



Climate risk report

PwC US 2026



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About this report

At PwC US, we acknowledge that climate change poses financial risks and opportunities for our business and stakeholders. This report outlines the results of our most recent assessment¹ of climate-related financial risks and details the strategies we have implemented to both mitigate and adapt to these challenges. The structure and content of this report align with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).²

About PwC US

Our purpose — to build trust in society and solve important problems — is at the core of everything we do. It guides how we serve our clients, our people, and the world. To help our clients build trust and deliver sustained outcomes, PwC provides professional services across Audit and Assurance, Advisory and Tax.

PwC US includes PwC US Group LLP and its subsidiaries and covers the firm's operations within the United States (US) and Mexico (MX) as well as its wholly- or partially owned Acceleration Centers (ACs) in Argentina, China, India, Malaysia, and the Philippines. Unless noted otherwise, all references to "PwC", "we", "our", and "us" refer specifically to PwC US in this report.

¹ PwC adopted TCFD recommendations and completed our first climate risk assessment in 2023.

² Following the completion of the TCFD's mandate in 2023, the IFRS Foundation—via the ISSB—assumed responsibility for maintaining and advancing global climate-related disclosure standards.

Governance

Global governance

Oversight and management of our climate-related risks and opportunities are conducted at both a network and individual firm level. Our US firm's senior partner is accountable for the US firm's progress toward environmental sustainability goals and has appointed a Net Zero Business Leader who is responsible for overseeing our environmental targets, approach to decarbonize our business and our biennial evaluation of climate risks and opportunities. Please visit [our Global Corporate sustainability page](#) for our most recent network report and more information on the PwC network governance.

US governance

Our [Board of Partners and Principals](#) is responsible for oversight of the strategic direction of PwC. It is composed of elected partners and principals and is also supported by three external observing Board members. Our [Operating Committee \(OpCo\)](#) assists the firm's Senior Partner in managing the firm and discharging the Senior Partner's responsibilities. Together, they establish and determine the effectiveness of the firm's system of internal controls and provide oversight of our approach to managing climate-related risks and opportunities throughout the organization.

Our Sustainability and Social Impact function oversees the firm's internal sustainability strategy spanning environmental sustainability, employee engagement, and community investment. These teams report to PwC's Inclusion and Sustainability Strategy Leader who is overseen by the firm's Chief People and Inclusion Officer, a member of our OpCo. In addition, the US Sustainability Practice Leader serves as PwC's Net Zero Business Leader, having direct oversight of the firm's environmental internal program. Together, they see that progress is shared with our OpCo and continuing to integrate the workstreams into the firm's broader business strategy.

Strategy

Methodology

PwC completed our most recent climate risk assessment in 2025; we conduct biennial reviews and updates to confirm the assessment reflects changes to the business and the external environment.

We used qualitative and quantitative methodologies to evaluate the climate-related risks and opportunities our firm faces. Three time horizons were defined and used to categorize risks and opportunities:

- Short term (0-5 years)
- Medium term (6-10 years)
- Long term (11+ years)

Scenario analysis overview

Using PwC's proprietary climate model, Geospatial Climate Intelligence, we assessed changes in exposure at PwC offices and employee home locations across twelve climate-related hazards: flood, hail, wildfire, tropical cyclone, sea level rise, extreme heat, drought, storm surge, heat stress, tornado, wind gust, and extreme cold across the low and high emissions scenarios.

Our physical risk scenario analysis used two of the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSP) climate scenarios:

- Low Emissions Scenario (SSP1-2.6): Assumes broad adoption of climate transition policies aligned with a 1.5 - 2° C warming pathway.
- High Emissions Scenario (SSP5-8.5): Assumes minimal efforts made to reduce global GHG emissions with projected warming around 4.3°C by 2100.

Our transition risk scenario analysis used three of the Network for Greening the Financial System (NGFS) scenarios:

- Current Policies: Assumes no additional climate policies introduced beyond those already enacted leading to projected warming exceeding 3°C by 2100.
- Delayed Transition: Assumes countries follow current policies until 2030, experiencing a “fossil recovery” before making a sudden shift to limit warming to 2°C by 2100.
- Net Zero 2050: Assumes immediate global action to cut emissions, reaching net zero by 2050. Warming is limited to 1.5°C with limited overshoot.

Impacts on the firm were analyzed for key sectors using NGFS sectoral proxies and growth rates across the three scenarios.

Climate risks and opportunities

The risks and opportunities described below are those that could reasonably be expected to affect the firm's financial position. The funding and activities required to mitigate the risks identified are anticipated to be met via revenues generated from normal business activities in all cases.

Physical risk

Impact of acute and chronic physical risk events, causing global or regional economic disruption which could impact the firm's and our client's business operations.

Effects on PwC's business

In both low and high emissions scenarios, the frequency and severity of acute weather events are projected to increase in the coming decades. Additionally, ongoing changes in temperatures and weather patterns are expected to influence social and economic conditions across various regions worldwide. These developments may result in changes to economic activity and population distribution as communities adapt, which could create financial risks for markets and economies.

As these changes occur, our business may be exposed to financial risk in affected areas due to potential disruptions to our offices, local communities where employees reside, and broader business environments, including clients.

Potential impacts on our business may materialize over the long term and under the "high" warming scenario. The primary financial effects are anticipated to result from indirect impacts, such as decreased market demand and reduced revenue, caused by disruptions experienced by clients across all sectors.

Business response to mitigate this risk

Our geographically dispersed workforce and flexible work arrangements help mitigate risks associated with disruptions resulting from acute weather events. In addition, our Business Continuity Management Program (BCMP) helps with preparedness, response, and recovery from various interruptions, including extreme weather-related disruptions, thereby supporting uninterrupted delivery of high-quality services to our clients.

Disruptions from increasingly severe weather events are expected to impact industries and business sectors in diverse ways. Client disruptions may lead to uncertainty within our own business. As a portfolio business, we serve a wide array of clients across nearly all economic sectors, which inherently helps mitigate potential financial impacts on the firm.

We also address this by helping clients adapt their business models and supply chains to enhance resilience. This approach aligns with the growing demand for sustainability-related services, as outlined in the 'Climate-related opportunities' section below.

Transition risk

Impact of growing volatility across client sectors driven by shifting regulations, geopolitical events, investor pressure, and sustainability expectations.

Effects on PwC's business

PwC faces growing exposure to volatility across client sectors in low and high carbon scenarios and time horizons. The NGFS' delayed transition scenario, for example, forecasts sudden energy-price spikes, price-driven volatility in energy demand, and delayed investment activity over the next few years, highlighting the volatile and correlated nature of the energy transition.

Continued volatility in climate regulations poses strategic and operational challenges as it reinforces a pattern of ramping up preparations only to see demand reduced as regulatory triggers may become delayed or are eliminated altogether, creating inefficiencies, missed opportunities, and internal resourcing strain.

Business response to mitigate this risk

While market volatility is difficult to fully predict and plan for, PwC is accustomed to managing this risk as a normal course of business. Our position as a market leader and ability to pivot and diversify offerings allows us the flexibility to adapt to the changing market.

This adaptability is reflected in the flexible PwC operating model. The firm continuously adapts its structure and capabilities based on client needs and market dynamics. For instance, the appointment of a Chief Commercial Technology & Innovation Officer has further advanced PwC's capabilities in emerging technologies and artificial intelligence, reinforcing the firm's reputation and expanding its market-leading expertise.

The firm is also tailoring sustainability, climate services, and its broader service offerings to industry-specific needs, offering support in areas like decarbonization planning, compliance reporting, and strategic consulting. Internally, PwC monitors portfolio exposure to identify clients that may face greater transition risk and proactively aligns resources to support them. These actions and capabilities help the firm remain responsive to sectoral shifts and strengthen the resilience of its service offerings in an evolving economic landscape.

Opportunity

Impact of evolving client needs and market expectations, creating opportunities to embed climate considerations into existing services and grow sustainability-focused offerings.

Effects on PwC's business

As organizations across industries face increasing climate-related risks and pressure to improve climate resilience, the potential market growth in climate-related support presents opportunities for PwC in the short, medium, and long term. Clients are seeking integrated support on matters such as energy strategy, climate scenario analysis, decarbonization, and disclosure assurance as climate factors increasingly shape capital allocation and investor expectations.

PwC is well positioned as a trusted advisor, guiding clients through regulatory complexity, risk management, and business model innovation.

Business response to this opportunity

To realize this opportunity, PwC continues to embed climate considerations across service offerings and provide new and integrated opportunities to clients.

To enable this, PwC has invested in firmwide upskilling to embed sustainability into everyday work. The firm is also expanding its proprietary platforms and tech-enabled solutions for sustainability reporting, emissions analysis, and climate risk modelling, with built-in training and support to create consistency and scalability.

To further enhance delivery, PwC is also leveraging artificial intelligence (AI) to accelerate quantification, scale decarbonization advisory, and generate insights that improve both client outcomes and long-term value creation. We also recognize that AI has environmental impacts, particularly in carbon emissions and water use. As we continue to expand our use of AI, we are simultaneously monitoring, evaluating, and working to address these environmental impacts.

This integrated and flexible approach positions PwC as a trusted advisor across emerging and legacy sectors, enabling the firm to capture growing demand for sustainability transformation while helping clients build resilience and growth in a rapidly changing regulatory and business environment.

Risk Management

Our Enterprise Risk Management (ERM) program is aligned with the PwC global network standard.³ The ERM framework is designed to identify, assess, and manage a broad spectrum of risks, including those associated with climate change, and embed these processes into overall risk management and strategic decision-making. Responsibilities for ERM efforts are shared across all business units to enable and embed risk assessment processes within business operations.

The identification and assessment of enterprise risks are collaborative efforts involving the Territory Senior Partner (TSP), OpCo, Chief Risk Officer (CRO), Risk and Independence (R&I) ERM team, and the Risk & Quality Committee of the Board. Annually, the enterprise risk assessment is updated to reflect emerging and evolving risks that could impact the firm's ability to achieve its strategic objectives. The enterprise risk assessment is facilitated under the oversight of the CRO. The ERM Leader leads interviews with the OpCo to gather their input and perspectives on the firm's top risks. Using the feedback provided during the interview sessions with the OpCo, as well as trends observed via key risk indicators, the R&I ERM team rates the top risks based on an inherent basis. In FY26, climate-related risks were considered as one of the drivers for macroeconomic risk. Certain impacts of climate change are considered as part of the risks to the physical safety of our people.

Additionally, as included in this report, we complete a biennial climate risk assessment. Climate risks are identified and prioritized based on likelihood, impact, and time horizon, with consideration given to longer-term horizons (10 years or more) due to the nature of climate risk. The outcomes of these assessments inform our sustainability strategy and are communicated to stakeholders responsible for managing these risks.

For risk mitigation, the R&I team coordinates with firm leaders to assign OpCo Risk Owners, who are accountable for managing and reporting on risk mitigation strategies. These strategies may include implementing specific processes, programs, controls, or monitoring activities to address identified risks. Risk mitigation approaches range from insurance purchases to formalized response plans, such as those managing personnel security or technology continuity.

³ Please see our [Global Corporate sustainability page](#) to view our most recent network report for more information on the global network standard and how our program integrates in the broader network.

Metrics and Targets

PwC US remains committed to achieving net zero emissions. This includes both short-term and long-term science-based targets to reduce emissions across Scopes 1, 2 and 3:

- Reduce absolute Scope 1 and 2 emissions by 50% from an FY19 baseline by FY30.
- Reduce absolute Scope 3 business travel emissions by 50% from an FY19 baseline by FY30.
- Reduce absolute Scope 1, 2, and 3 emissions by 90% from an FY19 baseline by FY50.

We publicly disclose key environmental sustainability metrics annually including our Scope 1, 2, and 3 emissions. For our most recent annual report and details on these metrics, please visit our [Environmental Sustainability page](#).