group

The London Benchmarking Group (LBG) is the global standard for measuring and benchmarking corporate community investment. The LBG model provides a comprehensive and consistent set of measures to determine an organisation’s contribution to the community, including cash, time and in-kind donations, as well as management costs.

The financial value of our community investment activities is calculated according to the type of input activity. The value of general and skilled volunteering hours is based on average hourly staff costs for each member firm. Pro bono and discounted engagements are valued at market rates representative of the member firms’ client service rates, by seniority, for assurance services.

All of the calculated financial values for general and skilled volunteering hours, and pro bono and discounted engagements, together with the values for cash donations, in-kind donations and management costs, are converted from local currency data using consistent annual budget exchange rates, and reported in US dollar (USD) equivalents.

Calculating beneficiaries reach data

To further measure the impact of our community investment activities, in FY18 we incorporated a new metric - “beneficiaries reached”. This metric is based on our maximising potential framework, and measures the impact we have in building individuals skills, supporting small business and social enterprise, and NGO capacity building. The following is included in this indicator:

1. The number of individuals (students and educators) reached directly or indirectly, through PwC community investment activities related to education/ building skills. This excludes training provided to PwC partners and staff.
2. The direct number of social enterprises or small businesses reached through PwC community investment activities. The primary objective of these activities (skilled volunteering, pro bono, financial investment, etc.) must be for societal benefit.
3. The direct number of NGOs or NPOs reached through PwC community investment activities. This includes capacity building and support to increase the scale and effectiveness of these organisations, and, amongst other things, strengthen their accountability, transparency, reliability and profile.

Calculating greenhouse gas emissions

PwC has adopted the calculation-based quantification methodology to estimate emissions, as appropriate mission factor guidelines have been released by authoritative sources covering PwC’s reported activities. The basic approach used to estimate emissions is:

Activity data (e.g. kWh of electricity usage) x
Emissions conversion factor (kg CO₂e/kWh) = kg
CO₂ equivalent (kg CO₂-e)

Activity data is collected by member firms from key internal and external data sources including for example invoices, reports provided by suppliers (such as building managers and travel suppliers) and internally generated consumption reports (such as expenses claimed).

PwCIL aggregates member firm activity data for each of the included emissions sources, and calculates total emissions by applying the most recent conversion factors published by the UK Department for Environment, Food and Rural Affairs (Defra), and by the International Energy Agency. The emissions factors used for network reporting on GHG emissions are shown in the table below. Reported GHG emissions are expressed in both absolute and intensity terms. The intensity ratio used to present the

consolidated network data is GHG emissions per employee. Aggregated employee data is collected from member firms and is based on the annual average of full-time equivalent employees for each member firm (excluding external contractors).

Each member firm may also develop their own GHG inventory to take account of varying regional priorities and expectations. In doing so, emissions reported separately by member firms may differ from the emissions included in the aggregate network emissions for multiple reasons. These differences may be due to:

- the use of specific emission or other factors for disclosures in the country in which the member firm operates which differ from those used by PwCIL (for example, emissions factors published by local authorities, or the exclusion of radiative forcing associated with aviation, which the PwCIL network reporting includes)
- differences in the inclusion of scope 3 emissions sources that individual member firms choose to include in their own inventory
- differences due to availability of data at the time the report is prepared.

Emission conversion factors utilised for FY18 reporting

Emissions source	Emissions factor	Unit	Reference
Natural gas	0.184163989	kg/kWh	2017 Defra GHG Conversion Factors for Company Reporting
Biodiesel/biofuel combustion in buildings	0.002176234	kg/kWh	2017 Defra GHG Conversion Factors for Company Reporting
Diesel combustion in buildings	0.245226687	kg/kWh	2017 Defra GHG Conversion Factors for Company Reporting
Petrol combustion in buildings	0.233413550	kg/kWh	2017 Defra GHG Conversion Factors for Company Reporting
Fuel oil combustion in buildings	0.26789172	kg/kWh	2017 Defra GHG Conversion Factors for Company Reporting
Gas oil combustion in buildings	2.95350526	kg/L	2017 Defra GHG Conversion Factors for Company Reporting
Average passenger car - petrol	0.18568	kg/vkm	2017 Defra GHG Conversion Factors for Company Reporting
Average passenger car – diesel	0.17887	kg/vkm	2017 Defra GHG Conversion Factors for Company Reporting
Average passenger car – hybrid	0.11792	kg/vkm	2017 Defra GHG Conversion Factors for Company Reporting
Average passenger car - LPG	0.20105	kg/vkm	2017 Defra GHG Conversion Factors for Company Reporting
Purchased electricity in owned/controlled buildings - UK	0.35156	kg/kWh	2017 Defra GHG Conversion Factors for Company Reporting
Purchased electricity in owned/controlled buildings – all other locations	Various	kg/kWh	2017 International Energy Agency Statistics – CO ₂ emissions from fuel combustion*
Purchased heat, steam and hot water	0.1974110062	kg/kWh	2017 Defra GHG Conversion Factors for Company Reporting
Short haul flights <460km	0.26744	kg/pkm	2017 Defra GHG Conversion Factors for Company Reporting
Medium haul flights 460 – 3,700km	0.16103	kg/pkm	2017 Defra GHG Conversion Factors for Company Reporting
Long haul flights >3,700km	0.19745	kg/pkm	2017 Defra GHG Conversion Factors for Company Reporting

* Emission conversion factors for purchased electricity in all locations outside the UK have been obtained through a licence agreement which does not permit the dissemination of individual emission conversion factors by country.

Restatements

Network CR information will be restated when discrepancies deemed to be material are identified. In this case, materiality is assessed at the member firm level at the key performance indicator (KPI) level, and not at the data point level.

It is not possible to adjust our CR reporting for all estimations found to be inaccurate or for all omissions or miscalculations, therefore we only publish restatements for those which are deemed to have a 'material' impact on the relevant aggregated network CR data previously reported.

For this purpose, we have set a KPI materiality threshold level of 5% at the network level to determine what is considered material and therefore what should be restated.

If there are multiple errors identified for a number of data points that input into a single KPI, and/or identified by multiple member firms that input into a single KPI, these will be aggregated to determine whether collectively they lead to a change which is 5% over or under the previously reported KPI value.

Restatements of CR information may be due to reasons such as:

- Organisational changes impacting the firm's operations – e.g. mergers, acquisitions and

divestments, outsourcing and insourcing of emitting activities (only where emitting activities are moved outside/into the overall scope of emissions reporting)

- Changes in calculation methods resulting in changes to prior year data
- Discovery of an error or a number of errors which, taken together are material
- Updated or new data become available for previous reporting years
- In the case of carbon emissions, restatements may be triggered by changes in published emissions factors, even when there has been no material change in the underlying consumption or activity data for that KPI

While the above description is intended to be as accurate as possible, invariably some exceptions to this basis of reporting may occur. None of the known exceptions are considered to materially change the CR information reported.

