PwC US carbon methodology

FY21
The PwC US greenhouse gas (GHG) footprint is calculated using a detailed and documented methodology

Calculating our footprint

Standards
We use the following standards in calculating emissions, as relevant:

- World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol
- US Environmental Protection Agency (EPA) standards
- US Energy Information Administration’s (EIA’s) Commercial Buildings Energy Consumption Survey (CBECS)
- As a leading practice, we continue to monitor other GHG reporting standards, such as the UK Department for Business, Energy and Industrial Strategy (BEIS).

- These standards include assumptions about the composition of GHGs in various kinds of emissions. While the vast majority of our GHG emissions are CO2, our calculation also includes other GHGs, for example, CH4 and N2O from car exhaust fumes. We report in carbon dioxide equivalent (CO2e), which accounts for these other GHGs.

Baseline
The baseline year for our GHG footprint is FY19 (July 1, 2019–June 30, 2020).

Scope and normalization
Our GHG footprint calculation is currently based on operational control within PwC US only and includes the WRI/WBCSD Scopes 1, 2 and 3 as described below. Our GHG intensity ratio calculation includes Scopes 1, 2 and 3. The denominator is full-time equivalent (FTE) employees, a measure of the number of people we employ. As a professional services firm, our emissions are driven by the activities of our employees in the delivery of their professional duties, so this is the most relevant factor by which to normalize our emissions.

Reporting categories
Beginning in FY17, we realigned the way we categorize and report our emissions with the way that we work in order to better communicate our areas of impact to our partners and staff and other stakeholders. The following maps our new categories to the WRI/WBCSD GHG Protocol scopes. Notes on how we calculate emissions by scope follow:

<table>
<thead>
<tr>
<th>Category</th>
<th>Activities</th>
<th>WRI/WBCSD scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering work in the office</td>
<td>Energy and resources we use in our PwC offices and workspaces, including office energy use.</td>
<td>Scopes 1 and 2</td>
</tr>
<tr>
<td>Air travel</td>
<td>Air travel required to meet our clients’ needs and support the development of our people.</td>
<td>Scope 3</td>
</tr>
</tbody>
</table>
Reporting categories (continued)

Scope 1

We have very limited direct (Scope 1) emissions, which are primarily related to the use of diesel fuel for backup generators and the consumption of natural gas and fuel oil in our workspaces. Where we do not have actual activity data, we use EIA's 2012 CBECS to estimate our natural gas and fuel oil consumption.\(^1\)

Scope 2

Our Scope 2 emissions are the result of the use of purchased electricity and heat in our workspaces. We currently include all US-based operations. We lease the majority of our workplaces and are working to determine the effective mix of submetering solutions and lease provisions we can employ to generate data more useful to our efficiency efforts. In the interim, where we do not have actual activity data, we use EIA's 2012 CBECS to estimate our indirect electricity and heat consumption.

The emission factors for our workspace emissions are sourced from the following: US EPA's Emissions & Generation Resource Integrated Database (eGRID) with respect to purchased electricity and US EPA's Emission Factors for Greenhouse Gas Inventories (April 2021) with respect to other fuels.

As part of our strategy to reduce GHG emissions, we invest in renewable energy and carbon offset projects. In FY21, we purchased renewable energy certificates (RECs) to match our total electricity usage with the equivalent number of RECs in megawatt hours (MWh). The RECs, from wind energy projects from the US, are certified by a global leader in clean energy and carbon offset certification.

Scope 3

Our emissions encompass the following:

In FY21 we will limit the firm's Scope 3 reporting to air travel, which is our most significant source of carbon emissions. We will continue to engage our partners and staff in an effort to reduce land-based travel, unnecessary hotel stays and paper usage in our offices. We note that, due to the COVID-19 pandemic, air travel was reduced during FY21 as a result of continuing the remote working environment, which began during FY20.

Carbon emissions are produced from the fuel consumption related to commercial airline flights, including domestic travel and international travel. Total carbon emissions for each flight are calculated based on the aircraft type, fuel burn rates and total flight mileage. The flight's total carbon emissions are then divided between passengers and cargo and allocated to each seat using the seating configuration of the flight.

First and business class seats are allocated a higher proportion of the emissions to reflect the larger seat size. Our reported air travel emissions include the impact of radiative forcing.

For FY21, we offset our Scope 3 emissions (<5,000tCO2e) by purchasing high quality offsets from forestry projects in the US and the Brazilian Amazon.

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\(^1\) Since FY16, our energy intensity factors are based on the 2012 CBECS data. For FY15 and prior years, our energy intensity factors are based on the 2003 CBECS data.
Thank you