

Our sustainability performance data and commitments

Annual Report 2015

Introduction

Corporate Sustainability performance 2015

We keep track of our progress in two key ways: measuring our performance against metrics in our sustainability scorecard, and evaluating how well our programmes have advanced through a series of ‘commitments’.

Sustainability scorecard






We measure and externally assure our year-on-year performance against metrics in key areas of our programme which are aligned to our **materiality matrix**, as well as our performance against our 2007 baseline and published short and medium-term targets¹.

Commitments

To ensure we have a robust change programme, and to address areas which we feel need extra focus, we publish the key initiatives we plan to implement over the next year as ‘commitments’ which cover all aspects of our sustainability strategy. The progress we’ve made against each one is indicated using the symbols shown in the table opposite.

We track and review our sustainability programme with both the Corporate Sustainability Governance Group and the Executive Board throughout the year.

Symbols to indicate progress against our commitments

Symbol	Meaning
	New commitment this year
	Not started
	In progress
	Complete
	Ongoing commitment: no end date

For more information please visit pwc.co.uk/corporatesustainability or contact jon.hampson@uk.pwc.com

¹ We also publish our full set of data for each year since 2007 on our corporate sustainability website.

Independent assurance report

Independent Limited Assurance Report to the members of PricewaterhouseCoopers LLP

We have been engaged by PricewaterhouseCoopers LLP (hereafter 'PwC') to provide independent limited assurance on PwC's 2015 corporate sustainability data.

Our conclusion

On the basis of our procedures nothing has come to our attention that causes us to conclude that the corporate sustainability data in the 2015 Annual Report has not been prepared in all material respects in line with the Reporting Criteria.

This conclusion is to be read in the context of what we say below.

Selected information

The sustainability data included within the scope of our assurance report appears in the 'Data and downloads' section of PwC's online Annual Report for the financial year ended 30 June 2015, and on PwC UK's corporate sustainability website¹.

It includes:

- all baseline and 2015 performance data for all metrics
- data relating to let area and full time equivalent employees for 2015 used in performance related ratios
- UK and Channel Islands

The scope of our work does not extend to any other information, although assurance was also gained in 2014, 2013 and 2012 for the relevant data presented in those years. Details can be found within the assurance statements published in the Corporate Sustainability Annual Updates for those years².

Professional standards applied and level of assurance

We conducted a limited assurance review in accordance with International Standard on Assurance Engagements 3000 – "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ('ISAE 3000'); and, in respect of the greenhouse gas emissions information, in accordance with International Standard on Assurance Engagements 3410 – "Assurance engagements on greenhouse gas statements" ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. It does not include detailed testing of source data nor the operating effectiveness of processes and internal controls.

Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales ('ICAEW') Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK&I) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was conducted by an independent and multi-disciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with PwC's Reporting Criteria³. The absence of a significant body of established practice on which to draw, and hence to evaluate and measure non-financial information, allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are for the 2015 reporting year.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, our procedures consisted primarily of:

- Reviewing PwC's material issues and reporting boundaries
- Making enquiries of relevant members of management at PwC
- Evaluating the design of the systems of internal control for capturing and reporting the source data
- Performing sample tests on a selection of the data prepared by PwC: this included 16 sites, selected on the basis of their inherent risk and materiality to PwC
- Analytically reviewing the data included within the scope of our report: this included limited substantive testing of the Selected Information at corporate head office to check that data had been appropriately measured, recorded, collated and reported
- Assessing the disclosure and presentation of the Selected Information for the intended stakeholders

In addition, we review all the information relating to sustainability in the Annual Report to assess whether there are any apparent material misrepresentations, misstatements or inconsistencies with the data we have reviewed.

PwC's responsibilities

The Executive Board – on behalf of the members – are responsible for:

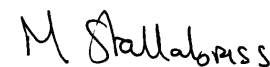
- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error
- establishing objective Reporting Criteria for preparing the Selected Information
- measuring and reporting the Selected Information based on the Reporting Criteria
- the content of the 2015 Annual Report

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained
- reporting our conclusion to the members of PwC

This report has been prepared to assist PwC in reporting its corporate sustainability performance. We permit this report to be disclosed in the 2015 online Annual Report and on PwC UK's corporate sustainability website⁴, to enable the members to show they have addressed their governance responsibilities by obtaining a sustainability assurance report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PwC and PwC's members as a body, for our work, for this report, or for the opinions we have formed.



Matthew Stallabrass

For and on behalf of
Crowe Clark Whitehill LLP
Chartered Accountants, London
14 September 2015

⁴ The maintenance and integrity of PwC's website is the responsibility of the members; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on PwC's website.

¹ pwc.co.uk/corporatesustainability

² pwc.co.uk/corporate-sustainability/downloads.jhtml

³ pwc.co.uk/corporate-sustainability/assurance.jhtml

Sustainability scorecard

Quality and ethics

	Units	Ongoing target	2015	2014	Base	Base year
Quality						
Client advocacy ¹	Score out of 10	-	8.66	8.52	8.49	2009
Net promoter score ²	Percentage	-	58%	49%	47%	2009
Ethics						
Ethical culture ³	Score out of 5	4.00	3.90	3.89	3.87	2013
Dismissals for misconduct ⁴	Number	-	11	8	14	2011
Independence						
Breaches of external auditor independence regulations ⁵	Percentage	0.00%	0.35%	0.22%	0.24%	2012
Information security⁶						
ISO 27001: major non-conformities	Number	0	0	0	0	2011
ISO 27001: minor non-conformities	Number	-	0	2	10	2011

1 Based on direct client feedback to the question: "Based on your overall experience of PwC, how likely is it that you would recommend PwC to a peer or colleague looking for similar services?" Measured out of 10, with 10 being the highest score.

2 Uses the same survey question as 'client advocacy', taking the number of promoters (giving a score of 9 or 10) minus the number of detractors (giving a score of 0 to 6), expressed as a percentage.

3 Results are derived from the firmwide staff Youmatter survey question: "At PwC, I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences". Scored out of 5. A score of 4 or above corresponds to a response of 'agree' or 'strongly agree'.

4 Data covers all permanent UK staff. Excludes dismissals for failed exams and missed performance standards.

5 Breaches of the auditor personal independence regulations reported to the regulator, as a percentage of FTE.

6 A major nonconformity is a situation that raises significant doubt about the ability of the firm's information security management system to achieve its intended policy and objectives. A minor nonconformity is a single identified lapse which would not in itself raise significant doubt as to the capability of the firm's information security management system to achieve its intended policy and objectives.

Workplace and diversity

	Units	2017 target	2016 target	2015	2014	Base	Base year
Talent attraction and retention							
People engagement score ¹	Score out of 5	>4.00	>4.00	4.04	4.00	3.97	2007
Graduate retention (three years)	Percentage	85%	84%	79%	79%	82%	2010
High potential retention	Percentage	95%	93%	89%	88%	89%	2012
Voluntary turnover	Percentage	12–15%	12–15%	15%	13%	14%	2008
Employee sustainability expectations¹							
Social responsibility	Score out of 5	>4.00	>4.00	4.09	4.12	4.01	2010
Environmental responsibility	Score out of 5	>4.00	>4.00	4.01	4.04	3.79	2010
Inclusion and diversity							
New hire diversity: gender – women	Percentage	50%	47%	44%	40%	41%	2009
New hire diversity: ethnicity – BME ²	Percentage	30%	29%	28%	26%	21%	2009
Partner admissions: women	Percentage	>30%	30%	19%	32%	16%	2007
Senior management diversity: gender – women ³	Percentage	30%	25%	19%	23%	17%	2011
Senior management diversity: ethnicity – BME ^{2,3}	Percentage	-	-	3%	2%	3%	2011
Employee wellbeing							
Absence through sickness	Percentage	<3.5%	<3.5%	3.1%	3.1%	3.3%	2009
Work-life balance ¹	Score out of 5	3.8	3.71	3.62	3.53	3.67	2008
Learning and development							
Spend on learning and development	£ per FTE	-	-	1,373	1,501	913	2010

¹ Results are derived from the firmwide staff Youmatter survey. A score of 4 or above corresponds to a response of 'agree' or 'strongly agree'.

² BME: Black and minority ethnic – data is based on voluntary disclosure by our people

³ 'Senior management' refers to the top leadership roles within the business

Community involvement

	Units	Ongoing target	2015	2014	Base	Base year
Financial contribution						
Community contribution (cash, time and in-kind) ^{1,2}	£ million	-	6.9	6.4	4.3	2007
Employee involvement						
Time spent volunteering	Working hours	>50,000	61,541	51,535	37,400	2007
Skills-based volunteering	Percentage of hours	>50%	49%	53%	58%	2011
Volunteering during working hours	No. of occasions	-	6,986	6,503	2,900	2007
Volunteering during working hours	No. of people	-	5,405	5,663	4,226	2011
Payroll giving participation	Percentage of staff	-	3.6%	3.4%	3.5%	2011
Beneficiaries						
Beneficiaries: direct ³	No. of people	-	18,000	18,500	19,559	2012

1 Measured according to London Benchmarking Group (LBG) principles, including calculating in-kind contributions on an engagement basis

2 A significant amount of work undertaken for charities and social enterprises is excluded from these figures because it does not meet LBG recording criteria.

3 Beneficiary numbers have been rounded down to provide a prudent representation of activity

Environment: carbon

			2017 target	Progress	2015	2014	2007 base
Carbon emissions¹							
Scope 1	Gas	tonnes CO2e	-	-50%	2,474	2,765	4,906
	Oil	tonnes CO2e	-	-98%	9	14	480
	Biodiesel	tonnes CO2e	-	500%	6	4	-
	Fugitive emissions ²	tonnes CO2e	-	-6%	204	305	217
	Scope 1 subtotal	tonnes CO2e	-	-52%	2,693	3,088	5,603
Scope 2	Renewable sources ³	tonnes CO2e	-	-54%	10,647	11,764	22,974
	Non-renewable sources	tonnes CO2e	-	77%	4,563	3,696	2,572
	Scope 2 subtotal	tonnes CO2e	-	-40%	15,210	15,460	25,546
Scope 3	<i>Air – client facing</i>	<i>tonnes CO2e</i>	-	72%	48,178	44,547	28,084
	<i>Air – non client facing</i>	<i>tonnes CO2e</i>	-	-85%	4,235	4,039	27,762
	<i>Road⁴</i>	<i>tonnes CO2e</i>	-	-34%	6,750	6,782	10,152
	<i>Rail</i>	<i>tonnes CO2e</i>	-	-24%	2,586	2,359	3,425
	Business travel subtotal including WTT⁵	tonnes CO2e	0%	-11%	61,749	57,727	69,423
	Fuel and energy upstream emissions ⁶	tonnes CO2e	-	-36%	4,358	4,614	6,828
	Material consumption	tonnes CO2e	-	-38%	4,403	4,388	7,077
	Waste	tonnes CO2e	-	-74%	81	85	314
	Scope 3 subtotal	tonnes CO2e	-	-16%	70,591	66,814	83,642
Total emissions (Scope 1, 2 and 3)		tonnes CO2e	-25%	-23%	88,494	85,362	114,791
Total emissions intensity (Scope 1, 2 and 3)		tonnes CO2e/ £m revenue	-	-43%	32	34	55

1 Calculated using Defra conversion factors (May 2014)

2 Data for landlord-operated offices have been estimated on the basis of office area, as have all data between 2007 and 2011

3 Grid electricity supplied under a Climate Change Levy exempt 'green tariff'

4 Mileage data for company cars, private cars, electric pool vehicles, and taxis. Excludes hire car and bus data.

5 WTT: Well to tank conversion factors

6 Includes conversion factors for both WTT and transmission and distribution

Environment: consumption

			2017 target	Progress	2015	2014	2007 base
Business travel	Air	Million km	-	14%	161	148	141
	Road ¹	Million km	-	-34%	27	28	41
	Rail	Million km	-	-10%	47	42	52
	Online meetings	Meetings hosted per FTE	10	4,707%	6.77	3.22	0.14 ²
Energy	Electricity	Million kWh	-	-43%	31	35	54
	Gas / Oil / Biodiesel	Million kWh	-	-43%	16	17	28
	Total	Million kWh	-50%	-43%	47	52	82
Key resource consumption	Paper procured	Tonnes	-50%	-55%	378	415	844
	Water supply	m ³ (k)	-50%	-38%	127	140	206
Waste	Landfill	Tonnes	-100%	-100%	0	0	587
	Incineration to energy	Tonnes	-	-58%	594	642	1,408
	Recycling	Tonnes	-	-26%	1,524	1,366	2,059
	Total	Tonnes	-50%	-48%	2,118	2,008	4,054
Recycling performance	Recycling as a percentage of total waste	Percentage	-	-	72%	68%	51%

1 Mileage data for company cars, private cars, electric pool vehicles, and taxis. Excludes hire car and bus data

2 2010 data shown as earliest year available

Supply Chain Sustainability¹

	Units	Ongoing target	2017 target	2015	2014	Base	Base year
Supplier engagement							
Key suppliers assessed by PwC sustainability survey	Percentage	-	80	74%	54%	25%	2013
Key suppliers reporting to CDP ²	Percentage	-	80	66%	54%	54%	2014
Key suppliers reporting greenhouse gas reduction targets ²	Percentage	-	75	48%	39%	39%	2014
Key suppliers reporting emissions reduction to the CDP ²	Percentage	-	-	47%	33%	33%	2014
Commercial integration							
Key suppliers with sustainability in commercial arrangements ³	Percentage	-	80	34%	40%	32%	2013
Responsible procurement							
PwC average supplier payments days ⁴	No. of days	<30	-	27	26	29	2013

1 'Key suppliers' refers to top 100 or so contracted suppliers, prioritised each year by spend and relevance

2 Based on responses to the 2014 CDP supply chain survey

3 Based on inclusion of relevant sustainability criteria in 'request for proposals' (RFP) documents or contracts

4 Calculated as the average number of days taken by the UK-based entities in the PricewaterhouseCoopers LLP Group to pay supplier invoices (excluding those from PwC network firms), from receipt of invoice at our accounts payable processing centre

Commitments











Responsible business – Catalyst for change

Date set	End date	Commitment	Progress	Comment
2014	2015	Complete the next stages of our #futuretax campaign, and share findings		The findings of our business jury and an economic perspective on tax reform have been published
2014	2015	Expand the TIMM team to ensure we can meet market demand		FY15 saw direct hires and training existing staff in this team, enabling the expansion of our client portfolio
2014	2015	Explore the potential of new assurance		We've built the ' inspiring trust through insight ' concept into assurance work with clients
2014	2015	Examine options for improving average supplier payment days		Implemented improved communications and guidance on how to receive payment efficiently
New	2016	Work towards Prompt Payment Code standards		







Quality and ethics

Date set	End date	Commitment	Progress	Comment
2014	2015	Develop and implement a consistent quality review and quality management system across our business		Engagement quality review programme launched during FY15 and early results have been presented to the Executive Board. Coverage to be stepped up in FY16 and messages to be considered in light of client feedback and other quality indicators.
New	2016	Develop awareness of the updated PwC Global Code of Conduct (the "Code") which is to be re-launched during FY16.		








Workplace and diversity

Date set	End date	Commitment	Progress	Comment
2013	Ongoing	Continue to change behaviours to become a more open-minded, inclusive and diverse organisation		Embedded unconscious bias and inclusive leadership training into curriculum for PwC Professional leadership development framework. Implemented a 'reverse mentoring' programme between grades, and groups in Consulting.
2013	Ongoing	Integrate resilience materials into core training		Including resilience in our firm-wide curriculum and key talent programmes.
2014	2015	Develop and deliver third Open Minds diversity campaign, on inclusive leadership		'Open Mind: be yourself, be different' – educating staff about open minded conversations in context of performance management. Film to trace the journey of equality and set out the case for valuing difference and inclusion.
2014	2015	Set gender and ethnicity targets at each grade to build future pipeline		Targets set for each grade pool out to FY18, and will be reviewed annually.
2014	2015	Further our diversity and equality agenda by conducting another equal pay review		Completed review, by gender, ethnicity and working pattern. Results published.
2014	2015	Establish a method of measuring social mobility of graduate intake		Monitoring social background of our graduate intake via the application process to ensure we're recruiting from as diverse population as possible.
2014	2015	Develop web-based resilience training to improve access to the course for teams working off-site		Developed interactive WebEx version of resilience training programme, especially for overseas client work.
New	2016	Look for new opportunities to integrate resilience into our training programmes		
New	2016	Enhance development programme for high potential and 3+ years graduate populations to increase satisfaction		
New	2016	Identify actions to build female candidate pipeline		

Community engagement

Date set	End date	Commitment	Progress	Comment
2013	Ongoing	Continue our journey towards quantifying the social and business impact of our community work		Evaluated and published the social return on investment of our social enterprise Brigade
2013	2017	Further develop understanding of beneficiaries, to enable us to report not just on the numbers, but also the extent of our impact on them Roll-out our social value surveys for all relevant volunteering activities		Surveys established for all major programmes. Now focusing on increasing coverage.
2013	2017	Increase membership of the Social Entrepreneurs Club to 250 and extend our services and support to maximise the value to participants		Achieved membership of 250. Provided access to online business training and more master class sessions.
2013	2017	Maximise the benefits of our schools programme through a new 'Whole School' approach for 25 schools		Extended number of schools
2014	2017	Raise £3m for chosen PwC Foundation charities		On track. Raised first £1m.
New	2017	Roll-out environmental volunteering activities with focus on educating our people		

Environment

Date set	End date	Commitment	Progress	Comment
2013	Ongoing	Apply the technologies and lessons learned so far from energy and water reduction to other, regional offices in our estate		FY15 regional refurbishment programme included Birmingham, Milton Keynes, Plymouth, and Sheffield offices
2013	Ongoing	Analyse our suppliers' responses to the CDP as well as our own questionnaire, and identify opportunities to address our indirect impacts		Completed. Response rate increased to 66%.
2013	Ongoing	Look for opportunities with suppliers to further improve waste, recycling rates and recycled content of materials we purchase		Introduced compostable cups across all offices allowing recycling with our food waste.
2014	2015	Develop and roll-out a programme to help achieve our 2017 aspirational goal of 100% recycling of our waste		Problem identification analysis and programme development completed during the year. Campaign due to launch in FY16.
2014	2015	Embed our online meetings messaging into the resilience/wellbeing programme		Team action plans to address resilience incorporate ways to better leverage technology
New	2016	Develop and roll-out new phase of campaign to encourage online meetings as alternative to travel		
New	2016	Launch behaviour change campaign to support better recycling in our offices		

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Unless otherwise indicated, either expressly or by the context, we use the word 'partner' to describe a member of PricewaterhouseCoopers LLP.

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Registered number: OC 303525.

