

Our purpose in action

PwC Philippines Corporate Sustainability Report FY 2022



Message from our leaders

This fiscal year, we celebrated the 100th anniversary of Isla Lipana & Co. As we look back on our rich history, we also reflect on how we can create a brighter and more sustainable future for the next generation.

I am pleased to share with you our first Corporate Sustainability Report that outlines the firm's Environmental, Social and Governance (ESG) agenda, our progress so far, and our goals for the future.

Over the past few months, we have witnessed the effects of climate change, geopolitical upheavals, rising inflation, energy and food crises, and the COVID-19 pandemic. Managing these issues is only possible through the collective action of the government, businesses and individuals, aimed to improve corporate practices and individual lifestyles.

We, at PwC Philippines, do our part as we continue to support our clients, stakeholders and people – bringing together our community of solvers, determined to find answers to the world's toughest challenges.

To achieve meaningful and lasting change, we need to begin with our people who are the heart and soul of the firm. We continuously recruit, develop and retain top talent through competitive incentives and a strong learning and development program. To ensure the safety and well-being of our people, we have developed new ways

to support them through flexible work arrangements, and physical and mental health programs.

At PwC, we respect and value differences. We foster a culture of belonging through our diversity and inclusion programs that welcome people from various backgrounds to make up our high-performing teams.

Recognizing our role in society, we in PwC Philippines believe that the firm must prosper alongside the nation. Our corporate responsibility initiatives provide scholarships, learning materials and school equipment to students in need; lead environmental projects; and support social enterprises and disaster response initiatives.

We continue to be one of the country's trusted professional services firms as we uphold high ethical and corporate governance standards. Integrity, accountability and responsibility are embedded within the firm and inculcated in every PwC professional. In this report, you will learn more about the standards

and policies we have set for business ethics and integrity, quality service, regulatory compliance, innovation, client satisfaction, and risk and crisis management.

As a member firm of PwC, we are committed to our global ambition of net zero transformation and decarbonizing our operations and supply chain, as well as helping our clients do the same in their businesses. Locally, we have programs that promote environmental stewardship such as solid waste management and the responsible consumption of paper and electricity. These allow our people to develop eco-friendly habits and learn more about sustainability and how their choices impact the environment. We have also partnered with several organizations in conducting programs that promote sustainability in our communities.

Indeed, we have taken significant steps to accelerate our ESG agenda. Although we still have far to go, we remain committed to building a better future – paving the way for the next generation.



Roderick Danao

Chairman and Senior Partner
PwC Philippines/Isla Lipana & Co.



For good reason, our professional mantra has been to keep our clients happy. They are, after all, our lifeblood. The firm, as far as we can remember, has also made sure that its people are well taken care of, and further, that we do our part in giving back to society.

However, since more than a decade ago, we have brought more focus to the rest of our stakeholders, and have been involving all our people in this effort.

Back then, we did not call it ESG, and we did not have the metrics to measure the value of our initiatives. But to the extent we knew how, we used the talents of our people, and leveraged the kindness of their hearts to do good — beyond what our profession requires.

In our own way, we embarked on nation-building. For example, we had important projects that helped boost tourism, understanding that it is such a great enabler of economic activity and investments. We also worked with local governments to promote investment hotspots outside Metro Manila through our “Reimagining VisMin” books.

We launched programs and partnerships to help nurture the tech startup community as innovations can be a game changer for the country, even as we mentored and financed social enterprises to help them grow.

Consistent with our values and how we do business, we have been devoted to working with the Integrity Initiative, Inc. to make a difference in private and public governance and transparency. On the other hand, we engaged the academe and the youth by using novel campaigns for value formation at the developmental level.

We are thankful to be given the chance to not only advocate for the environment, but actually do something about it as we partnered with ARISE (the Private Sector Alliance for Disaster Resilient Societies) and the Climate Change Commission to build resiliency, and Plastic Credit Exchange (PCX) on collecting and recycling plastic wastes.

In this report, we in PwC Philippines share what we do and what we are about. We hope to provide some inspiration in crafting your own ESG journey as we collectively build a sustainable future for posterity.



Alexander B. Cabrera
Chairman Emeritus and ESG Leader
PwC Philippines/Isla Lipana & Co.



About this Corporate Sustainability Report and scope

For 100 years, Isla Lipana & Co. has been dedicated to achieving positive sustainable outcomes and helping our clients do the same. We do this by regularly connecting and collaborating with different stakeholders – helping us align our goals with their priorities and giving us a better understanding of how we can support sustainability and economic growth.

Guided by a set of values that drive a sustainable culture, Isla Lipana & Co., as the Philippine member firm of the PwC global network, continues to help businesses, institutions and organizations in creating positive and lasting impact to the society.



Acting with integrity

Conduct ourselves and our business in an honorable manner



Working together

Collaboration with diverse perspectives



Care

Recognizing the value in everything



Making a difference

Creating an impact wherever we are



Reimagining the possible

Challenging the status quo and driving innovation

A global network of solvers

At PwC, our purpose is to build trust in society and solve important problems. This commitment is part of our new global strategy called The New Equation, which aims to solve the world's toughest challenges today and tomorrow.

We're a passionate community of solvers working together in unexpected ways to create solutions that untangle some of the world's most complex problems. We combine perspectives and technologies to create solutions, and help our clients make a lasting difference.

We're a network of firms in 152 countries with nearly 328,000 people who are committed to delivering quality in assurance, advisory and tax services.

We strive to deliver high quality, innovative work that helps our clients and deliver sustained outcomes. We work with the world's leading organizations on their most challenging strategic problems, helping them to build enduring success in a changing world.

Over the course of our century-long existence, we have led efforts that positively impact the society in terms of good governance, quality service to clients and support to the community.

This report outlines all our activities and initiatives that focus on the sustainability pillars and how they relate to the way we do business.

Scope

Isla Lipana & Co.'s 2022 Corporate Sustainability Report presents the key aspects of our Environmental, Social and Governance (ESG) strategies and policies. It covers fiscal year 2022, from 1 July 2021 to 30 June 2022. Relevant information and data before this period have been included in the report for readers for better understanding and context.

The report covers Isla Lipana & Co. and its affiliate member firms, namely, Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd. and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch.

The report has also been developed in accordance with the PwC Global Corporate Sustainability manual and with reference to the Global Reporting Initiative (GRI) Standards as far as reasonably practicable.

As part of our commitment to promoting transparent and comparable reporting, we are publishing the report online for our people, clients and stakeholders at www.pwc.com. No copies have been printed.

All figures in the report are in Philippine pesos. Certain figures in the report may not add up to the respective totals due to rounding.

Executive summary

Fiscal year 2022 served as the last stretch leading to the latest apex of the firm's existence—its 100th year of providing professional services in the Philippines.

Under the Executive Leadership Team, the firm's partners and staff numbering to over 2,100 by the end of the fiscal year worked together as a community of problem solvers in achieving its sustainability goals.

People

- 03 Good health and well-being
- 04 Quality education
- 05 Gender equality
- 08 Decent work and economic growth
- 09 Industry, innovation and infrastructure
- 10 Reduced inequalities

Environment

- 12 Responsible consumption and production
- 13 Climate action

Social

- 03 Good health and well-being
- 04 Quality education
- 08 Decent work and economic growth
- 11 Sustainable cities and communities
- 13 Climate action
- 16 Peace, justice and strong institution



Governance

- 09 Industry, innovation and infrastructure
- 16 Peace, justice and strong institution

People highlights

Gender diversity in the firm



66% of the total workforce are female

- 48% in executive leadership
- 56% in management level
- 68% in non-management level

Age

- 82% of employees are < 30 years old
- 17% of employees are 30-50 years old
- 1% of employees are > 50 years old

Employee metrics

2,150 employees
FY 2022 headcount

Environment highlights

Net Zero by 2030

We formed a Net Zero team in FY 2022 to account for the firm's GHG emissions and track progress in its GHG reduction.

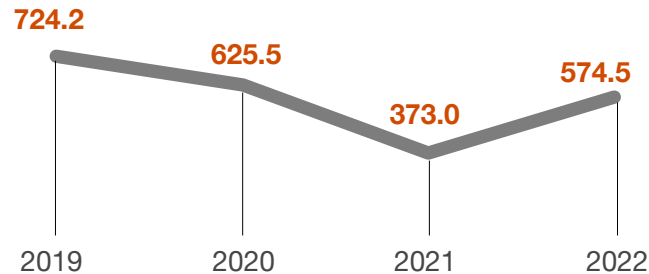
Reduce absolute Scope 1 and 2 GHG emissions **50%** by FY 2030 from a FY 2019 base year

Reduce absolute Scope 3 business travel GHG emissions by **50%** by FY 2030 from a FY 2019 base year

50% of our suppliers by emissions covering purchased goods and services will have science-based targets by FY 2025

Direct and indirect emissions

PwC Philippines Scope 1+2 Emissions (tCO₂e)



Total Emissions (FY 2022)

Scope 1: **0.3 tCO₂e**

Scope 2: **574.2 tCO₂e**

Scope 1+2: **574.5 tCO₂e**

Scope 3: **3,522.9 tCO₂e**

Total: **4,097.4 tCO₂e**

Energy use

Energy use in FY 2022: **Approx. 850,209 kWh**

Energy intensity ratio for FY 2022: **128.2 kWh /m²***

*Normalization factor: Floor area (6,641.1 m²)

Waste generated

13.4 tons of paper

Reams of paper used per employee decreased from an average of 0.9 ream in FY 2021 to 0.8 ream in FY 2022.



Social highlights

PwC scholarship program

114 scholars

Disaster response

PHP500,000 Typhoon Odette relief operations

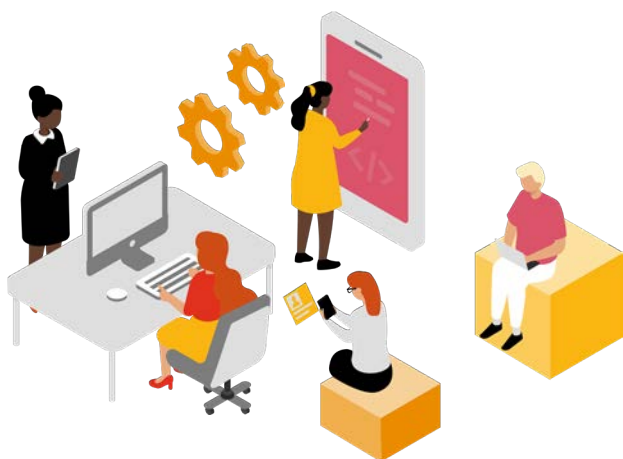
PHP100,000 Abra earthquake financial support

Module of Hope

50 schools received printers and printing supplies

Seat of Hope

485 school chairs



Corporate philanthropy

PHP5.3m total monetary value

Average hours of training per employee

202.2 hours

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About PwC Philippines /Isla Lipana & Co.



History

Isla Lipana & Co., the Philippine member firm of the PwC network, celebrated its 100th year on 22 June 2022, marking a century of delivering quality service in assurance, advisory and tax services in the Philippines.

On 22 June 1922, Scottish accountants Charles P. White and Percival S. Page established White, Page & Co., one of the earliest accounting firms in the country. It became the first local accounting firm to have international affiliation when it was designated as the official Price Waterhouse correspondent in the Philippines in 1958. In July 1998, PwC was created after the merger of two venerable firms — Price Waterhouse and Coopers & Lybrand.

The firm had undergone several name changes since Flipinos took the helm at the end of the second World War. From 1964, Joaquin Cunanan & Co. became a brand associated with quality and integrity for over 40 years. The legacy remains with Isla Lipana & Co., the name we adopted in 2005 after the two most senior partners during that time.

Further, the firm grew in size, adding other affiliate member firms to the PwC network:

Affiliate member firms

- Cabrera & Company (established in 2001)
- PricewaterhouseCoopers Business Services Philippines Co., Ltd. (established in 2015)
- PricewaterhouseCoopers Consulting Services Philippines Co. Ltd. (established in 2016)
- PricewaterhouseCoopers Services (Brunei Darussalam, established in 2016)

Lines of Service

Assurance

Our Assurance Services Group deliver responsive audits tailored to the size and nature of our clients' businesses and operations. We apply the full rigor of our global audit methodology (PwC Audit) which provides a robust assurance process and upholds a superior and distinctive audit that is of global standards.

Tax

We perform various corporate and tax related services that respond to the needs of businesses to help minimize tax liabilities and meet tax compliance obligations. We recommend options, solutions, and relief as taxation becomes more complicated and costly; and offer advantageous and cost-effective strategies for optimizing taxes and duties.

Advisory

Clients engage us to help solve their strategic and day-to-day problems. We do this by creating unique and value-adding solutions based on a combination of industry knowledge, subject matter expertise and our collective experience.

Consulting

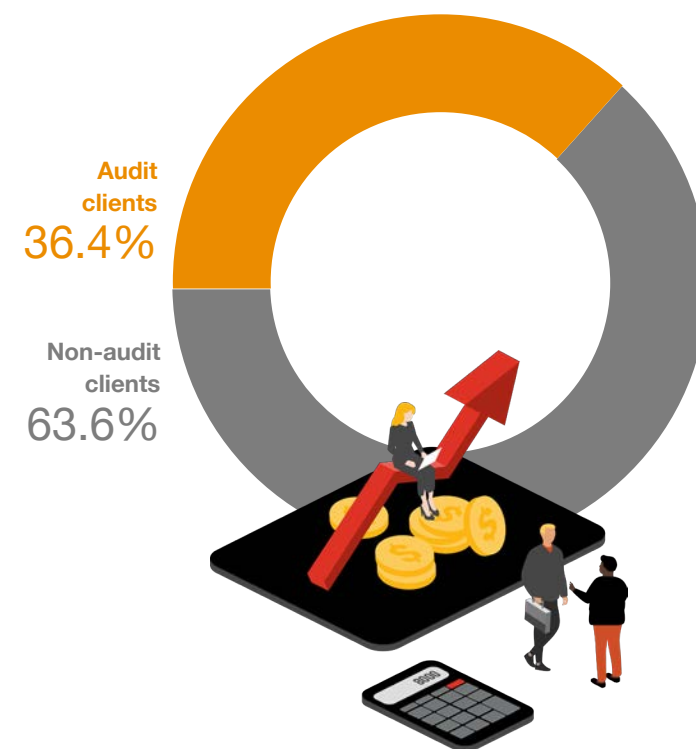
We help organizations to work smarter and grow faster. We work with our clients to build effective organizations, innovate and grow, reduce costs, manage risk and regulation and leverage talent. Our aim is to support in designing, managing and executing lasting beneficial change.

Deals and Corporate Finance

We help clients do better deals and create value through mergers, acquisitions, divestments and restructuring. We work together with them to help develop the right strategy before the deal, execute their deals seamlessly, identify issues and points of negotiation and value, and implement changes to deliver synergies and improvements after the deal.

Our clients

Our clients range from some of the world's largest international organizations to local entrepreneurs — more than 60% of which are non-audit clients. We work closely with all our clients to provide them with tailored services that meet their specific needs, irrespective of their size, location and sector.



Micro, small and medium enterprise (SMEs)

We have **VentureHub@PwCPH**, our one-stop shop approach to offering solutions to startups, SMEs and entrepreneurs who want to grow and professionalize their businesses.

The VentureHub@PwCPH team aims to help promising startups execute their ideas, and convert their businesses to become corporate leaders. The team started partnerships with IdeaSpace and QBO Innovation Hub, which enabled active involvement in key activities hosted by both incubators, including Mentor Matching Programs.

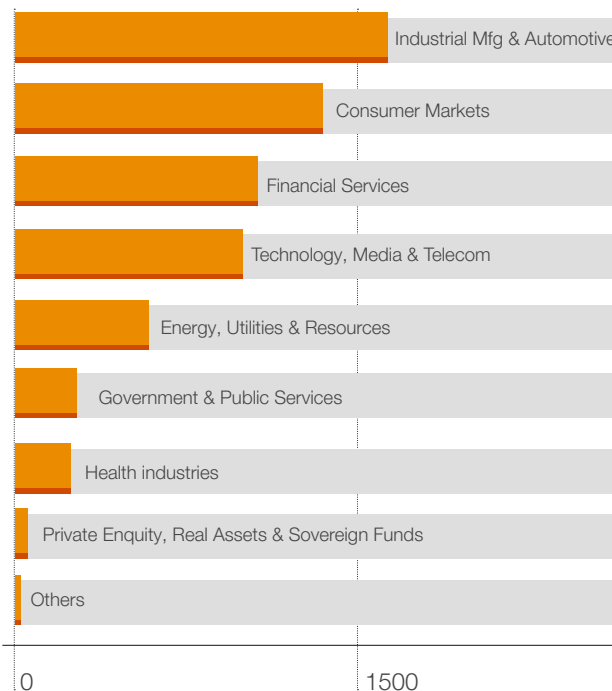


ideaspace



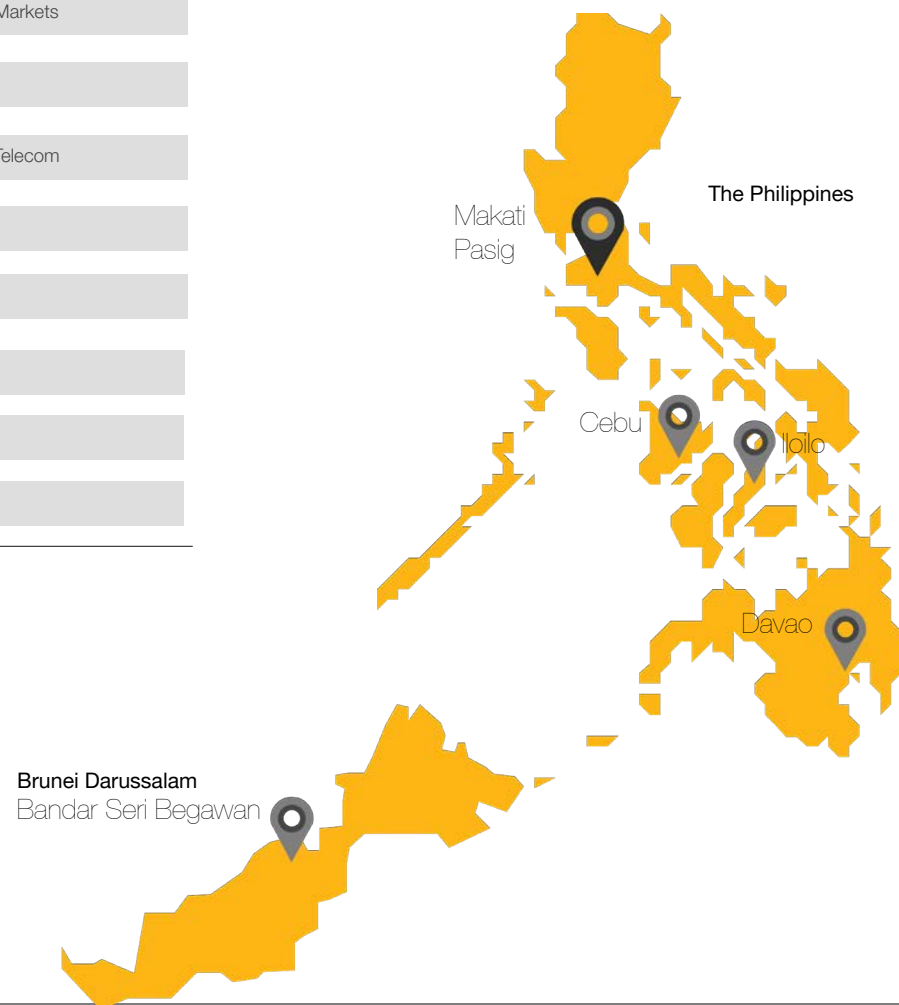
Industries

As of 14 November 2022, we have 6,583 clients that include leading corporations, both local and foreign, across different industries:



PwC Philippines office locations

We deliver quality services to our clients through our main office in Makati City and our offices in the cities of Cebu, Iloilo, Davao and Pasig in the Philippines, and in Bandar Seri Begawan in Brunei Darussalam.



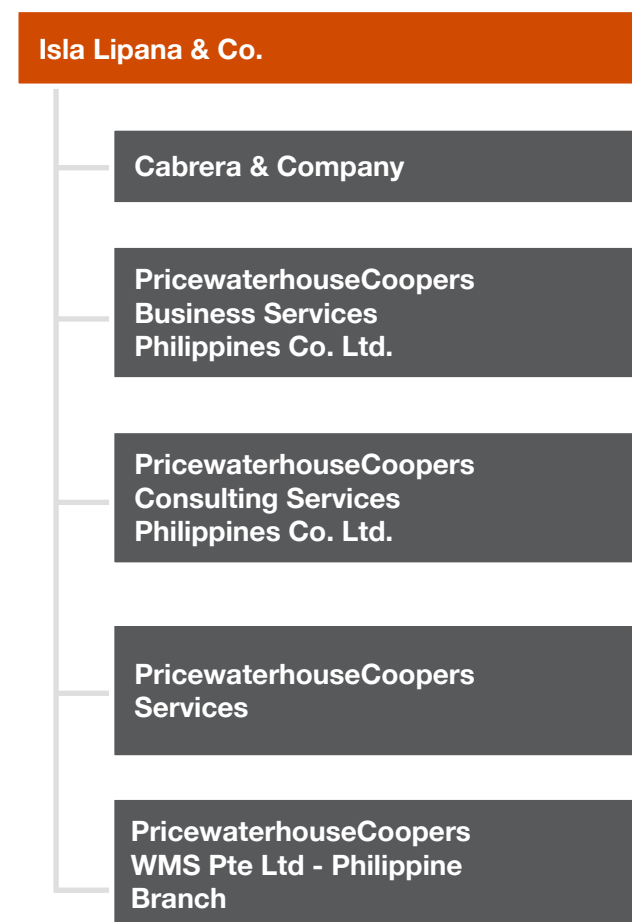
Governance structure

In many parts of the world, the right to practice audit and accountancy is granted only to firms that are majority-owned by locally qualified professionals. PwC is a global network of separate firms, operating locally in 152 countries around the world. As of 1 July 2022, our network has 626 active and client-facing entities. The partners in each firm select a Territory Senior Partner (TSP) to lead that firm for a fixed term. The length of this term, and the maximum number of terms for which any TSP can be elected, are set by each member firm.

Isla Lipana & Co. is a professional partnership engaged in the practice of accountancy registered with the Philippine Securities and Exchange Commission (SEC) as “Isla Lipana & Co. doing business under the names and styles of Isla Lipana & Co. and PricewaterhouseCoopers and/or PwC”.

Isla Lipana & Co. and its affiliate member firms operate separately from each other.

PwC Philippines entities



PricewaterhouseCoopers International Limited

PwC firms are members of PwCIL, a UK private company limited by guarantee that facilitates coordination between member firms. PwCIL does not practice accountancy or provide services to clients. It works to develop and implement policies and initiatives to create a common and coordinated approach for member firms in key areas such as strategy, brand, risk, and quality.

Member firms have the right to use the PwC name, and the resources and methodologies of the PwC network are made available to them. In return, member firms agree to abide by common policies and standards. Each member firm agrees to pay its allocated share of network costs.

Our member firms share knowledge, skills and resources. Their membership in our network helps them work together to provide high-quality services on a global scale to international and local clients, while retaining the advantages of being local businesses – including knowledge of local laws, regulations, standards and practices.



Governance boards in member firms, including those in the Philippines

Each member firm is required to have a separate local governance body to oversee the performance of the firm's leadership and to provide direction and guidance. Traditionally, these governance boards were made up of partners from that firm. However, as with the Global Board, external people are increasingly joining these boards or alternatively member firms are setting up additional advisory bodies comprising external members. We regard this as good practice and we're encouraging a wider adoption of this approach across our member firms.

For PwC Philippines, overall governance rests with the **Oversight Board (OB)**. The OB is composed of all partners and principals, and with a leader and secretary among them. The OB is headed by the OB Lead Partner, who is elected by all members of the OB and serves for a term of one year.

The **Executive Leadership Team** has ten members: the Chairman and Senior Partner, the Chairman Emeritus, four line of service leaders (Assurance, Tax, Deals and Corporate Finance, and Consulting), and four other leaders (Finance, Risk Management, Human Capital and Digital Solutions).

Specific partners are designated with **functional leadership roles** (e.g. Ethics, Independence, Risk Management, Markets, Global Technology Solutions, General Office Services, Information Protection) and particular roles (e.g. Vice Chairman, Internal Auditor, Chief Information Officer).

ESG Governance

PwC Philippines aims to have the most trusted ESG practice in the country. An ESG core team, led by the firm's Chairman Emeritus and ESG Leader Alexander B. Cabrera, has been organized to support this ambition both internally and with our clients.

The firm's ESG practice enables delivery of services across different teams from Assurance, Tax, Consulting, and Deals and Corporate Finance. Depending on the requirements of the engagements, we work with subject matter experts in the region and globally to ensure quality, relevant and useful advice based on practical experience and best practices.

While the firm's overall direction on Sustainability is led by the ESG core team, initiatives are supported by all partners who are aided by directors, managers and staff.



PwC Philippines' ESG Approach and Journey

PwC Global ESG Strategy

Over the last five years, risks arising from an increasingly volatile climate, social tensions, and governance considerations have become top of mind for communities, the business sector, and the community of nations. At the same time, as focus is placed on ESG considerations, opportunities to derive value by addressing these risks also arise. As a firm whose purpose is to build trust in society and solve important problems, all PwC network firms, including the Philippines, are committed to bring ESG in their respective territories, both in helping our clients achieve ESG sustainability, but in our own operations as well.

We're creating enhanced accountability for inclusion and diversity (I&D) as we build a stronger culture of belonging for all our people. This is in line with PwC's network I&D strategy.

The global network has been a proud signatory to the UN Global Compact (UNGC) since 2002 and we remain deeply committed to operating responsibly in line with the UNGC's ten principles.

In September 2020, we made a worldwide science-based commitment to reach net zero greenhouse gas emissions by 2030. In July 2021, our targets were independently validated by the Science Based Targets initiative (SBTi).

In line with this commitment of the PwC network, PwC Philippines has formed a Net Zero team, whose primary responsibility is to account for the firm's GHG emissions and track progress in its GHG reduction.

At the same time, we have initiated various decarbonization initiatives in our day-to-day operations and in special projects. These are discussed in the Environment section.

At PwC Philippines, we have reduced our total emissions by 37% since our FY 2019 baseline year. And we're already achieving a 21% reduction in our scope 1 & 2 emissions against our baseline year.

We've made good progress, but we know there's a long way to go and we still need to deliver many critical elements.

In 2022, the PwC network continued years of advocacy for globally aligned sustainability reporting standards. Our global leaders vigorously support the development of baseline global sustainability reporting standards. Reporting standards encourage and enable the right capital allocation and investor decisions to promote sustainable behavior. Reporting, backed by independent assurance, creates transparency and accountability, which in turn help to create change.

Our Global Chairman, Bob Moritz, and our Global Reporting Leader, Nadja Picard, joined the chairs of two leading sustainability standard setters (the International Sustainability Standards Board and the Global Reporting Initiative) at Davos 2022 to discuss how the widespread adoption of high-quality, globally aligned standards can drive the change the world needs – and how to make these standards a reality.

As a PwC member firm, we're proud to join the rest of the network in the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition, which is expected to become one of the largest ever public-private efforts to protect tropical forests by mobilizing at least US\$1bn in financing for protection initiatives.

In addition, we work with technology and business partners such as Oracle, Microsoft, SAP, Google and many others. By combining our capabilities, we can achieve even greater progress on ESG challenges.



ESG at PwC Philippines

PwC Philippines has been living out sustainability even before it has become a corporate imperative and a buzzword among business entities.

People first

We take pride in how we care for our team, whom we consider as our extended families. We believe that quality work stems from skilled, motivated and dedicated people. And we can serve our clients at our best only when we provide our people with the appropriate training, and conducive environment where they can develop and hone their talents, express their creativity and fulfill their other roles in life.

Inclusion and diversity have long been part of our way of life. We welcome and celebrate different backgrounds and perspectives and make sure that advancement is driven by an individual's efforts, performance and contribution to the team. Forty-nine years ago, we elected Corazón de la Paz-Bernardo as the first female Territory Senior Partner in the history of PwC. And this is a tradition that we continue to live by, with a healthy mix of male and female partners and principals taking the helm of the firm.



Our commitment to upskill our people takes the many forms of learning opportunities we provide: formal face-to-face and virtual training (internal and external), foreign secondments, day-to-day coaching and mentoring, and the like. People engagement activities provide avenues for our people to recharge, share their talents and build relationships with colleagues across the firm.

Whether it was how we took care of our people during the COVID-19 pandemic, or the support provided through various channels such as mental health care benefits and our Ethics Helpline, we always placed our people among our top priorities.

Care for the planet

Our leadership has a record for caring for the environment through various initiatives. In 2008, the firm started its efforts to help save the environment from further degradation. Under the leadership of former Chairman and Senior Partner Tammy Lipana, the firm worked with KLIMA Climate Change Center, a unit of the Manila Observatory, which raised public awareness and trained individuals and institutions on climate change issues. Isla Lipana & Co. was the first public accounting firm to request KLIMA to give a briefing to its people on the science, impact and solutions to climate change. Led by Ms Lipana and other partners, our employees planted 220 ipil seeds at the La Mesa Ecopark in Quezon City.



PwC Forest,
Marikina Watershed,
Antipolo City

Our firm also partnered with Calawis Punlaan Bayan Inc. (CPBI) in establishing a tree-planting site in Barangay Calawis in Antipolo City. Our people planted 535 trees and installed the PwC Forest marker at the site to mark our support in protecting the environment. The PwC Forest project involved reforestation farming that encouraged the community to continue propagating native trees and foster sustainable livelihood for farmers in the Marikina Watershed.

In 2011, we worked with the Climate Change Commission in undertaking the survey “Philippines businesses’ response to climate change”.

A decade after, in 2021, as more concrete actions have been demanded of different stakeholders to help in climate change mitigation, the PwC Network committed to achieving net zero greenhouse gas emissions by 2030, globally. The PwC network’s emission reduction targets were validated by the Science Based Targets initiative (SBTi).

Integrity in all we do



The nature of our work as auditors and advisors requires a high level of integrity. As such, our commitment to integrity and good business practice is operationalized in our various policies to meet the highest standards of integrity we set for ourselves. In 2014, PwC Philippines was validated as among the very few “Advanced” companies in terms of integrity business practices in 2014 by the Integrity Initiative, Inc., a private-led effort to promote good governance, transparent business transactions and implement integrity standards in the Philippines.

Indeed, it is the culture of integrity that has kept the firm strong over the last 100 years.

ESG for our clients

Our message to our clients is that ESG needs to be at the core of business strategy.

With climate being at the forefront of top risks in the last few years, we urge clients to look at and act on the climate challenge from two perspectives: first, their impact on the climate (decarbonization), and second, the climate’s impact on them (climate risk). We work with our clients to support their efforts to make a net zero future a reality for all. This involves building on our existing client work in sustainability and net zero transformation, helping our clients in their efforts to decarbonize, transition and build resilience, as well as manage climate risk.

In the Philippines, we are seeing that efforts towards sustainability are gaining traction, and we are proud to assist our clients in their sustainability journey. In FY 2022, as clients take stock of their impact on the environment, and given our firm’s core competency of providing quality assurance services, we have successfully assisted clients in pre-assurance of their ESG data, specifically in their carbon emissions. This exercise will help our clients unlock further opportunities in the ESG space, such as full assurance of their ESG metrics in line with globally accepted sustainability standards, measuring their full environmental footprint, strengthening their commitment to sustainability via science-based targets, or accessing different sources of value and capital.



Manila Bay Coastal Cleanup with SM Cares

Organizations are also realizing that sustainability starts at the top. With increasing stakeholder preference for sustainability, boards and senior management are looking for a more structured way to incorporate sustainability in their businesses that goes beyond corporate social responsibility activities. As such, we have assisted a client with crafting their sustainability strategy, which includes a roadmap that will guide them in further achieving their sustainability ambitions.

In the years to come, with increasing regulation and stakeholder demands toward a more sustainable future, we will continue to offer high quality services that will meet our clients' needs that will be responsive to the environment and society, towards a more sustainable future.

Adapting our services and people

As we upskill our people and upgrade our capabilities in ESG, we are continuously working on embedding ESG in our core services such as including climate risk in due diligence processes in deals and considering green incentives and supply chain engineering in our tax service.

As a community of solvers, our culture of learning is practiced all the way up to the top of the organization.

PwC Philippines' leadership has completed various cross-discipline ESG-related training in the fields of accounting, finance, strategy, sustainability standards, and circular economy, ensuring that we are equipped with the latest thinking on ESG that can have significant effects on our clients. In our assurance practice, we are in the process of upskilling our auditors to consider a company's climate-related risks and assess whether these risks could give rise to material misstatement in financial disclosures.

Supplementing our goal to incorporate ESG into our services and bring our capabilities up to speed, the PwC network has rolled out a Global ESG Academy. The Academy offers learning modules of varying ESG topics that are relevant, with more coming out in the years to come. The curriculum is designed for different roles and grades. Certificates are awarded to participants for successful completion of ESG modules.

ESG modules

ESG & Me

Industry ESG Essentials

Climate Essentials

Our Planet, Our Business

Climate - Into Action: TCFD and Net Zero in Practice





Material ESG topics

Assessment of material topics

PwC Philippines' material topics were determined using a systematic approach. A long list of material topics was developed by first referring to the relevant topics for professional services firms by the Sustainability Accounting Standards Board (SASB) and benchmarking these with those in other PwC territory offices and other professional services firms. From the resulting initial list of material topics, stakeholder engagement was done through a survey conducted among partners and staff to create a short list of topics that will be prioritized by the firm's leadership. The shortlisted material topics were based on two criteria:

1. Impact or influence of PwC on stakeholders' assessments and decisions
2. Significance of PwC's impacts.

The materiality exercise yielded the final list of the firm's material topics

Material topic	Definition	Material topic	Definition
Business ethics and integrity 	Manage risks and opportunities surrounding ethical conduct of business, including fraud, corruption, bribery and facilitation payments, fiduciary responsibilities and other behavior that may have an ethical component. Address company's ability to provide services that satisfy the highest professional and ethical standards of the industry.	Climate change mitigation and adaptation 	Ensure the firm minimizes its impact to the environment and continues to dedicate itself to addressing the issue of global climate change.
Regulatory compliance 	Ensure the organization complies with legal regulations to prevent acts such as bribery, facilitation payments, fraud, extortion, collusion and money laundering, the offer of gifts and rewards and other advantages which are dishonest, illegal, or represents a breach of trust.	Community engagement 	Create positive impact to local communities and implement various social development and environmental projects for the benefit of marginalized sectors in the economy.
Innovation 	Continually improve delivery service by applying the current and most relevant technologies and business practices as well as coming up with services that help clients navigate changing environments for a more sustainable business. Achieve client satisfaction through high quality standards in service delivery while addressing client's requirements, meeting objectives and often exceeding expectations.	Diversity & inclusion   	Organization's ability to ensure that its culture, hiring, appraisal and promotion policies promote a diverse and inclusive workforce that does not discriminate against race, gender, age, religion, etc.
Employee wellness & talent management  	Support employees' overall well-being – intellectual, physical, social – to increase motivation, enthusiasm and dedication of an employee, thereby increasing efficiency and productivity at work.	Paving the way for the next and future generations 	Have a succession strategy by building the leadership and capabilities of future leaders of the organization.
Risk and crisis management 	Establish a robust governance structure and risk management process to identify and mitigate any threats or unfortunate events that may adversely impact the business, operations, financials and reputation of the company.		

People



Assurance Partner and Human Capital Leader enjoying the sun with the newly promoted seniors during the New Seniors Conference held in Boracay last November 2022.

Relevant UN SDGs



Details of the UN SDG sub-targets can be found in Appendix 3, page 55

At PwC, we bring together people from different backgrounds and cultures — attracting, retaining and developing people who share our vision and purpose. We nurture a work environment that values learning, wellness, collaboration, diversity and inclusion.

Putting our people at the core of everything we do, we provide them with unique opportunities to advance their careers. We make sure that our people remain safe, supporting their well-being, and allowing them flexibility to better manage the demands of their professional and personal lives.

Employee talent management

Upskilling and training

UN SDG 4.4 | 4.5 | 4.7

We provide our people with a unique learning experience—using on-the-job training, real-time development and feedback, learning platforms and data and analytics — to give them access to personalized learning opportunities.

All partners and staff are required to develop and maintain competence that is relevant and appropriate to their role and professional responsibilities through continuing professional development (CPD, as provided in our Learning and Development General Policy). The the firm seeks to ensure that all partners and staff are trained and sufficiently experienced to undertake their assigned activities and responsibilities.

When the pandemic limited face-to-face interactions, we shifted to virtual methods of training delivery, a mix of instructor-led and self-paced modes, while making sure that learners stayed engaged. **Vantage**, PwC's online learning platform, provided direct and tailored courses to a vast array of assets from PwC and other partner institutions. We also made the most of Google Suite—using it to conduct virtual classrooms, work collaboratively on reports and presentations, and stay connected with our teams.

Formal training

PwC's training program is guided by The Professional Skills Curriculum (PSC). In FY 2022, the PSC consisted of four broad categories to organize our offered courses, namely:

1. **Business & Life Skills:** courses that aim at developing Business acumen, personal productivity, and wellness.
2. **Communication:** courses under this track aim to develop each staff proficiency in communication (speaking, writing, gestures) that will help them build trust-based relationships.
3. **Milestone & Leadership:** courses under this track shall prepare each staff for their role as a PwC Professional.
4. **Technical:** courses that tend to equip and address the PwC Professional technical capabilities development. Each line of service has its own mandatory programs relevant to the service they provide to their clients.

For the year, the firm has conducted an average of 202.2 training hours per employee.

Digital Academy

The Digital Academy is a foundational, practical skills-based training program that is intended to inspire a new way of thinking about work, embedding data analytics, visualization and automation into our client service approach.



Bringing a coaching culture to life

We develop in each one of us a mindset of continuous learning — clarifying expectations, reporting progress and seeking feedback. All PwC managers and staff each have a coach who will guide them through their career in PwC. At the start of each performance year, coaches, to discuss and agree on their performance goals and development plans, and in the process, they impart guidance and valuable career and life advice.

Those of us who are privileged to coach and supervise others, grow through training, peer learning and upward feedback.

Our coaching courses progress as our people grow. Associates undertake courses on seeking and giving feedback. Senior Associates focus on delegating for development and results. Managers learn about being catalytic leaders. A host of coaching training materials are available for more tailored learning through the firm's learning platform that can be accessed whenever needed.

Coaching as the bedrock of performance management

We recognize that setting clear expectations and robust coaching is important for our people to achieve high performance. The PwC Professional is our network-wide leadership development framework. It outlines the skills and competencies that our people should manifest at each management level in the firm. This is further tailored through individually agreed performance goals. We encourage our people to seek and give feedback throughout the year. High performers are rewarded with financial incentives, and once ready, with promotion. Areas for improvement and growth are discussed through coaching conversations.

In addition to regular catch-ups between coaches and coachees, which have become easier and more accessible with digital platforms, through the years PwC has implemented activities to foster a strong coaching culture:



Can you help me?

Coaching Week Towards the end of the fiscal year when we're most busy, we encourage carving out time for coaching conversations.

Give Me Five We take at least five minutes to pause and talk about immediate needs, and get feedback to improve work relationships and achieve goals.

'Care to say it' Stickers We use virtual stickers that can be sent through email or chat to encourage our people to express how they feel and quickly address concerns.



Assurance Manager Hannah Faye Reyes: Golden as the Golden Gate Bridge

Secondment

To further develop our people's technical expertise and interpersonal skills, we strive to provide a variety of development opportunities, such as local secondments in another group or overseas secondments in another PwC office outside the Philippines. Every year, some of our professionals – most of them in the early stages of their career – take part in long- or short-term local or international assignments. These secondments give our people unique experiences that significantly contribute to their career and personal development.

Employee wellness

Employee health and safety

UN SDG 3.8

At PwC Philippines, we take our employees' health seriously. The firm has established a health and safety committee that overlooks all health and safety (H&S) matters.

These include:

- creation of disaster/emergency preparedness plans
- planning and development of accident prevention programs
- health and safety training for employees
- health and safety hazard risk assessments
- review of inspection reports and H&S programs.

Each entity of PwC Philippines has an internal health and safety management policy commitment that covers all of their employees.

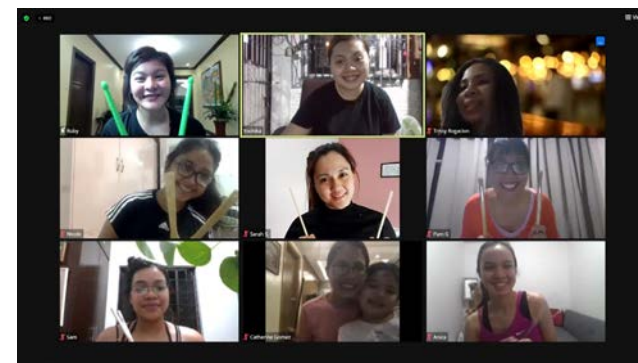
The firm has identified employees to be H&S point persons firmwide. The firm has conducted an average of 26 hours of H&S training per employee.

Health and insurance

PwC Philippines engages health maintenance organizations to provide for the health and medical needs of our partners and staff. In addition, the firm provides life insurance that covers employees in case of death by sickness or accidental causes, and for total and permanent disability.

Counseling and medical support

Medical and psychological advice is encouraged and is made accessible via our company physician and health partners. The firm also facilitates learning sessions for employees on various topics around well-being and mental health in partnership with our health providers throughout the year.



Benefits and compensation

To attract and retain the best talent, we offer competitive compensation and benefits to our people.

Our individual compensation packages are reviewed annually considering market conditions, the performance of the firm as well as individual merits and contributions.

Our benefit plans are reviewed year on year to help give our people access to programs and resources that support their health, financial and personal needs as they continue to advance their career in the firm.

Promotions and salary review

To support non-CPAs, our partners reviewed the salary alignment of non-CPAs with CPAs, and explored how to help them when reviewing for the CPA licensure examination.

Leaves

PwC Philippines provides multi-purpose and bereavement leaves. It also extends various leave benefits, in compliance with the Philippine labor code and other special laws, such as maternity leave, paternity leave, parental leave for solo parents, special leave benefits for women or gynecological leave under Republic Act No. 9710, and Victims of Violence Against Women and Their Children (VAWC) leave.

The firm follows Republic Act No. 11210, which states that all covered female workers in government and the private sector, regardless of civil status or the legitimacy of her child, shall be granted 105 days' maternity leave with full pay and an option to extend for an additional 30 days without pay.

The firm also abides by Republic Act No. 8187 that grants married male employees in the private and public sectors paternity leave of seven days with full pay for the first four deliveries of the legitimate spouse with whom he is cohabitating.

Retirement

A retirement fund has been established for the payment of retirement, death, disability and separation benefits to the eligible members of the firm and/or their beneficiaries.

Employee engagement

UN SDG 8.3 | 8.5

Celebrations

Firmwide celebrations

As the firm grew, the celebrations also grew in scale and significance. The energy and passion that people bring into these celebrations are infectious.



Centennial Thanksgiving Mass



Centennial celebrations



- **Centennial Celebrations** This year, PwC Philippines celebrated its 100th year of delivering quality assurance, advisory and tax services in the Philippines. We marked this milestone with a series of events with staff, alumni and clients.
- **Christmas Party** Our partners and staff delivered sterling performances and enjoyed the after-program concert.
- **Christmas break** A welcome reprieve for at least a week of Christmas, this much-deserved “me” time is spent with family and friends.
- **New Year's Cocktails** We open the year through toasting spirits, belting songs, enjoying good food, shouting well-wishes and taking the biggest group shot of team PwC.



Christmas Party



Christmas break



New Year's Cocktails



FUN-tastic Friday

At PwC Philippines, every end of October, we celebrate FUN-tastic Friday, which gives us the opportunity to strengthen our sense of community. Our partners and staff come and dress up along with their family members.

Share the Love

Held every February, Share the Love is a week-long series of activities that promote camaraderie, timely conversations and sharing of appreciation within our teams.



Family Day

The firm holds its Family Day in recognition of the importance of the support we get from our family. While logistically challenging due to the pandemic, the firm conducted a virtual Family Day event in 2022. Apart from fun and entertaining performances, the firm's leaders spent time connecting with their group's family members to further strengthen bonds.

Busy season engagement activities

The months from January through May are the most challenging months of the year for most of us in the firm. The workload is heavy, the pressure is immense, but the learnings are unmatched. The firm held a series of virtual engagement activities aimed at helping our people connect outside of work set-ups, build camaraderie, have fun and show appreciation for everyone's hard work.



PwC Glee live performance

Pursuing passions

Whenever we can, we give our people a creative outlet and the opportunity to relate with colleagues sharing similar passions.

- **Shared passion for music** through PwC PH Glee
- **Shared passion for images** via Isla Snapshots Photography Club.
- **Shared passion for verses** as expressed by the members of the PwC PH Poetry Society.

Inclusion & Diversity

UN SDG 5.5 | 5.b

We fully support the PwC network's long-standing commitment to inclusion & diversity (I&D) as a means of delivering on our purpose and strategy. We believe we are at our best when we bring together diverse perspectives and experiences.

PwC does not tolerate discrimination, bullying or disrespectful behavior based on a person's race, ethnicity, colour, age, gender, gender identity or expression, sexual orientation, political beliefs, citizenship, national origin, language, religion, disability, parental status, economic status, or other inappropriate basis as stated in the PwC Code of Conduct.

In line with the PwC Network's I&D strategy, the firm focused on inclusion and gender diversity as well as local diversity priorities.



Staff Centennial Event

In the 2022 Global People Survey, 85% of our respondents at PwC Philippines felt they 'belong' at PwC.

To further drive the importance of I&D, our Human Capital embedded I&D in briefings prior to career roundtable discussions where promotions and performance tiers were discussed.

The new geography of work

During this period, when the health crisis forced most businesses to adopt remote working, and aided by technology, many of our people relocated outside the cities and regions where our offices are situated.

All internet connections on PwC laptops and phones are protected using secure remote connectivity and we have policies in place that ensure confidentiality and the protection of data. Our IT systems are designed to support a work-from-home workforce and we use PwC-approved tools such as video conferencing and instant messaging technology to work effectively together across multiple locations.

We continued to efficiently work with other PwC member firms as a network and were updated by our colleagues of their situation in their respective territories.

Inclusive Mindset

In recognition of the importance of the 'Social' aspect of ESG, PwC offers the Inclusive Mindset learning path. The ten-hour self-paced learning pathway is a useful tool to accelerate our people's appreciation for having an inclusive mindset, increasing their awareness of I&D constructs and skills that are essential for them to manifest more inclusive behaviors in and outside of work. Some of the topics include unconscious bias, intersectionality, systemic advantage, micro-inequities and emotional intelligence.

Those who successfully complete the learning pathway earn the Inclusive Mindset badge. Badges reflect a participant's professional evolution, ongoing achievement and education. They complement degrees, professional certifications and on-the-job experience to tell a complete career story.

What you learned
Viewers will see a detailed description of the skill or knowledge are

How you learned
The minimum time requirement and learning methods

Inclusive Mindset



How you applied
Business projects, training, or on-the-job experience

How you were assessed
A recap of the testing that confirmed your new skill or knowledge

Remote working helped address geographical divides between people, businesses, cities, regions and countries.

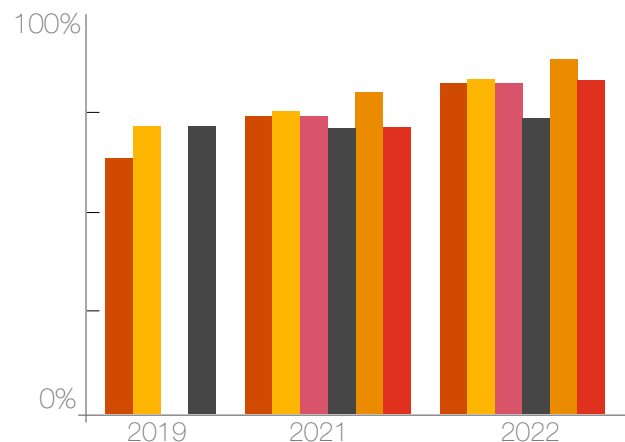
We dealt with the suddenly decentralized workforce by implementing a Mental Health Action Plan that includes the theme of inclusion as the new working arrangements presented their own challenges especially as they relate to our people's mental state.



Team PwC ran the "You: Version 2.0" program for over 450 students at the University of San Carlos in Cebu on 20 November via Zoom. The workshop aims to prepare penultimate and graduating B... See More



Global People Survey Results



Diversity & inclusion Index

I am satisfied with actions Territory Leadership has taken to build a diverse and inclusive work environment.

I feel like I belong at PwC.

The people I work with make the effort to get to know me and what I uniquely bring to PwC.

The leaders I work with actively build a diverse and inclusive work environment.

Promotion and advancement Index

Recruitment

As Management allowed the hiring of employees from Visayas and Mindanao on work-from-home arrangement, our Human Capital recruitment team was able to widen their sources for potential employees. Using the PwC Professional criteria in screening applicants, they were able to employ staff from all over the country. No geographic quotas were set.

Gender equality

Continued support for women's advancement

Our firm has long been empowering women in the workplace.

Former senior partner **Corazón de la Paz-Bernardo** is a clear example. She was the first woman to be admitted as a Partner of Price Waterhouse International in 1973, and the first woman to be named Chairman and Senior Partner of legacy Joaquin Cunanan & Co./Price Waterhouse Philippines in 1981.

Two more women followed her footsteps as Chairman and Senior Partner: **Tammy H. Lipana** and **Judith V. Lopez**. And the partnership, on the average, enjoyed a healthy gender ratio.

Our firm has long been empowering women in the workplace. Currently, our ten-member executive leadership team has five women. Over the years, we have had equal representation of women across our workforce, and a larger representation of women at entry-level grades.

Gender neutrality in employment documentation

Human Capital Operations reviewed employment documents to be more gender-neutral — that is, avoiding gender-specific pronouns, and avoiding nouns that might appear to assume that a person is of a particular gender.

Diversity in thought and leadership

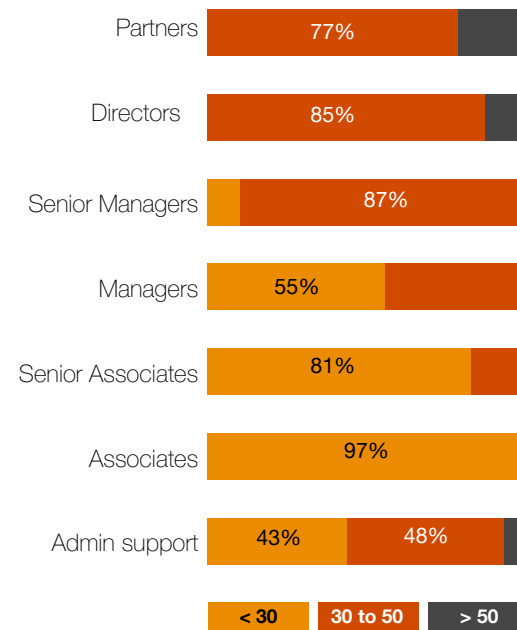
We believe in leadership at all levels — regardless of title, tenure or compensation — because we want our people to see the firm as their own. We generate ideas and make decisions from a place of ownership, to develop an environment around self-expression, self-organization, self-management and full accountability for results.

Partners, directors and managers crowdsource from a diverse set of managers and staff to craft and implement strategy, proving that the firm welcomes contributions from anyone in the team.

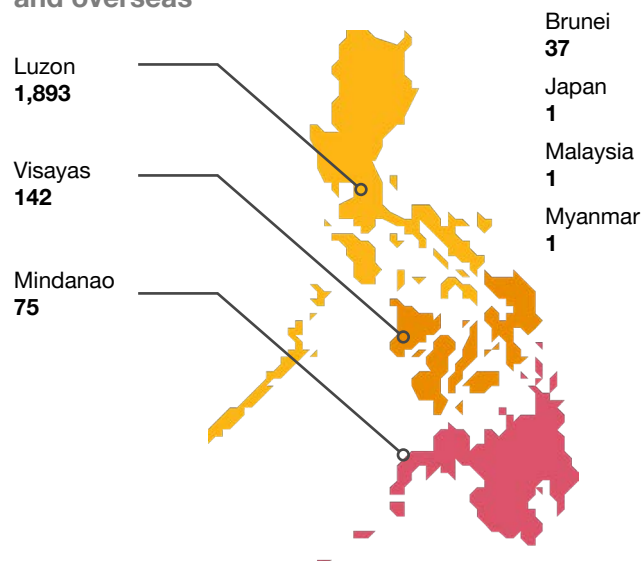
Gender representation across total workforce, percentage of employees per age group



48%	Executive (Directors and up)	52%
56%	Management (Managers to Senior Managers)	44%
68%	Non-management (Senior Associates, Associates, Admin)	32%



People representation across the country and overseas





Environment

Relevant UN SDGs



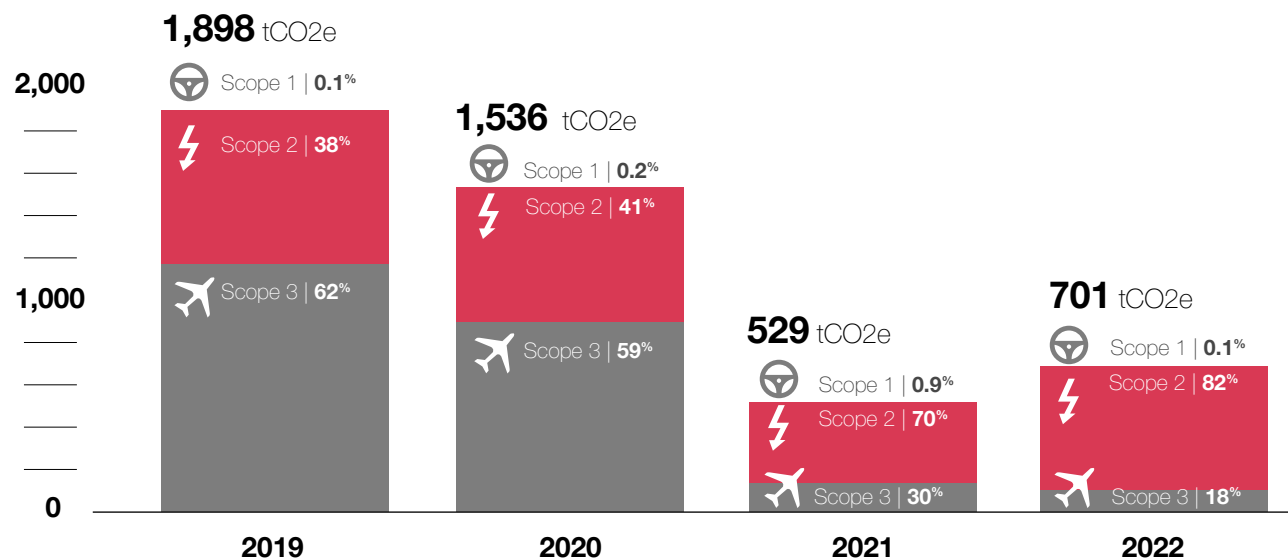
Details of the UN SDG sub-targets
can be found in Appendix 3, page 55

Climate change mitigation and adaptation

Net Zero - PwC's Net Zero commitment and reporting requirements

UN SDG **12.6**

PwC Philippines GHG emissions, per scope (excluding Scope 3 business purchased goods and services)



GHG monitoring and computation

UN SDG 12.2 | 12.5

As outlined in PwC's global strategy, The New Equation, PwC has committed to achieving net zero greenhouse gas (GHG) emissions by 2030. Our net zero commitment will require us to transform our business model to decarbonize our value chain, increase transparency, and support the development of robust ESG reporting frameworks and standards. PwC Philippines' overall GHG emissions have been on a downward trend since the start of the pandemic. The level of emissions has increased in FY 2022, most likely due to the easing of travel restrictions in the country.

Majority of our carbon emissions come from Scope 3 (Purchased goods and services and business travel) with around 3,523 tCO2e of carbon being emitted in FY 2022.

The PwC network will also engage with clients and suppliers to support them in tackling their climate impact.

PwC's science-based targets

As a foundation of our network commitment to reach net zero emissions by 2030, our emissions reduction targets are grounded in climate science and have been externally validated by the Science Based Targets initiative (SBTi).

PwC commits to a 50% absolute reduction of scope 1 and 2 GHG emissions by FY 2030 from a FY 2019 base year, 50% absolute reduction in scope 3 business travel GHG emissions within the same timeframe, and 50% of purchased goods and services suppliers by emissions will have science-based targets by FY 2025.

We must measure and publicly disclose progress against these targets on an annual basis.



PwC Philippines' GHG emissions on purchased goods and services (FY 2022)

Business Services & Human capital

2,017 tCO₂e



Technology

839 tCO₂e



Property & Facilities Management

541 tCO₂e



Total

3,396 tCO₂e



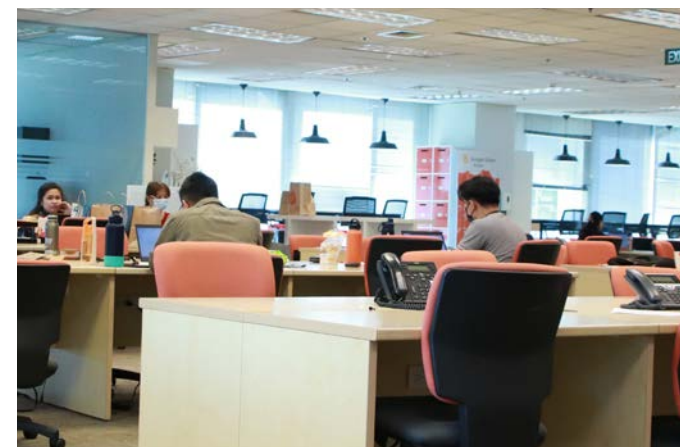
PwC territory reporting requirements

At a minimum, all territories in the PwC network of firms need to collect and report country-level activity data to the Global Corporate Sustainability (CS) team annually. This data is used to calculate emissions in a consistent manner for the entire network, to track, report and ensure we have accountability across the network for delivering progress against our science-based targets. Our network emissions and local territory initiatives feed into external aggregate reporting in the Global Annual Review (GAR) and our network CDP submission.

To date, only the data from our strategy council firms has been reported externally in the GAR. From FY 2022 all PwC firms are required to report their environment data through to the global team.

Reduced travels

During FY 2021, complemented by investments in digital technology, Management recommended working remotely and encouraged everyone to work from home. They emphasized that there was no need to travel to the office. If there was an unavoidable need to go out for work (i.e., to the office, client's or government offices), employees should secure their engagement partners' approval.



Less electricity usage

Every year, the firm takes part in celebrating Earth Hour and encourages its employees to turn off non-essential lights or gadgets for an hour.

Before the pandemic, our modest way of conserving energy and reducing carbon footprint was to turn off lights during lunch time, from noon to 1pm. Air conditioning service ceased at 5pm on weekdays and noon on Saturdays, and was stopped on Sundays.

In FY 2021, our Makati office space was reduced, and with the remote working setup, electricity consumption was significantly reduced.

Environmental stewardship

Solid waste management

As the workplace evolved, management decided to reduce the workspace at the Makati City main office. The work areas were reconfigured, and it was an opportunity to execute better solid waste management practices.

Included in the new workspace configuration were the centralized trash bin cabinets. Trash was segregated into recyclable, biodegradable and non-biodegradable.



Reduced paper usage

UN SDG 12.7

To make a difference for the planet and the climate — and to save a lot of money too — reducing our “paper footprint” was the only way to go.

By using less paper, we help reduce our impact on forests, cut energy use and climate change emissions, limit water, air and other pollution, and produce less waste.

While business and manpower growth entails greater resource use, we have endeavored to reduce paper usage. Reams of paper used per employee decreased from an average of 0.9 ream in FY 2021 to 0.8 ream in FY 2022.

We have steadily worked on reducing our paper footprint mainly by making technology a significant part of the way we work.

While a lot of our correspondences and client deliverables are in electronic form, there are still reports served in hard copies. To reduce our paper usage, we have implemented two measures: onscreen review and back-to-back printing.

41% ▼



Deals and
Corporate
Finance

27% ▼



Consulting

23% ▼



Internal Firm
Services

20% ▼



Tax

10% ▼



Assurance

Onscreen review

Less frequent printing of drafts, and more of onscreen review, such as virtually marking documents on tablet screens, collaborating in finalizing documents using Google apps, and commenting on PDFs.

Back-to-back printing

It also helped that we started the policy of back-to-back printing (instead of one-sided printing) in 2019.

For reports and other documents that clients and regulators require to be submitted in print form, pandemic or not, we follow the said policy where allowed.

For those who prefer to review in print format, the policy is strictly enforced across all lines of service.



Plastic waste management

As a sachet economy, the Philippines generates an estimated 750,000 tons of plastic, which enter its oceans annually. We at PwC Philippines have committed to helping reduce our plastic footprint.

Plastic outlives us, and we must give the next generations a less polluted planet. Thus, we advocate plastic waste management.

Partnership with Plastic Credit Exchange

On 30 September 2020, we entered into an agreement with Plastic Credit Exchange (PCX) to provide a framework for cooperation and facilitation between PCX and its partner companies, enabling them to purchase audited plastic credits to offset their plastic waste. PwC has assessed PCX's plastic crediting procedures, identifying areas of improvement and ensuring they consistently adhere to the principles detailed on the Plastic Neutral Pact, the first known open standard for plastic neutrality released by PCX in 2020.



Plastic Waste Collection Program

SM Supermalls, SM Cares, and PCX, in partnership with PwC Philippines, Nestlé Philippines and Colgate Palmolive, launched in March 2021 the second leg of the Plastic Waste Collection Program at the SM Mall of Asia in Pasay City, as part of their collective goal to promote sustainability, responsible solid waste management and the proper disposal of plastic waste among consumers and communities. PwC is the program's Knowledge Partner.

Green Challenge @ Home

During the pandemic, we also found ways to take care of the environment while working from home. This was through our “Green Challenge” activity.

The Green Challenge consisted of ten fun, interactive sustainability challenges to let our people learn about sustainability and how their choices impact the environment, as well as to develop eco-friendly habits.

Over the course of 12 weeks, we challenged everyone to conserve energy and water, go natural, and reduce or reuse.

The challenge attracted 845 participants, and achieved a reduction of 13,989 kilograms of CO2. Business units’ and individuals’ scores were based on the total number of kilograms of CO2 reduction. Participants averaged 31 out of 40 PH Green Score, which is based on a five-point scale developed by our firm’s Sustainability Committee.



Challenge #1: Opt for natural light (sunlight)



Challenge #2: Switch to using reusable face masks rather than single-use (SU) surgical masks or N95 respirators.



Challenge #3: Shut down and unplug laptops after you’re done working for the day.



Challenge #4: Clean your house using non-electric cleaning tools rather than a vacuum cleaner.



Challenge #5: When stepping out to do some shopping, opt to reuse a bag that you already have.



Challenge #6 - Repair or repurpose items in your home.



Challenge #7 - When washing hands, turn off the faucet while you’re lathering and scrubbing your hands.



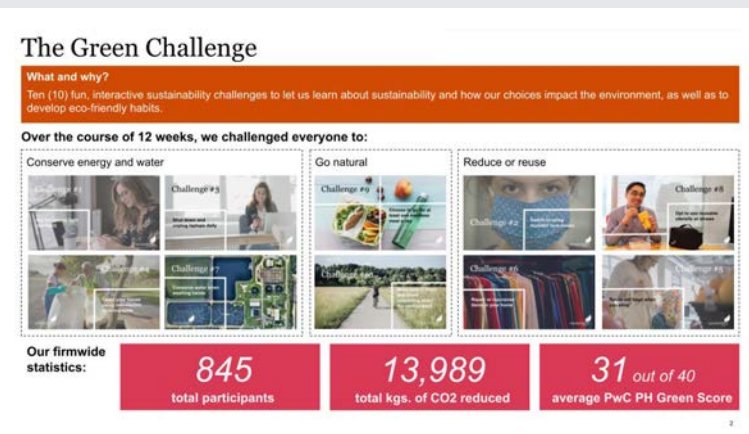
Challenge #8 - Opt to use reusable utensils or straws.



Challenge #9 - Choose to go for at least one meatless meal a day.



Challenge #10 - Dedicate an hour each day to learn and share something about sustainability and the environment.



Social



Team PwC actively helps share their resources during the Taal Volcano eruption, twin typhoons Rolly and Ulysses, and the health crisis.

Relevant UN SDGs



Details of the UN SDG sub-targets can be found in Appendix 3, page 55

Community impact/engagement

UN SDG **1.2** | **4.4** | **4.a** | **4.b**

We believe that business does not prosper if our community of stakeholders is not prospering.

Charity begins at home

Community engagement necessarily includes our own staff, without whom we would not exist as a firm. Over the last few years, we have experienced a string of challenges, from the COVID-19 pandemic to natural calamities that have been increasing in frequency and severity.

In 2020 and 2021, the Philippines experienced some of the strongest typhoons in recent history. PwC Philippines performed its part in alleviating some of the difficulties experienced by our staff, such as sending food and clothing donations.



We took care of our PwC family during the health crisis. Since January 2020, we have tracked cases in our firm, provided teleconsultation through our dedicated physician and HMO, helped secure vaccinations and testing services, created a healthy and safer workplace, and educated everyone on COVID-19.

Later on, especially during periods of surges across the country, we extended help by sending care kits that included medicines, health supplements, face masks, alcohol, thermometer and oximeter to sick partners and staff. PwC was able to secure the provision of COVID-19 vaccines and booster shots for our staff, their immediate family members, and our alumni.



Corporate responsibility activities

UN SDG 8.2 | 8.3

PwC Philippines launched programs to provide learning materials and school equipment, spearheading environmental projects, and supporting social enterprises and disaster response initiatives.



PwC scholarship program

With the high rate of college dropouts, we responded by giving scholarships to less privileged but deserving Accountancy students and graduates reviewing for the CPA Board.

The grant covers the scholar's tuition, book subsidy and stipend up to their enrolment in reputable review schools.

The grant helps students with their school expenses, like books, transportation, boarding and review school enrolment fees.

In FY 2022, while still in the pandemic, we have admitted a roster of over 100 new scholars.

We also expanded the program to cover senior high school students.

Every child deserves a future.



Support for social enterprises and startups

Our work with social enterprises started in 2014 when we mounted the Developmental Social Enterprise Awards (DSEA), where Filipino enterprises committed to social objectives were recognized. The Awards, which ran until 2017, had three grand winners.

Later on, two notable social enterprises who joined DSEA benefited from EMERGE (Educated Marginalized Entrepreneurs Resource GEneration), a mentoring and financing program under the Management Association of the Philippines' (MAP) Inclusive Growth Committee. With the joint support from EMERGE and PwC Philippines, their businesses realized increased productivity and revenues.

Prior to FY 2021, we also worked with the Singapore Management University for a design thinking activity with social entrepreneurs, Ateneo Center for Social Enterprise (ACSEnt) for a social enterprise roadshow in Cebu, Davao and Manila, and PhilDev for the Innovation for Social Impact Partnership (ISIP).

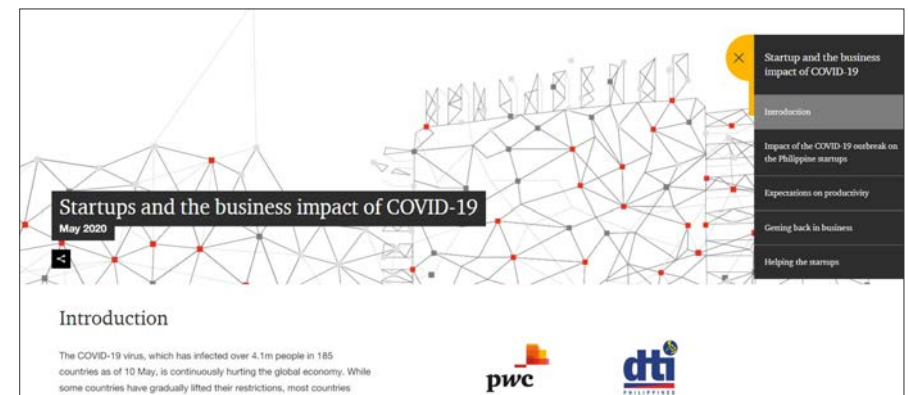


For FY 2021, we focused on supporting startups. In February 2020, PwC partnered with the Department of Trade and Industry (DTI), QBO Innovation Hub, IdeaSpace and the MAP for a startup event to share data from the latest startup survey.



All of a sudden, that February survey became obsolete when the pandemic started the following month. We thus conducted another survey, again with DTI, QBO and IdeaSpace. It disclosed that 60% of the tech startups were reeling from the revenue impact of COVID-19 and less than 20% of them had enough cash to sustain their business for the next 12 months. They are enablers, in areas of automation, e-commerce, and fintech, but they have immediately been handicapped along with businesses they serve that have been disabled by the quarantine.

We helped raise awareness on the plight of startups and the rest of the micro, small and medium-sized enterprises (MSMEs). In particular, tech startups, with only less than 500 of them active then, deserved a dedicated fast lane for government stimulus. Their lean structures, and highly skilled and agile workforce, made many of these startups good bets.



About the Seat of Hope



seat of hope

According to a Department of Education study, one of four (or 4.5m) public school students nationwide has no chair to use at school. To help students achieve a conducive learning environment in school, PwC Philippines launched the Seat of Hope in 2010. To date, we have donated more than 6,500 school chairs to public schools nationwide.



Module of Hope



At the onset of the COVID-19 pandemic, PwC Philippines immediately pivoted from its flagship initiative, Seat of Hope, as the government implemented blended learning in schools. With students suddenly away from classrooms, the school chairs that we used to donate became less needed.

A lot of schools chose to implement printing modular distance learning, especially for those located in areas that have limited access to the internet and gadgets.

Through our Module of Hope project, we donate printers, toners and paper. To date, we have helped more than 50 public schools across the country in producing printed modules.

Not all can go digital at home. Thus, the Module of Hope.

Educational partnerships

PwC Philippines recognizes the transformative power of education. Through the years, we have built partnerships with schools and contributed our knowledge and expertise that are relevant for today's generation of learners.

Green accounting lectures at Ateneo de Manila University

From 2018 to 2019, PwC Philippines provided lecturers to Ateneo De Manila University – John Gokongwei School of Management's ACC240 Green Accounting subject for students taking MS in Sustainability Management (MSSM).





PwC's BS Accountancy at iACADEMY

iACADEMY and PwC Philippines partnered in 2020 to offer iACADEMY's BS Accountancy program. Since then, both are active partners in promoting and developing the BSA program for students such as free online workshops for students aspiring to be accountants. PwC also provides scholarship grants to Accountancy, Software Engineering, Web Development and Data Science students of iACADEMY.



Honoring the profession with National Accounting Teacher Award (NATA)

In 2019, PwC Philippines, in cooperation with the National Association of CPAs in Education (nACPAE), created PwC's NATA, a nationwide search for the accounting teacher who is a distinguished model of excellence and who has helped uplift the standards of the teaching profession.

You Version 2.0

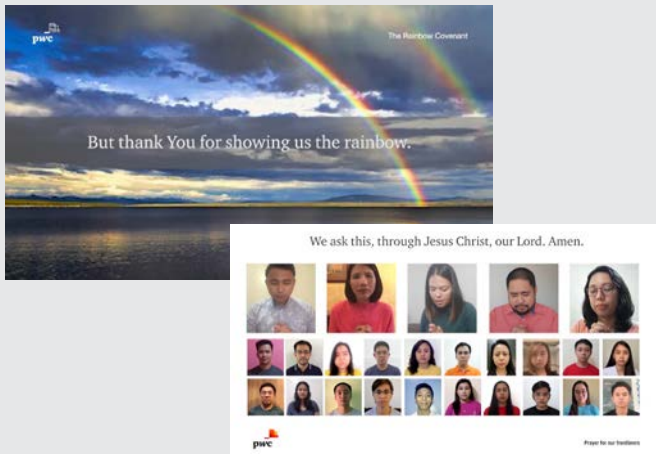
Our Human Capital group has been conducting You Version 2.0 program since 2016 to help graduating accountancy students build their character, gain confidence and showcase their strengths as they step into the real world.



Teachers Power Up: Session 2

In October 2021, we held the second session of our digital upskilling program for academe. It covered hacks, tips and tricks in applications such as Microsoft PowerPoint, Microsoft Excel, Google Slides, Google Forms, Viber and Facebook that teachers and educators can use to help in their asynchronous classes. Topics include class and parents engagement, various Facebook features for classroom materials, the influence of the Viber community and the importance of lecture videos availability.

Day of Prayer and PwC Philippines' 'The Rainbow Covenant'



Barely a month into the COVID-19 crisis, we released 'The Rainbow Covenant' video on social media on Good Friday. The prayer video reminded everyone that despite the uncertainties, there is the rainbow, which is the symbol of hope and God's promise.

Although apart from each other, we at PwC Philippines were one with the world on 29 March 2020, the Day of Prayer. Through a video, we asked people on social media to pray together that day, which the Catholic Bishops Conference of the Philippines designated as a 'Day of Prayer' dedicated to frontliners in the fight against COVID-19.

100 Days of Christmas

At PwC, we are a community of solvers. During the partners and managers' conference in September 2021, our partners and managers embarked on an initiative to help solve the country's hunger problem. They believe that a well-fed citizen will likely be a more productive one.

"100 Days of Christmas" aims to raise awareness of the critical problem of hunger, and to encourage our people to help feed those from the marginalized sectors (e.g., children, and the less fortunate and economically challenged ones. Demonstrating love, care and generosity to others isn't only for Christmas or will not only last for 100 days. It can go beyond the Yuletide season.

Our firm provided meals or food packs to more than 100 communities around the country, with more than 10,400 individual beneficiaries.





Disaster response

Disaster response is an integral part of the firm's CSR.

When catastrophic events, natural disasters and humanitarian crises occur, we do whatever we can to help affected people and communities.

In FY 2022, our people continued to be active in helping and sharing their resources during the health crisis, the earthquake in Abra, Typhoon Odette and the crisis in Ukraine.

We are also a member of ARISE-Philippines and the Philippine Disaster Resilience Foundation (PDRF). Both organizations promote disaster response and risk mitigation during calamities.



COVID-19 response

The sustained impact of COVID-19 brought to fore our ability to respond to challenges and opportunities.

When the lockdowns started, we immediately distributed food packs, face masks, face shields and personal protective equipment (PPE) sets to 13 hospitals across Metro Manila and Cavite. Donations were extended to other frontliners in other parts of the country.

As the COVID-19 situation continued to rapidly unfold, we set up the 'Business Unusual' microsite for developments that mattered, as well as local and global insights, that may help clients and other stakeholders.

Since April 2020, the collective minds at PwC Philippines have been releasing the 'Business Unusual' e-newsletter for clients and stakeholders, in response to this big shift. We began to carefully curate contents with information and ideas on how to gradually adjust to, and operate under, Business Unusual, such as mobility restrictions, data analytics on pandemic-hit sectors, thought leadership, virtual tools and products, and pandemic CSR initiatives for our stakeholders.





Philippine Gems

In 2013, we launched the Philippine Gems — ten up-and-coming tourist destinations based on a public poll hosted by the firm. Philippine Gems is a part of our corporate social responsibility that aims to showcase the country's lesser known natural resources as tourist spots to drive economic activity and encourage business investments in these areas.

Tourism with a Purpose

To support the Philippine Gems, our people went on outings in these locations and spent at least half a day doing what they could for the community. In Year 1 alone, 15 teams organized activities such as mangrove and coastal clean-ups, feeding activities for school children, repainting of schools and donation of books and school supplies.

Partnerships with NGOs



ARISE

PwC Philippines Chairman Emeritus Alex Cabrera is the Vice Chair of ARISE-Philippines Board of Directors. ARISE-Philippines' vision is a resilient, prosperous future where fewer lives are lost to disasters, capital assets and investments are risk-informed, and infrastructure is resilient to natural and man-made hazards. (ARISE stands for the UNDRR (United Nations Office for Disaster Risk Reduction) Private Sector Alliance for Disaster Resilient Societies.)



With the new trends, information, studies, and best practices on BCP, PDRF see this as an opportunity to enhance the current BCP Program.



Philippine Disaster Resilience Foundation (PDRF) membership

As a member of PDRF, our firm is assigned under the Early Recovery (Finance) Cluster, which is tasked to rapidly restore financial services after a disaster, identify policies and procedures that can be pursued to improve the process flow during disasters (e.g., advocate for relaxation of regulations in relation to filing of insurance claims), and identify necessary assistance needed to restore services.

Partnerships with the government



National Resilience Council (NRC)

The NRC is a science- and technology-based public-private partnership that supports the government, communities, the academe and the private sector in advancing the intersecting goals of the Sendai Framework for Disaster Risk Reduction, Sustainable Development Goals, Paris Climate Agreement, New Urban Agenda and the Making Cities Resilient Campaign of the United Nations Office for Disaster Risk Reduction (UNDRR).

PwC Philippines is one of the lead implementing partners of NRC's capacity-building track for Leadership & Governance (L&G). We help align NRC's resilience initiatives at national and local levels using the Resilient Local Government Systems Scorecard. So far, we have vetted some local government units.



Department of Tourism (DOT)

In 2018 and 2019, PwC Philippines was named as DOT's Knowledge Partner for tourism investment promotion. We were responsible for encouraging, promoting and developing tourism as a major socio-economic activity. In 2017, we published the Reimagining VisMin Collection of investment guides, which the DOT adopted to promote VisMin cities. This paved the way for a bigger knowledge partnership.

In 2018, the DOT and PwC, in cooperation with the Management Association of the Philippines, held the "Invest Tourism Philippines: The Next Big Thing in Southeast Asia" conference. We showed filmed interviews with tourism executives.



In 2019, we trained Local Economic Investment Promotion Officers (LEIPO) and key LGU officials across nine regions through capacity-building seminars.

In 2020, for the "Philippine Tourism Survey: COVID-19 Edition", we asked tourism players on their challenges and concerns brought about by the pandemic.

Department of Trade and Industry (DTI)

The firm partners with the DTI, QBO Innovation Hub and IdeaSpace Foundation to support the growth of startups and entrepreneurs through mentorship programs and the regular Philippine Startup Survey that outlines the plans and experiences of Filipino entrepreneurs. The partnership aims to encourage inclusive innovation, and develop and support the startup ecosystem.

Bureau of Internal Revenue (BIR)



We conduct taxpayer education by tapping BIR officials as resource speakers in our seminars; explaining tax issuances through our “Taxwise or Otherwise” newspaper column, “Tax Alert” emails,

“Client Advisory Letter” newsletter; assisting in BIR’s tax awareness campaigns; advocating for tax reforms at Congressional hearings on tax bills; and promoting proper tax compliance in client engagements.

City of Davao

The City Government of Davao and Isla Lipana & Co. signed the Memorandum of Agreement for the Review of the Davao City Investment Incentive Code during the Davao City Investment Incentive Board (DCIIB) meeting on 16 May 2018. The project involved the review of the City’s Investment Incentive Code as part of the firm’s efforts to empower the VisMin region.



Stakeholder relations

Customer Satisfaction Surveys

We are committed to continuously delivering value to our clients and their businesses as well as improving the quality of their experience working with our people. To honor this commitment, we conduct regular customer satisfaction surveys. The sample of respondents is varied and consists of publicly listed companies, top 1,000 corporations in the Philippines and new accounts. The results of the survey are then factored into the incentive and rewards system of partners.

Points of improvement are discussed among partners during their regular meetings. Areas that need immediate attention are discussed by the Territory Senior Partner with the concerned partner(s).

‘Business Unusual’ business model

The health crisis spurred a great deal of innovation. Management used the constraints of the pandemic to pivot the firm’s business model, called the ‘Business Unusual’ business model. The unprecedented pressure brought on by the pandemic has made pivots essential to the survival of businesses.

The firm’s leaders demonstrated decisive action and honest communication by implementing this business model that addressed the firm’s priorities, i.e. revenue, relationships with stakeholders, technology, upskilling, research and development, and people.

Governance



Relevant UN SDGs



PwC Philippines is committed to good governance, including human rights, labor rights, and ethical business practices. The firm strongly prohibits any form of corruption, insider trading, conflicts of interest, and unfair competition.

Details of the UN SDG sub-targets
can be found in Appendix 3, page 55

The PwC global network reaffirms its stance by continuing our commitment as a signatory to the United Nations Global Compact (UNGC). PwC Philippines has an anti-corruption policy that covers all significant human rights topics. The firm also has a dedicated platform, the Ethics Helpline, for the reporting of breaches of professional and ethical requirements, and violation of the PwC Code of Conduct. This platform is accessible internally to PwC partners and staff, and externally to third party individuals such as clients and subcontractors. Reporters have the choice to submit a report anonymously via the Ethics Helpline. Every effort is made to preserve the confidentiality of the person raising an issue or concern, regardless of whether they submitted the report anonymously or not. The firm also has a non-retaliation policy.

Our initiatives on ensuring good governance within the firm are in keeping with PwC's Purpose – "To build trust in society and solve important problems." Having the right governance mechanisms in place shapes our collective behavior so that we deliver an exceptional experience and conduct ourselves in the most trustworthy manner for all our stakeholders.

Business ethics and integrity (including anti-competitive behavior)

Ethics, independence and objectivity

At PwC, we adhere to the fundamental principles of ethics set out in of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, namely:

- **Integrity** – to be straightforward and honest in all professional and business relationships
- **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements
- **Professional competence and due care** – to attain and maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on current developments in practice, legislation and techniques; and to act diligently and in accordance with applicable technical and professional standards
- **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships. This includes not to disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, and not to use the information for the personal advantage of the professional accountant or third parties

- **Professional behavior** – to comply with relevant laws, behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships, and regulations and avoid any action that discredits the profession.

Policies

The firm has enacted policies to maintain an ethical culture in its business dealings and in the way the staff conduct themselves.

PwC Code of Conduct

The PwC culture thrives and is supported by a framework of internal and external expectations and requirements.

These help guide our behaviors and build trust in how we do business with each other, in our communities and in how we use information.

Tax Code of Conduct

We abide by the Global Tax Code of Conduct that sets clear principles to assist our people in the judgements they make in advising clients on tax matters.

PwC firms work with clients that demonstrate high standards of legitimacy and integrity in their business and financial activities.

Complaints and Allegations Policy

PwC promotes a Speak Up! culture to provide everyone a safe place to report complaints and/or allegations or ask questions. Our Complaints and Allegations Policy protects against retaliation, and ensures the safety, dignity, and well-being of partners, staff, and third parties by providing guidelines for the submission and handling of reports.

The PwC Ethics Helpline offers a secure channel for PwC partners and staff, and third parties to report a concern which may be received through multiple reporting avenues (i.e. website, in person and telephone line) and allows for anonymous reporting, where permitted. All reports – no matter how they are received – are taken seriously and handled with appropriate confidentiality and care. In being true to our values of integrity and care, it's not only safe to speak up. It's the right thing to do.

 pwc.com/ph/en/about-us/ethics-and-business-conduct.html

Policy on personal relationships

The intent of this policy is to respond to personal relationships so that they will not present a potential or actual conflict of interest nor create a perceived conflict of interest.

The policy applies to partners and employees who are married and in long-term or casual intimate relationships. It also applies to partners and employees who work with family members, such as their parents, siblings and children. Moreover, the policy deals with personal relationships among partners, staff, clients, targets, sub-contractors, suppliers, and competitors of the firm.

PwC Third Party Code of Conduct

At PwC, we expect the same level of integrity and business conduct from our external organizations with which we work and their personnel as we do our own people. These standards are explained in our Global Third Party Code of Conduct.

Knowing, understanding and behaving according to the Third Party Code are a fundamental requirement to working for or with PwC. PwC expects third parties to be mindful of their ethical responsibilities and to embed the behaviors outlined in Third Party Code into their work for or with PwC.

 pwc.com/ph/en/tax/tax-code-of-conduct.html

Ethics and Business Conduct Alerts

All PwC Philippines staff undergo mandatory annual training on our anti-corruption policies and procedures. In addition, we issue Ethics and Business Conduct Alerts to all employees to reinforce our purpose, values and policies.

Alerts are sent to PwC Philippines partners and staff throughout the year. An example is an alert where we shared a PwC film called 'The Time is Now'. It was developed in response to the recent events relating to racial injustice and social unrest. This movement was sparked by events in the United States and quickly expanded around the world. While we might not be directly affected by these events, we could not remain indifferent to the events across the globe.

'The Time is Now' is part of our broader Respect in the Workplace film campaign launched in November 2019. The Respect campaign initially included five short films that addressed issues including harassment, discrimination, bullying, sexual harassment and retaliation, and was designed to raise awareness and promote a Speak Up culture.

In April 2022, PwC Philippines relaunched the PH Ethics & Business Conduct (E&BC) Site on Google Site app. Its original version had been in existence since the late 2000s in Lotus Notes, which was decommissioned as the firm shifted to Google Suite. The site contains policies, alerts, information about different reporting channels, other relevant resources, and the PwC Third Party Code of Conduct.

secure.ethicspoint.eu/domain/media/en/gui/105406/index.html

Anti-corruption approach

Corruption is at the center of some of the world's most pressing problems. PwC is opposed to corruption in any form and recognizes the importance of making smart choices when it comes to its business relationships. We think carefully about our actions to avoid engaging in or facilitating bribery, corruption, money laundering, and/or terrorist financing activities.

The PwC standard on ethics and compliance specifically sets out how member firms are expected to identify and mitigate the risk of bribery and corruption in their activities. It is consistent with the principles of the UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act of 1977. The standard requires each member firm to establish systems, policies and procedures for the prevention of bribery and corruption.

Corporate Governance Survey (GGAPP)



In 2017, the Good Governance Advocates and Practitioners of the Philippines (GGAPP) and Isla Lipana & Co./PwC Philippines, as GGAPP's Knowledge Partner, collaborated on the survey on Philippine Corporate Governance (CG), in light of the release for public comment of the then-proposed

2016 Code of Corporate Governance for Publicly-Listed Companies by the Securities and Exchange Commission on 22 September 2016. The survey report was officially launched during the 5th Annual GGAPP Forum on Good Governance, Ethics and Compliance held 24 May 2017 at the Conrad Manila in Pasay City.

We again worked with GGAPP in 2018 to produce "Advancing to the true north: Insights from the 2nd GGAPP-PwC Philippines Corporate Governance Study" that gave the state of CG practices and compliance in the Philippines, the changes that companies made since the release of the 2016 Philippine Code of Corporate Governance for Publicly Listed Entities, and additional steps that companies need to take in order to have more robust good governance practices.

Integrity Initiative

The Integrity Initiative, Inc. is a private-led effort to promote good governance, transparent business transactions and implement integrity standards in the Philippines. Our Chairman Emeritus and ESG Leader, Alex Cabrera, currently chairs the Integrity Initiative, Inc.

We are working with the organization in formulating projects to fulfill its mission.

Our firm, Isla Lipana & Co., was validated as among the very few "Advanced" companies in terms of integrity business practices in 2014.



Regulatory compliance (including data privacy and security)

Data privacy

UN SDG 16.3

The data privacy landscape is complex and it continues to evolve. It presents many challenges to organizations by creating uncertainty on many levels about whether, how, and when to process personal data. The complex implementation of the General Data Protection Regulation (GDPR) and the continuing efforts worldwide to draft local data privacy regulations are having a serious impact on organizations' abilities to update and align their business practices to the ever changing regulatory requirements.

Data Privacy Handbook: A starter guide to data privacy compliance

We use the Data Privacy Handbook that tries to simplify the requirements and helps us in our data privacy compliance journey. The toolkit contains useful information and resources to help us assess our current business processes against data privacy best practices and take the necessary steps to improve them.

Data Privacy Manual of PwC Philippines

This Privacy Manual was adopted in compliance with Republic Act No. 10173 or the Data Privacy Act of 2012 (DPA), its Implementing Rules and Regulations, and other relevant policies, including issuances of the National Privacy Commission (Commission).

The firm respects and values data privacy rights and makes sure that all personal data collected from clients and customers are processed in adherence to the general principles of transparency, legitimate purpose, and proportionality.



This Manual informs us of our data protection and security measures and may serve as our guide in exercising our rights under the DPA.

Innovation

Innovation

UN SDG 9.b

In line with The New Equation, which is PwC's Global Strategy, PwC Philippines endeavors to deliver quality services that are human-led and tech-powered. In this spirit, the Digital Solutions Development (DSD) team is leading the innovation activities of the firm through collaborations with different lines of services and subject matter experts to identify opportunities for operational excellence.

The DSD team aims to give impactful outcomes for PwC Philippines by implementing specialized technologies like artificial intelligence, web and mobile applications that bridge the gap between the needs of the business and the capabilities of technology. The DSD team offers its services in terms of business analysis, technology risk assessment, project management, robotics, data wrangling, app development, and data visualization. In the last quarter of FY 2022, the team has started offering digital transformation

services to clients.

Risk and crisis management

UN SDG 16.6

Each territory is equipped with a risk management team that is responsible for overseeing key risk and responses, setting the risk management framework, and monitoring compliance with network policies and standards. The risk management team is spread across the main line of services of PwC, namely assurance, advisory, and tax.

In PwC Philippines, our risk management team consists of a partner territory lead and sub-teams for each line of service headed by a partner.

Network Risk Management Policies (NRMPs)

All partners and staff across the PwC global network are required to adopt and implement the Network Risk Management Policies (NRMPs) of the firm. Given that PwC has a presence in numerous territories, the NRMPs can be supplemented as necessary depending on local circumstances. The Network Leadership Team (NLT) is in charge of monitoring and assessing the PwC firms' compliance with the NRMPs. The Engagement Lifecycle establishes the expected behaviors and responsibilities of the Partners and staff of PwC throughout a client engagement as it relates to risk management practices – from client proposal all the way to engagement completion and monitoring.



Newly admitted partners

Paving the way for the next generation and future generations

UN SDG 16.7

Junior Management Board

We formed a Junior Management Board to represent a wider range of stakeholders.

Guest partners in the Management Board

Regular partners are invited, on a rotation basis, to participate in the Management Board meetings to give their inputs, ideas and insights. One guest partner is included in every Board meeting.



What's next for PwC Philippines



As we look into the future and prepare the firm for the next century, we place sustainability at the center of our strategy. We continue to develop new services and welcome new people to address the evolving needs of our clients and broader stakeholders.

The next page outlines some of the significant steps we are executing to advance our ESG agenda.

We are building an ESG house equipped with competent and passionate professionals.

We continue to welcome environmentalists, sociologists, economists, strategists and technologists to our ESG team. Turning ESG theory into action, they help clients drive sustainability in their organizations through ESG reporting and transparency, long-term sustainability strategies and tech-enabled ESG. To leverage our existing structure, we will build our ESG House with dedicated resources that cut across all our lines of services. This will help enhance our training to develop ESG practitioners, invite subject matter experts in various ESG topics into the firm, and form third-party partnerships to help the firm address industry-specific ESG needs and develop specialized products and services.

We are strengthening our decarbonization path to meet our Net Zero target.

We are working to transition to renewable energy. As part of our Net Zero commitment, the firm is looking into alternative sources of energy that can help us reduce costs, optimize our operations, and stabilize energy prices and demand.

We are improving governance, transparency and accountability across the firm and encouraging our clients to do the same.

The firm has always been committed to integrity as it encourages clients to comply with tax laws and regulations that aim to fund public services. In addition, we continue to partner with the Integrity Initiative, an association that promotes integrity and ethical behavior in business and other sectors, in presenting ethical dilemmas and how they can be resolved without sacrificing integrity.

We are enhancing our programs that support social enterprises and marginalized sectors of our society.

Through the firm's corporate responsibility initiatives, we continue to deliver programs that help scale up small and promising businesses and foster an environment conducive to innovation. This includes building their corporate profile, conducting mentorship programs and improving their access to finance.

In addition, we are expanding our scholarship programs to include non-accounting courses such as agriculture to help address issues on food security, for instance.

We will continue to engage broader society to strengthen governance practices.

Building on our existing commitment to the Integrity Initiative, PwC Philippines is looking to further engage businesses and the academia to promote good governance within the country via thought leadership publications and other special projects.

While the firm faces many complex challenges along its ESG journey, our people remain committed towards creating a more sustainable, equitable and resilient future for the next generation.



Appendix 1: GRI Content Index

This report has been prepared with reference to the GRI Standards guidelines

Statement of use	Isla Lipana & Co. has reported the information cited in this GRI content index for the period 1 July 2021 to 30 June 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location/information
GRI 2: General Disclosures 2021	2-1 Organizational details	2-6
	2-2 Entities included in the organization's sustainability reporting	iv
	2-3 Reporting period, frequency and contact point	iv
	2-7 Employees	23
	2-9 Governance structure and composition	5-6
	2-10 Nomination and selection of the highest governance body	6
	2-11 Chair of the highest governance body	6
	2-12 Role of the highest governance body in overseeing the management of impacts	6
	2-15 Conflicts of interest	43
	2-16 Communication of critical concerns	43
	2-17 Collective knowledge of the highest governance body	11
	2-23 Policy commitments	42-46
	2-24 Embedding policy commitments	42-46
	2-26 Mechanisms for seeking advice and raising concerns	43
	2-28 Membership associations	38-40

GRI Standard	Disclosure	Location/information
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12-13
	3-2 List of material topics	13
	3-3 Management of material topics	13
GRI 301: Materials 2016	301-1 Materials used by weight or volume	51
GRI 302: Energy 2016	302-1 Energy consumption within the organization	51
	302-3 Energy intensity	51
GRI 303: Water and Effluents 2018	303-5 Water consumption	51
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	51
	305-2 Energy indirect (Scope 2) GHG emissions	51
	305-3 Other indirect (Scope 3) GHG emissions	51
	305-4 GHG emissions intensity	51
	305-5 Reduction of GHG emissions	vi, 8, 25
GRI 306: Waste 2020	306-3 Waste generated	51
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	18
	401-3 Parental leave	18
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	17
	403-2 Hazard identification, risk assessment, and incident investigation	17
	403-3 Occupational health services	17

GRI Standard	Disclosure	Location/information
	403-4 Worker participation, consultation, and communication on occupational health and safety	17
	403-5 Worker training on occupational health and safety	17
	403-6 Promotion of worker health	17
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	17
	403-8 Workers covered by an occupational health and safety management system	52
	403-9 Work-related injuries	52
	403-10 Work-related ill health	52
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	53
	404-2 Programs for upgrading employee skills and transition assistance programs	15-16
	404-3 Percentage of employees receiving regular performance and career development reviews	53
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	52
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	52
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	52
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	52

GRI Standard	Disclosure	Location/information
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	31-40
	413-2 Operations with significant actual and potential negative impacts on local communities	None
GRI 415: Public Policy 2016	415-1 Political contributions	None
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	53

Appendix 2: ESG Data FY 2022

Environment

Climate Change

Emissions Category	Total Emissions in tCO ₂ e
Scope 1	0.3
Scope 2	574.5

Scope 3 Breakdown:

Emissions Category	Total Emissions in tCO ₂ e
Scope 3	3,552.9
Purchased Goods and Services	3,396
Business Travel	127

Scope: Isla Lipana & Co., Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch

Water

Water Consumption FY 2022	140.1 ML
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Scope: Isla Lipana & Co., Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch

Resource Management

Total Materials Used	4.8 Metric Tons
Total Non-Hazardous Waste Generated	13.4 Metric Tons

Scope: Isla Lipana & Co., Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch

Energy

Total Energy Consumption FY 2022	850,209.2 KWh
Energy Intensity Ratio*:	128.0 KWh/m ²

Scope: Isla Lipana & Co., Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch

People

Workforce

Total number of employees in FY 2022:

Total number of employees by:	Male	Female	Total
Headcount	741	1409	2150

By entity

Isla Lipana & Co.	533	1014	1547
PricewaterhouseCoopers Services (Brunei)	13	24	37
PricewaterhouseCoopers Consulting Services	81	104	185
PricewaterhouseCoopers Business Services Philippines Co., Ltd.	106	246	352
PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch	8	21	29

By employee type

Permanent employees	707	1349	2056
Temporary employees	34	60	94
Full-time employees	740	1408	2148
Part-time employees	1	1	2

Scope: Isla Lipana & Co., Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch

People									
Diversity	Percentage of employees by age group								
	<table> <tr> <td><30 years old</td><td>82%</td></tr> <tr> <td>30-50 years old</td><td>17%</td></tr> <tr> <td>>50 years old</td><td>1%</td></tr> </table>	<30 years old	82%	30-50 years old	17%	>50 years old	1%		
<30 years old	82%								
30-50 years old	17%								
>50 years old	1%								
	Percentage of female representation in FY 2022								
	<table> <tr> <td>Total workforce</td><td>66%</td></tr> <tr> <td>Executive (Directors -Partners)</td><td>48%</td></tr> <tr> <td>Management (Managers - Senior Managers)</td><td>56%</td></tr> <tr> <td>Non-management (Admin - Senior Associates)</td><td>68%</td></tr> </table>	Total workforce	66%	Executive (Directors -Partners)	48%	Management (Managers - Senior Managers)	56%	Non-management (Admin - Senior Associates)	68%
Total workforce	66%								
Executive (Directors -Partners)	48%								
Management (Managers - Senior Managers)	56%								
Non-management (Admin - Senior Associates)	68%								
	Scope: Isla Lipana & Co, Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch								

Social		
Community Engagement	Total Number of Programs	8
	Total Monetary Value of Corporate Philanthropy	PHP5,327,250.1
Human Rights	Company has a Third Party Code of Conduct that strictly prohibits child labour and forced labour	
	Security personnel trained in human rights policies or procedures	100%
Healthy and Safety	Health and Safety Metrics FY 2022	
	Percentage of employees covered by Occupational Health & Safety Management System:	100%
	No. work related injuries (employees)*	0
	Fatalities (employees)*	0
	No. work related injuries (contractors)*	6
	Fatalities (contractors)*	0
	Average health and safety training hours per employee	26

*Data is at 100,000 working hours

Scope: Isla Lipana & Co, Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch

Employee Training & Development	Training Hours for FY 2022		
	Average training hours	Firmwide	202.2
By employee category		Partners	99.1
		Directors	74.7
		Senior Managers	96.7
		Managers	154.6
		Senior Associates	170.6
		Associates	252.9
		Administrative Support	75.5

Social			
Employee Training & Development	Percentage of employees that received formal performance reviews for FY 2022		
	Percentage of employees that received formal performance review (includes all regular employees as of 30 June 2022)	Total	73.4%
By gender		Male	71.1%
		Female	72.8%
By employee category		Management	94.4%
		Non-management	69.5%

Scope: Isla Lipana & Co, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., Cabrera and Company, PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch

Parental Leave

Number of employees that took parental leave in FY 2022

Number of employees that took parental leave	Male	3
	Female	11
Percentage of employees who returned to work after parental leave ended	Male	66.7%
	Female	100%

Scope: Isla Lipana & Co, Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., PricewaterhouseCoopers Services, PricewaterhouseCoopers Business Services Philippines Co., Ltd., and PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch

Governance		
Data Privacy	Complaints received from outside parties and substantiated by the organization	0
	Complaints received from regulatory bodies	0

Business Ethics

PwC Philippines complies with PwC network standards, which cover a variety of areas related to ethics and compliance. We require partners and staff to complete mandatory training that covers the ethics and compliance Network Standards when they are hired (new hire training) and on an annual basis. In addition, all partners and staff are required to submit annual confirmations of their individual compliance as part of our system to support appropriate understanding of the ethical requirements under which we operate. Our partners and staff are expected to behave ethically and to uphold and comply with our ethics standards.

PwC Philippines upholds the PwC Values and PwC Purpose. In addition, we adhere to the PwC network standards, including the PwC Code of Conduct and related policies that clearly describe the behaviors expected of our partners and staff. These behaviors enable us to build trust. Given the wide variety of situations that our professionals may face, our standards provide guidance for a broad range of circumstances - but all with a common goal: to do the right thing.

All partners and staff are expected to live by the Values expressed in the PwC Code of Conduct. They have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when they see any instances of behavior inconsistent with the PwC Code of Conduct.

PwC Philippines has a confidential tier of the PwC Ethics Helpline and supporting case management system whereby partners and staff, or third parties can report their concerns. Our firm leaders support a Speak up culture where partners and staff feel safe raising a question or concern, without fear of retaliation. When complaints are raised, our Ethics team conducts proper, timely and objective investigations.

Compliance with laws and regulations

PwC Philippines reaffirms its commitment and compliance with local and professional laws and regulations. Policies and supporting guidance are reviewed and revised when changes arise, such as updates to laws and regulations. The PwC Code of Conduct sets out a common set of expectations from partners and staff, a key element of which is abiding by applicable laws and regulations. If any local law or regulation is more restrictive than PwC Code of Conduct, local law or regulation governs.

Appendix 3: UN SDG sub-targets

People



Target 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality, and affordable essential medicines and vaccines for all.



Target 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

Target 4.5 By 2030, eliminate gender disparities in education and ensure access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

Target 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.



Target 5.1 End all forms of discrimination against all women and girls everywhere.

Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Target 5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.

Target 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.



Target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



Target 9.5

Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

Target 9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.



Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Target 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.



Target 12.2 By 2030, achieve the sustainable management and efficient use

of natural resources

Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Target 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities

Target 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

Environment



Target 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Target 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Social



Target 1.2

By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions



Target 3.d

Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.



Target 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Target 4.a

Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environment for all

Target 4.b

By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and developing countries and effective learning environment for all



Target 8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors

Target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small-, and medium-sized enterprises, including through access to financial services



Target 11.5

By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations

Governance



Target 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



Target 9.b

Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition commodities through access to financial services



Target 16.3

Promote the rule of law at the national and international levels and ensure equal access to justice for all

Target 16.5

Substantially reduce corruption and bribery in all their forms

Target 16.6

Develop effective, accountable and transparent institutions at all levels

Target 16.7

Ensure responsive, inclusive, participatory and representative decision-making at all levels

Target 16.b

Promote and enforce non-discriminatory laws and policies for sustainable development

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