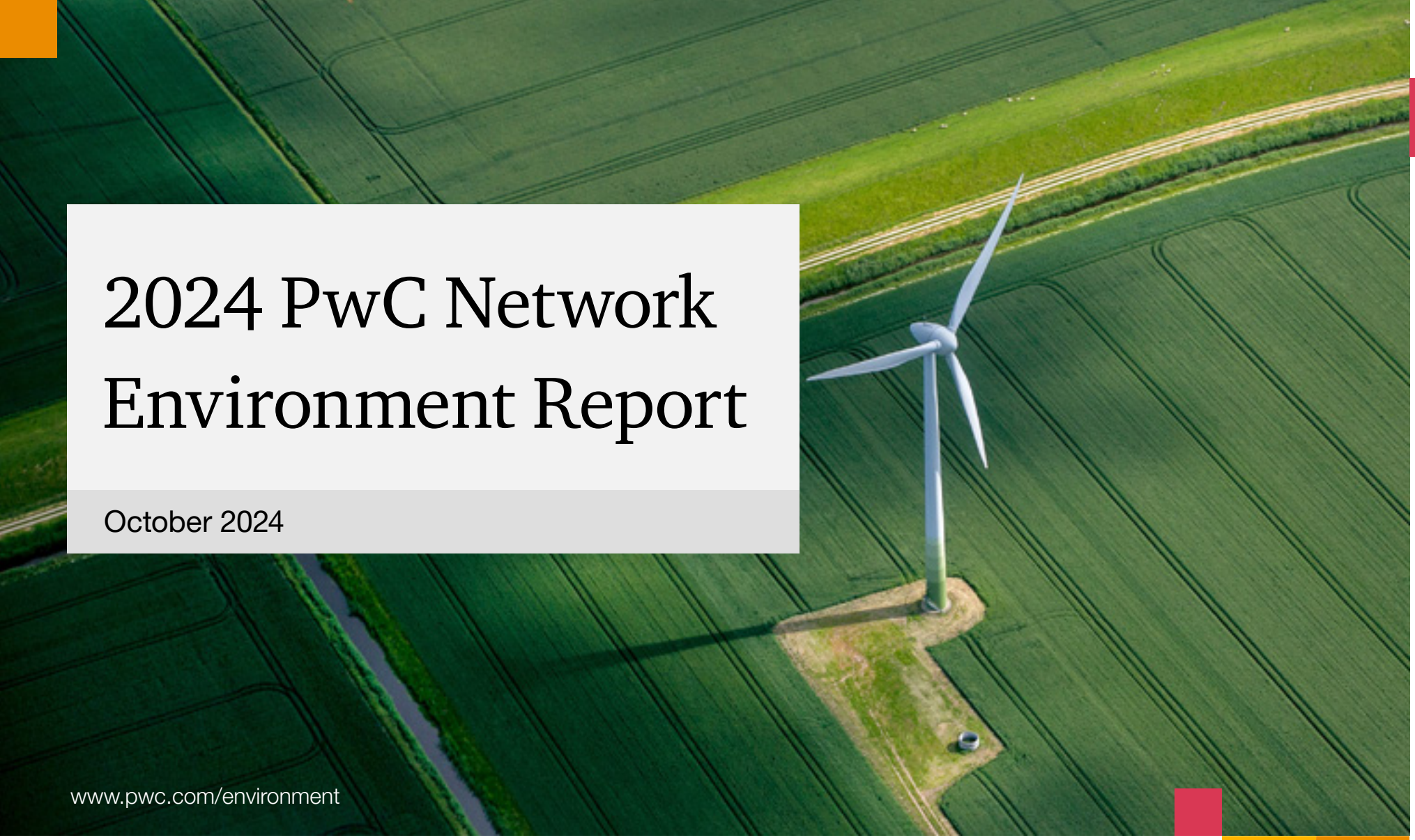

2024 PwC Network Environment Report

October 2024

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Contents

Context and strategic focus

Is it too late to make a difference?

The answer to this is a resounding 'no'. But making a difference is certainly becoming a lot more challenging.

It is becoming increasingly clear that the world is not transitioning fast enough to avoid the worst impacts of climate change.[1] Many scientists believe it is now all but inevitable that we will breach the important 1.5°C increase in global average temperatures, being the measure that indicates whether the collective actions taken are enough for us to achieve 'net zero' for our planet.

Even if we somehow managed to limit the increase to 1.5°C, the climate-related impacts at that level would still be very significant. And science tells us that the more we overshoot the 1.5°C marker, the worse the impacts will be.

Those impacts have already begun and are happening all around us. The risks we once heard of in the context of the future are crystallising in today's world, and these conditions will continue to deteriorate for years to come.

We also know the deterioration will be highly unpredictable, due to uncertainty around when various tipping points, both within climate and ecological systems, will be breached. Once triggered, these could vastly accelerate the rate of deterioration in climate conditions.

There is an urgent need for us to adapt and build resilience against these devastating climate-related impacts. This will require significant amounts of capital investment, as well as very localised responses designed to tackle specific vulnerabilities.

Adapting will not stop the worst from happening. But it will help us to limit the impacts on our societies. The only real solution to the problem is to transition to a green economy as quickly and as fully as possible.

This urgent transition, which has been front and centre of the climate agenda for years now, is not materialising at the scale and speed we need. But economically speaking, it will cost the world far less to undergo a successful transition than it will to deal with the costs of what happens if we don't,[2] so it remains the answer that makes most sense collectively.

[1]IPCC, 2023: Climate Change 2023: Synthesis Report, IPCC, AR6 Synthesis Report

[2]NGFS, Scenarios for central banks and supervisors, November 2023

What are we doing?

PwC's purpose is to build trust in society and solve important problems. A key priority within our global strategy is for PwC to play a role in helping business and society move rapidly toward a sustainable future.

We are using our voice and influence to press for urgent focus on adapting and an accelerated transition, and we encourage all organisations to do the same. We need governments and businesses to work together to produce a coordinated policy response that solves the collective action problem.

This report contains an overview of our activities in that regard, along with highlights of other steps we are taking to move towards a more stable and sustainable future for all.

We have been transforming our own business in response to climate change for a number of years, and have evolved our approach to encompass broader environmental matters along the way. We appointed Crowe U.K. LLP to provide independent limited assurance over emissions data included in this report. The scope and results of that assurance can be found on page 49.

We continue to use scenario analysis to identify the strategic risks and opportunities our business will likely face. The core strategic challenges we originally identified have remained consistent throughout our journey so far, and are summarised below.

> We remain committed to a sustainable future. That's why sustainability is at the heart of our global strategy. We are not just adapting to change; we are driving it. Together, we can and will make a difference.
>
> **Mohamed Kande,**
> PwC Global Chairman

Both scenarios

There are a number of risks and opportunities that will arise regardless of the climate scenario.

- The need to adapt our core services to embed consideration of climate-related matters
- The development and scaling of new and emerging climate services to support clients
- Continued ability to attract and retain talent
- Brand/reputational impact arising from our contribution to the climate agenda

Paris-aligned scenario (1.5°C)

This scenario drives a greater level of transition impacts given the dominance of policy changes and disruption as the economy transitions to a low carbon world.

- Disruption in sectors with high levels of transition risk with implications for our portfolio
- Disruption in geographies with high levels of transition risk with implications for our portfolio and for those regions

No mitigation scenario (>4°C)

This scenario drives a greater level of physical impacts given the dominance of climate- and weather-related events that would likely take place.

- The need to plan for the impact of potential acute and chronic climate events on our office network, people and operations (including our key suppliers)
- The portfolio impact of potential acute and chronic climate events in higher risk geographies
- Global or regional economic disruption arising from the impact on sectors with supply chains that are heavily concentrated in areas of high physical risk

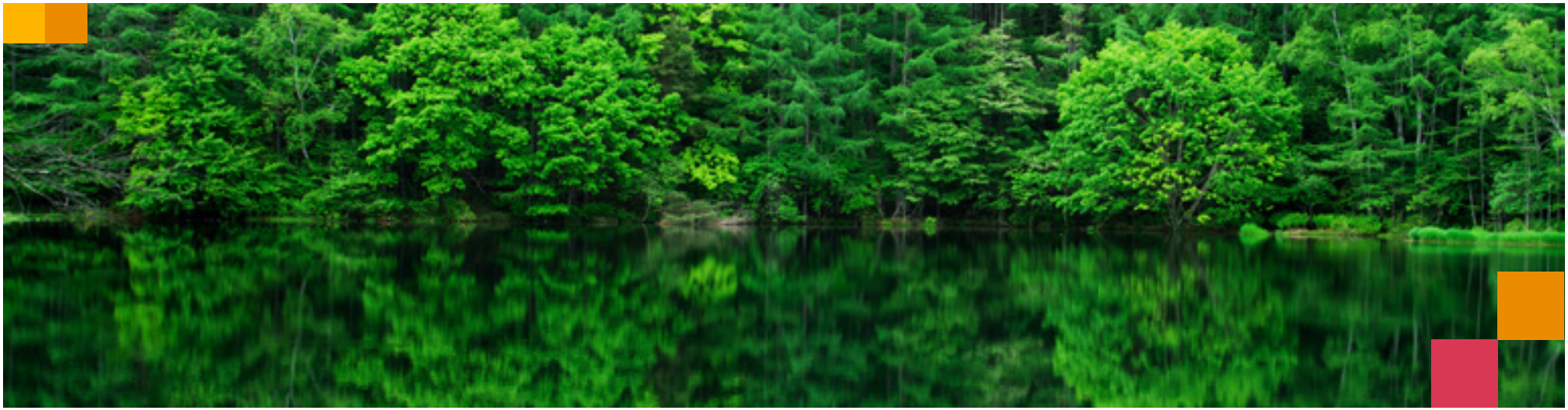
Details of our methodology and scenario choices can be found in appendix 1.

It is fair to say that, while all of these challenges are still relevant today, the slower-than-hoped-for global reduction in emissions means we have already started our business planning for the risks that will materialise at higher temperature outcomes.

These outcomes focus just on climate change, but the findings and our business responses are highly relevant when looking through a broader environmental lens, as supported by our recent scenario analysis for nature (appendix 2).

Our impacts framework (as shown below) recognises that these risks and opportunities will affect our business at different levels. Some impacts will affect our own infrastructure and operations (Direct). Others will arise through our clients (Portfolio) or in the economies where we operate across the globe (Broader market). This framework is strategically significant because it guides our thinking on the outcomes we are trying to drive and the best ways to achieve those outcomes.

Category	Impact level
1. **Direct**	Environment-related outcomes that directly affect PwC operations, services or people
2. **Portfolio**	Environment-related outcomes impacting PwC clients or key suppliers
3. **Broader market**	Environment-related outcomes which create regional economic and social disruption triggered by acute and chronic climate events or transitional activities, including large scale supply chain disruption and adaptation



Our environment strategy

Our environment strategy remains focused on two key interconnected agendas: mitigation – the global push to reduce our impact on the environment as quickly as possible; and adaptation – building resilience against impacts already being experienced and the further expected deterioration.

Reducing our impact

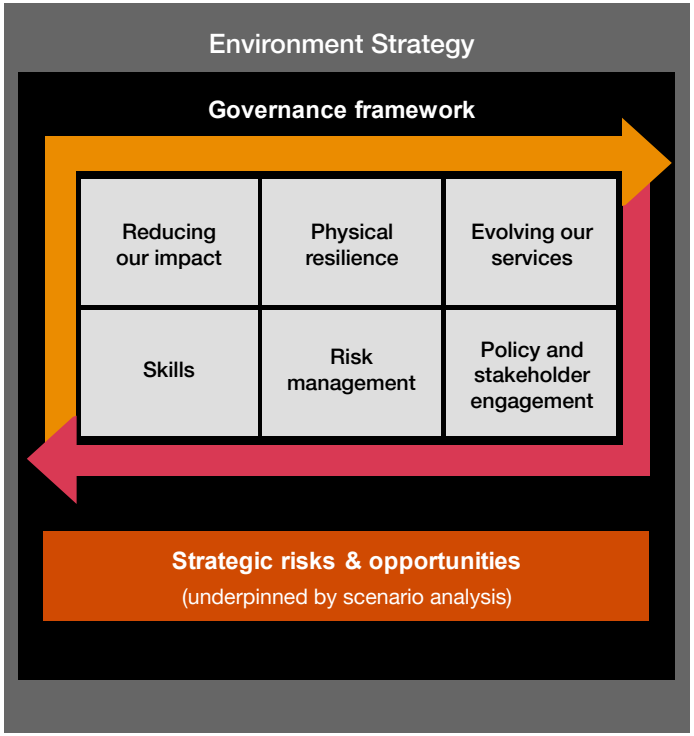
Working to drive down carbon emissions in our own business as quickly as possible, buying high-quality carbon credits to help mitigate emissions we can't eliminate yet, and understanding and managing our wider impacts on the environment, including nature.

Physical resilience

Understanding the physical risks, exposures and vulnerabilities in our own business and throughout our value chain. Adapting our business to develop greater resilience to changing conditions and shocks.

Skills

Developing a large community of experts to deliver sustainability services, and transforming our capabilities and knowledge base by upskilling all our people in sustainability matters.



Evolving our services

Further embedding consideration of environmental matters into our core services (such as the assurance of non-financial reporting) and developing and scaling new environmental-related services to meet the needs of our clients.

Risk management

Evolving our enterprise risk management approach to ensure our risk policies, processes and systems reflect the dynamic nature of the environmental agenda.

Policy and stakeholder engagement

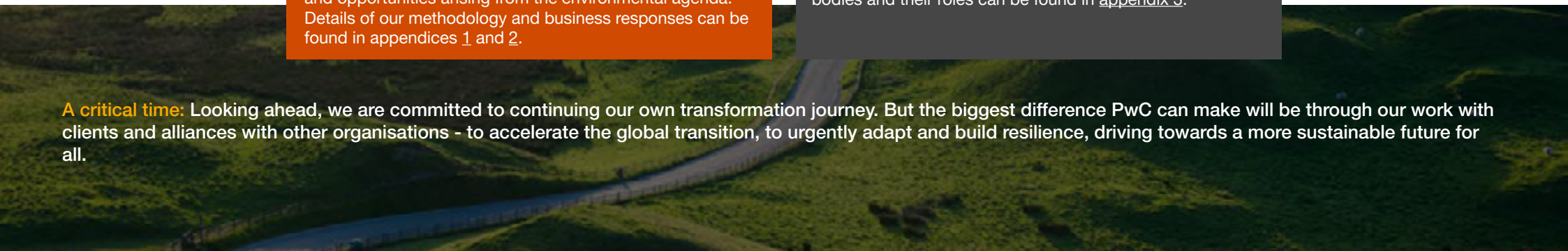
Using our voice to contribute to changes in the policy landscape to support and accelerate global action on environmental topics.

Strategic risks & opportunities

Our strategy is underpinned by scenario analysis. The pillars within this strategy address our key strategic risks and opportunities arising from the environmental agenda. Details of our methodology and business responses can be found in appendices 1 and 2.

Governance framework

Our governance framework is crucial for enabling our environmental priorities. An overview of our governance bodies and their roles can be found in appendix 3.



A critical time: Looking ahead, we are committed to continuing our own transformation journey. But the biggest difference PwC can make will be through our work with clients and alliances with other organisations - to accelerate the global transition, to urgently adapt and build resilience, driving towards a more sustainable future for all.

Main report

Introduction

With offices in 149 countries and over 370,000 people, PwC is among the world's leading professional services networks. We help organisations and individuals build trust and deliver sustained outcomes through our services. At our core is our purpose – to build trust in society and solve important problems.

This report focuses on the changes we're making to be a sustainable business. It outlines our environment strategy and the key areas where we are transforming what we do and how we do it. Each of the key areas within that strategy is featured in this report.

Reducing our impact on the environment

Physical resilience

Evolving our services

Investing in skills for a more sustainable future

Risk management

Policy and stakeholder engagement

The appendices contain supporting detail, technical data, methodologies and further explanations, and a glossary of key terms.

Introduction of new sustainability reporting standards

We welcomed the full integration of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations into the International Sustainability Standards Board (ISSB)'s standards.

In the past 12 months the regulatory landscape has seen a great deal of change, with new sustainability reporting standards beginning to be adopted by countries across the world. We support the introduction of these standards as they should deliver greater transparency, but also, and very importantly, they will enable greater consistency and comparability of disclosures thereby supporting a wide range of markets and stakeholders.

As well as helping our clients navigate these regulatory changes, this year we have started enhancing our own reporting by making the transition from TCFD towards the ISSB standards. The content of this report has been enhanced to include some of the new disclosures – partially applying the requirements of International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures. We will continue towards greater alignment in future reports as we gather the necessary data and build processes to support the additional metrics and disclosures, including in respect of the requirements in IFRS S1.

In addition to this, we also joined the Taskforce on Nature-related Financial Disclosures (TNFD) Early Adopters programme. This report contains our first set of TNFD disclosures (see index of relevant disclosures for TNFD and TCFD in appendix 4). Like many businesses, we recognise the need to better understand and act on issues affecting our natural ecosystems. The data landscape for nature is still at a relatively early stage, so we are starting with what is possible to develop our understanding.

Applying the new standards and frameworks to ourselves helps us to better understand the challenges facing our clients as they do the same. We are committed to sharing our experience and learnings with them and others as we progress.

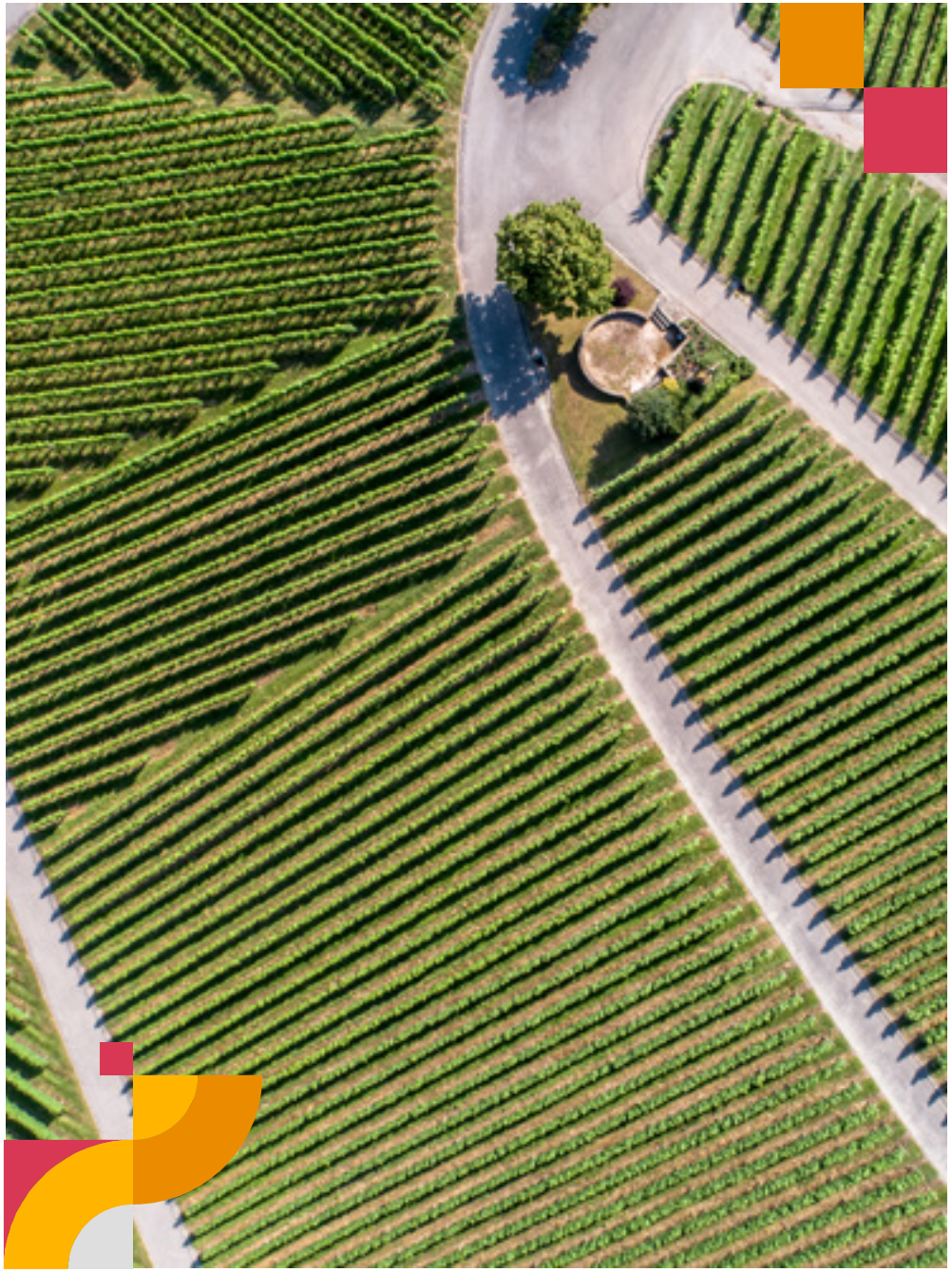
Reducing our impact on the environment

We are committed to playing our part in the global transition to a more sustainable world. A key part of our commitment is making sure we are doing what we can to limit our own impact on the environment and lead by example.

Our strategy involves three key areas:

- **We are decarbonising what we can now:** we have clear near-term science-based targets (SBTs). You can read more about our targets, our progress and how we are reducing emissions across our network in this section.
- **We are going beyond the decarbonisation of our business:** while our priority is to reduce our emissions, there are some which we are not able to eliminate today. We share insights below into our approach to counterbalance these emissions by purchasing high-quality carbon credits.
- **We are connecting this work to other environmental challenges:** nature is critical in driving progress towards net zero and it is an increasing area of focus for our work. We share more about how we are deepening our understanding of nature, and the actions we are taking to support nature across our operations, through our carbon offsets, and through our work with clients and the broader market.

In this section we share some insights from our journey so far. You can find more on the steps we are taking in our climate transition plan (appendix 5).



Our net zero commitment

We have a worldwide commitment to achieve net zero greenhouse gas (GHG) emissions with near-term science-based 2030 goals.

Our commitment includes supporting our clients' efforts to make a net zero future a reality. We are committed to decarbonising our operations in line with a 1.5° C climate scenario and the Paris Agreement, driving our transition to 100% renewable electricity and continuing to engage with our suppliers, encouraging them to reduce their own climate impacts too. But more needs to be done to reduce our collective impact on the world and build resilience for the risks we are already facing. For this reason, we contribute to public policy developments in support of net zero and accelerated change.

Net Zero

Clients

Helping clients transition to a net zero future

Operations

Reducing our emissions and transitioning to renewable electricity

Climate agenda

Collaborating with business, policy makers and NGOs

Supply chain

Encouraging our suppliers to manage their own climate impacts

Decarbonising our business

Delivering on our net zero commitment

To enable the transition of PwC's business in line with a 1.5° climate scenario, we continue to drive a comprehensive strategy to decarbonise our operations and supply chain.

Our approach to delivering on net zero is based on the carbon mitigation hierarchy

1. **Avoid** - eliminate our impact through rethinking our business strategy
2. **Reduce** - do what we do more efficiently
3. **Replace** - replace high-carbon energy sources with low carbon ones
4. **Offset** - offset remaining emissions that are not eliminated by the above.

Science-based targets

In 2021, we validated our near-term science-based 2030 targets with the Science Based Targets initiative (SBTi) to:

- Reduce scope 1 and 2 absolute emissions by 50% from a FY19 base by FY30,
- Transition to 100% renewable electricity in all territories by FY30,
- Reduce absolute business travel emissions by 50% from a FY19 base by FY30 and
- Have 50% of our purchased goods and services (PG&S) suppliers (by emissions) set SBTs to reduce their own climate impact by FY25.

In addition to our efforts to decarbonise our business in line with our near-term SBTs, PwC firms purchase high-quality carbon credits equivalent to the remaining scope 1, 2 and scope 3 business travel emissions each year that we cannot reduce or replace today. We will continue to offset those emissions we cannot eliminate through high-quality carbon credits and plan to transition our portfolio to 100% removals from FY30. We will regularly review the options and market solutions available to us to deliver on this. You can learn more about our approach to purchasing carbon credits here.

Since making our initial commitment, we have begun to engage with the SBTi this year to validate long-term targets consistent with the Corporate Net-Zero Standard.[3] They align our long-term business planning to the broader transition that is needed to reach net zero in 2050.

Our near-term science-based targets: Approach and performance

Our commitment to net zero is embedded in our strategy and our global targets span the network of all PwC firms.

To ensure the highest level of accountability for progress against these targets, Territory Senior Partners (TSPs) for each PwC firm are responsible for delivering the near-term SBTs related to the business in the territory for which they are responsible. TSPs have appointed a Net Zero Business Leader for each PwC firm who defines and implements the net zero plan for their territory in conjunction with their business stakeholders. Progress on these local plans is a key performance indicator for the TSPs of the 21 largest PwC firms and regions.

[3] SBTi, Corporate Net-Zero Standard, March 2024

Total GHG emissions

Since announcing our near-term SBTs, we have taken steps to decarbonise our business.

As a result, we have lowered our total absolute GHG emissions 22% relative to our FY19 baseline and 6% since last year.

For more on our GHG data and methodology, see appendix 6.

22%

Reduction in absolute GHG emissions from FY19 baseline

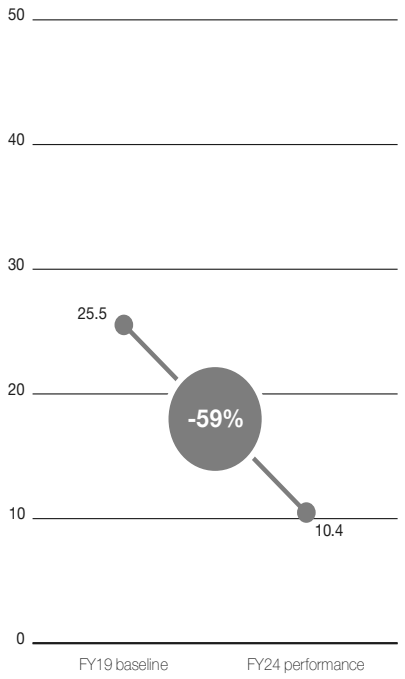
6%

Reduction in GHG emissions from the prior year

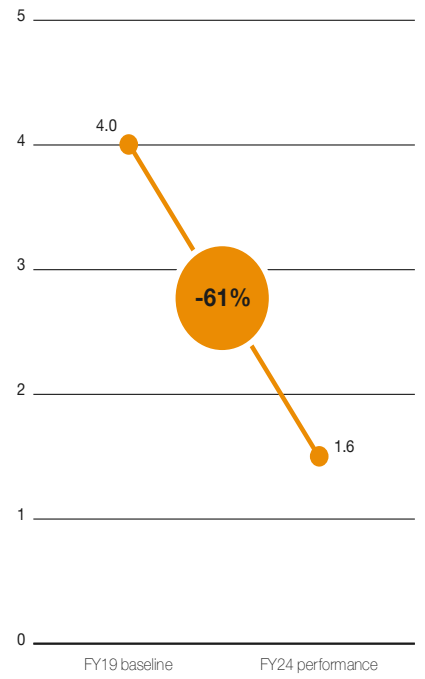
Reducing the intensity of our gross energy and mobility emissions

We have decreased the intensity of our total energy (scope 1 and 2) and business travel emissions 59% by revenue and 61% by headcount relative to our FY19 baseline year.

Gross energy and mobility emissions revenue intensity (scope 1, scope 2 and scope 3 business travel tCO_2e / $M USD revenue)



Gross energy and mobility emissions per employee (scope 1, scope 2 and scope 3 business travel tCO_2e / employee)

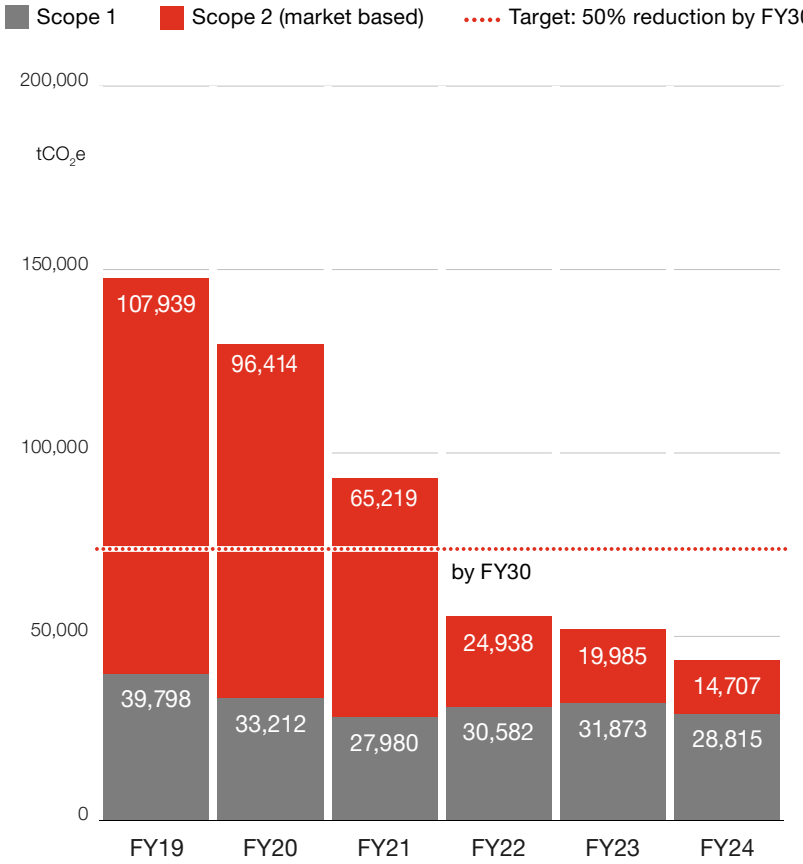


Scope 1 and 2 emissions

Target: Reduce scope 1 and 2 absolute emissions by 50% from a FY19 base by FY30.

We have now **reduced our scope 1 and 2 emissions by 71%** relative to our FY19 baseline. These are emissions from, for example, our car fleets and the electricity and heating in our office buildings. Our progress this year means that **we are still well ahead of our FY30 scope 1 and 2 target.**

Current progress towards scope 1 and 2 target

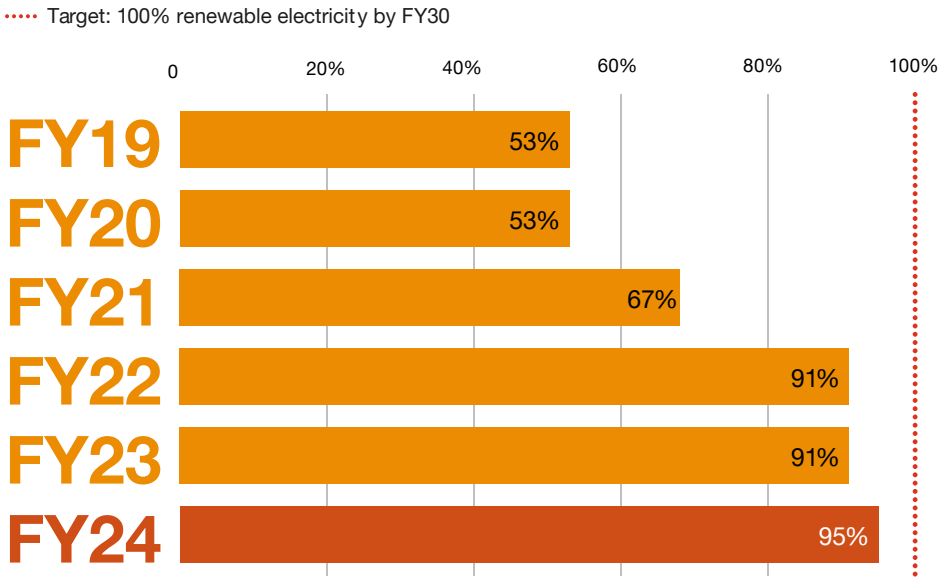


Target: Transition to 100% renewable electricty in all territories by FY30.

A significant factor in the early achievement of our scope 1 and 2 target has been our transition to renewables. **We are now using 95% renewable electricity across 117 countries and territories across our global network,** up from 82 countries and territories last year.

In the years ahead, we must focus on further reducing our energy demand and maintaining our energy efficiency improvements to meet our FY30 goal. **We are well on track with our transition to 100% renewable electricity.**

Current progress towards our renewable electricity target



Spotlight on practice: How we are reducing our scope 1 and 2 emissions

Implementing the Internet of Things to lower building emissions

PwC India has implemented an Internet of Things monitoring system in its buildings to improve efficiency and reduce operating costs of critical systems and equipment. This is in addition to installing advanced LED lighting systems with occupancy sensors to minimise energy consumption in common and workstation areas, and replacing older equipment with high-efficiency units.

Incorporating energy efficiency measures

PwC US and Mexico have consolidated and redesigned their office space to serve as collaborative hubs to facilitate greater connection with colleagues and clients, and continued to take steps to make these offices more energy efficient and sustainable. For example, LEED-certified buildings are prioritised for new office leases so that they optimise their energy efficiency and integrate systems to monitor energy performance. Currently, 85% of the office portfolio in the US is located in LEED-certified buildings and since FY19, the firm's energy use per square foot of office space has decreased 20%. In addition, PwC US and Mexico continue to procure 100% renewable electricity for their office portfolio.

Improving energy efficiency in our leased buildings through technology and more collaboration

PwC Switzerland improved the energy efficiency in its leased buildings via the maintenance and replacement of technical building systems, engaging landlords on initiatives to optimise energy usage, and replacing and refurbishing lighting and reducing office space between 25% and 70% in certain locations.

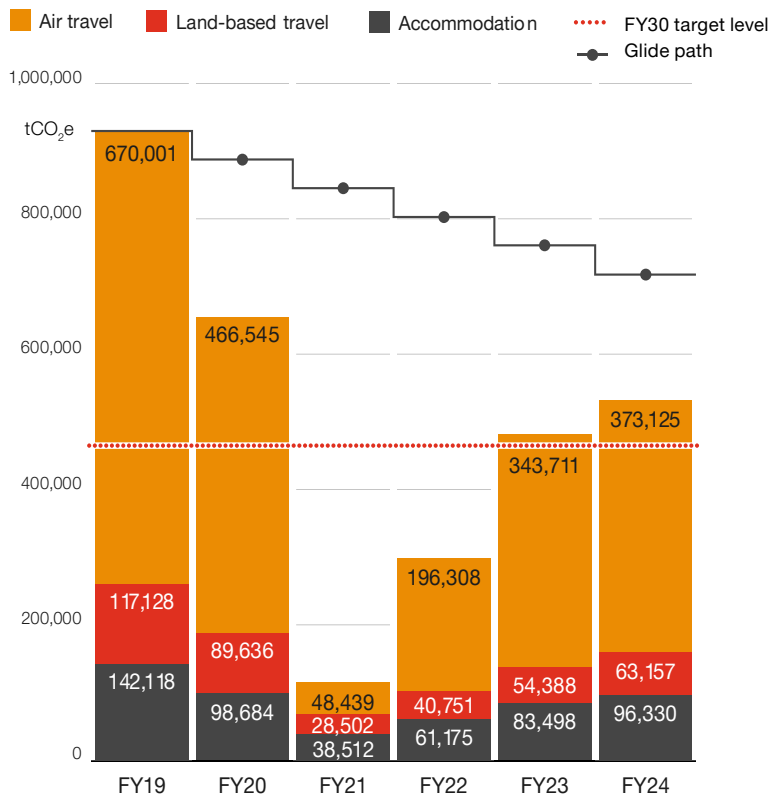
Scope 3: Business travel

Target: Reduce absolute business travel emissions by 50% from a FY19 base by FY30.

Our scope 3 business travel emissions in FY24 were 43% below our FY19 baseline emissions. These emissions include air travel, hotel stays, rental vehicles, expensed fuel, taxi and train travel.

As we anticipated, our year-on-year travel emissions increased following the pandemic as our people have connected with their clients and each other in person.

Current progress towards our target to reduce business travel emissions



Despite the increase in business travel emissions this year compared to last, we remain under the 'glide path' we have in place for our network that tracks the linear absolute reduction we need to achieve each year from our FY19 base in order to reach our FY30 target. We are progressing well overall.

We have been monitoring our business travel emissions across the network and have introduced measures to manage them down over the next five years and beyond. We have been learning a great deal along the way, and have been sharing this experience among our firms across our network and with our clients:

- PwC firms are using technology to analyse and understand what drives their emissions locally so that they can target their interventions in areas where they can achieve the highest impact. This data has underpinned different activities including, for example, how to establish effective travel budgets and introduce a carbon cap on air travel.
- By analysing granular travel data on an ongoing basis, PwC firms are able to educate our partners and our people about the impact they are having on their local firm's carbon footprint and to help drive engagement and ownership of their emissions on an everyday level. They are also able to remain agile and adjust their approach, led by what the data tells them.
- A number of firms continue to evolve their local travel policies with a focus on travelling smart by using low-carbon forms of transport where possible, particularly on frequent travel routes. These policy changes are accompanied by incentive and reward programmes to support the choices our people make about when and how they travel.
- Across our network, we are making practical changes to how we deliver our services in consultation with our clients so that we arrive at solutions that work for them and for us.

Raising awareness amongst our people about the technologies and activities we have implemented to reduce our business travel emissions is an important part of inspiring them to make changes to the way they work and travel. Many are involved in initiatives such as 'mindful travel' programmes, and use tools to assess and communicate the impact of their teams' choices on the environment.

Sustainable Aviation Fuels (SAFs) could help to decouple air travel from carbon emissions in the medium and longer term, but policy support and the right market conditions are needed to help scale their usage. We have made individual purchases of SAFs in markets such as the Netherlands, US, China and Japan to help stimulate supply and spur the market. Over time, greater cooperation between governments and business is needed to support the large-scale decarbonisation of air travel.

Spotlight on practice: How our firms are reducing their business travel emissions

Introducing a carbon cap on air travel

PwC Australia, to promote 'virtual first' and conscious travel choices, implemented a carbon cap on air travel to limit its business units' air travel emissions to 50% of FY19 levels. A net zero dashboard is used to monitor air travel against an emissions 'allowance' for each business unit. The dashboard also provides insights about the nature of its employees' travel behaviours – who travels, where, when and how. These insights and performance are monitored monthly by an oversight working group. Insights gained from this process help to inform change initiatives intended to drive further emissions reductions.

Conducting travel budget workshops

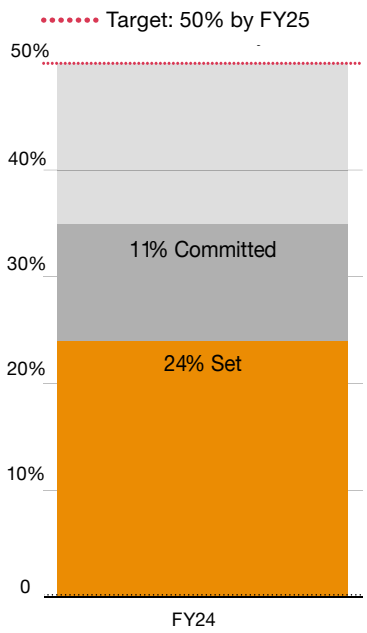
PwC Norway, with 27 offices and 2,500 employees, faces significant travel demands. To address these challenges, it has established a climate-conscious travel framework that integrates a carbon budget and dashboard analytics. In FY24, PwC Norway furthered its efforts for reducing air travel by conducting workshops to raise awareness of the travel framework and travel budgets were assigned among business leaders to galvanise action. This has resulted in a total reduction of 19% in flight emissions compared to the prior year.

Incentivising rail travel over air

PwC China has continued to build on the success of its pilot 'Go Green. Get on Track.' travel policy change. The policy allows all staff grades to travel in 1st class on high-speed trains between its most frequently travelled domestic air travel routes from Beijing and Shanghai, and has been expanded from one to 15 routes. In FY24, 34% of business travel trips on the 15 routes were taken by high-speed train, saving almost 1,000 tCO_2e compared with FY21 immediately before this travel policy change took effect.

Scope 3: Engaging our suppliers

Target: Have 50% of our PG&S suppliers (by emissions) set SBTs to reduce their own climate impact by FY25.



This year, **24% of PG&S suppliers (by emissions) had SBTs and another 11% have committed to setting SBTs in the future.**

Most of our firms have meaningful programmes in place to engage those suppliers that have the largest impact on our emissions, and to encourage them to set their own SBTs.

While activities differ according to the local context, many of our firms have embedded them across different phases of their procurement cycle e.g. by:

- screening our suppliers;
- updating our supplier questionnaires to gain more insight into the action they are taking in relation to the environment;
- introducing new requirements during competitive bidding processes; and
- setting expectations through our contractual negotiations that our suppliers will manage their climate impacts.

One of the most effective elements of our approach taken across the network has involved conducting fora in which multiple suppliers can engage with us directly to learn more about our targets and the practical steps they can take to set their own.

We have seen that there is a commitment among many suppliers to change how they do business and to reduce their carbon footprint. However, while progress is being made overall, the pace and scale of the changes taking place differ across both geographical regions and sectors. Different types of businesses and value chains are moving further and faster than others. Some organisations reflect different standard-setting bodies in their approaches. These challenges are consistent across markets and go far beyond the influence of individual suppliers. We have focused our efforts on those areas where we can achieve the greatest results but we are aware that a collective effort (including by policymakers) is needed to overcome some of the systemic and other barriers to progress that persist.

So that we can help them on their journeys, we have provided direct support to suppliers in some of our territories that are willing to set SBTs but do not have sufficient capacity to take action on their own. More broadly and alongside others, we are engaging directly with the SBTi in relation to the challenges that exist, and helping to identify and overcome them, where possible.

As we continue to engage with our suppliers across the network, it is clear that if we are to really support the transition to net zero, we should be less focused on a pass/fail assessment at a point in time, and much more focused on identifying and addressing the barriers which emerge as we do so. This means that our focus will continue to be on the substance of the progress which needs to be made by 2030 and indeed beyond that to 2050. It is also clear that addressing barriers in various markets will require ongoing engagement with other stakeholders and policymakers in those markets, as well as engaging with the standard setters (the SBTi) themselves.

Spotlight on practice: How we are engaging our suppliers to catalyse change

Leveraging data and engaging suppliers

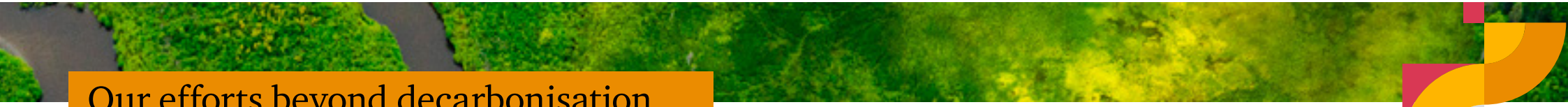
PwC India, on its journey to decarbonise its supply chain, has integrated net zero criteria (e.g. SBTi registration and a technical rating) into its supplier selection and vendor evaluation process. It has also created a Net Zero Supplier Dashboard to identify major supplier emissions categories and design a centralised procurement approach. Supplier fora have been established to educate vendors about the significance of SBTi registration. 56% of PwC India's suppliers are now registered with the SBTi following efforts to prioritise recurring contracts for SBTi-registered suppliers and active engagement with vendors.

Integrating requirements in supplier agreements to commit to the SBTi

PwC France and Maghreb is leading its sustainable procurement with a strategy that integrates corporate social responsibility (CSR) into every purchasing phase. The CSR team collaborates closely with procurement – from early tender specifications to final evaluation. Key initiatives include asking suppliers to complete a mandatory CSR maturity questionnaire, reviewing supplier CSR policies, and incorporating CSR clauses in contracts with a commitment to the SBTi. The strategy focuses on its top suppliers by category, and includes an action plan to engage the remaining suppliers through dialogue and proposed contractual clauses to commit to SBTs within six or 12 months. For new critical suppliers, increased tender weightings and a threshold requiring the approval of the Chief Operating Officer (COO) are implemented if the supplier is not yet committed to setting SBTs.

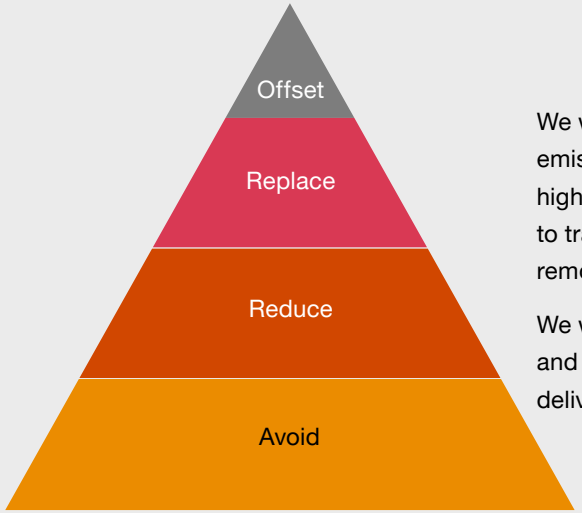
Incorporating environmental impact into every phase of procurement

PwC Spain implemented its supplier engagement strategy with an objective to design a local procedure for third-party risk management and due diligence relating to human rights and environmental impact, aligned with the European Commission's Corporate Sustainability Due Diligence Directive. In the supplier selection phase, vendor bids are assessed based on environmental and technical factors, and due diligence is performed including a reputational review covering environmental and social factors. In the supplier contracts phase, standard agreements mandate that suppliers accept PwC's environmental policies, ethical code, and responsible procurement policies, and comply with labour regulations. The monitoring and evaluation phase involves annual surveys of service users to detect any violations of human rights and environmental policies, and to collect climate-related risk information.



Our efforts beyond decarbonisation

Each year, once PwC firms have reduced their emissions in line with our near-term SBTs, they offset any scope 1, 2 and scope 3 business travel emissions they have not yet reduced. They do this by purchasing high-quality carbon credits.



Carbon mitigation hierarchy

We will continue to offset those emissions we cannot eliminate through high-quality carbon credits and plan to transition our portfolio to 100% removals from FY30.

We will regularly review the options and market solutions available to us to deliver on this.

The voluntary carbon market is still evolving, new standards are emerging and there continues to be a great deal of complexity that requires careful navigation by buyers. We have internal quality criteria in place to guide our purchases in this dynamic context.

These help us make sure that our portfolio consists of high-integrity credits. Our quality criteria guide us to purchase the most recent credits from projects verified by an independent third party to market leading standards. We work with our carbon offset providers to meet our quality criteria and deliver the intended impact. We regularly review and update our quality criteria in response to emerging standards and market developments, and all credit purchases undergo third-party due diligence. You can read more about our approach and the quality criteria we have in place to support the purchases we make in appendix 7.

The internal criteria guiding the composition of our portfolio reflect **our strategic goal to purchase at least 50% of our credit portfolio from nature based solutions,** which we have exceeded for the last five years. By focusing on conserving, restoring or better managing natural environments, benefits can go beyond reducing carbon. They can also help to improve the resilience of natural habitats to climate change, safeguard biodiversity, secure water supplies and provide economic opportunities for local communities.

In total this year, 87% of our portfolio came from projects that protect and restore the environment through natural climate solutions (NCS).

Our FY24 carbon credit portfolio

This year, we purchased the majority of our credits (63% of our portfolio) through the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition. We joined the coalition in 2021 to help put an end to tropical deforestation, which is integral to respond to the climate crisis. We also aimed to strengthen the nascent market for carbon credits by helping consolidate a corporate demand signal that stimulates supply. LEAF mobilises public and private sector finance to reward 'Forest Governments' for reducing deforestation. In December 2023 we joined other members to sign the first deal under the Coalition. LEAF credits will continue to form a significant part of our portfolio in the coming years.

The remainder of our carbon credits (37%) this year were purchased from 23 projects across 16 countries. These credits were sourced by a third party, in line with our internal quality criteria. They were all subject to external due diligence.

Projects that remove carbon from the atmosphere (rather than those that reduce or avoid emissions) accounted for 19% of our portfolio. While the majority of the removal projects in our portfolio were nature-based, a number of our firms supported more innovative hybrid or technology-based removals projects too. The scaling of tech-based solutions will be critical to the global transition to net zero.

You can explore all the projects in our portfolio here.

Supporting the scaling of hybrid and technology-based removals

Global net zero cannot be achieved without the scaling of carbon dioxide removal (CDR) solutions. In FY24 our portfolio comprised 19% CDRs, including 5,035 tCO_2e from biochar projects. Biochar is made by heating organic materials, such as agricultural waste, with little or no oxygen. This process (known as pyrolysis) breaks down the organic matter into a carbon-rich substance (biochar), effectively locking in the carbon and minimising the release of GHGs. Biochar can then be used by farmers as an organic soil additive to improve soil health and reduce the need for chemical fertilisers. This combination of long-term carbon storage and agricultural benefits makes biochar a valuable tool in achieving global near-term SBTs.

Nature

Nature refers to our environment - the natural world - spanning the land, freshwater, ocean and atmospheric realms, and includes both its living and non-living components.

Nature is a critical component of the global net zero transition. There can be no net zero without nature. Many actions that help to protect nature can also help limit the impact of climate change, and vice versa.

Nature is an area of increasing focus in our work. Helping our clients understand their nature-related profiles and the strategic impacts that the continuing degradation of nature could have on their businesses, and helping them develop strategies that both support nature and turn it into an opportunity, is an important role we can play in halting and reversing the environmental crisis.

In our own business, we have undertaken further work this year to deepen our understanding of our nature-related[4] dependencies and impacts by beginning to apply the TNFD framework to our business. We'll use the findings at both network and territory levels, as we work to ensure that our operations are resilient against environmental hazards, and to better inform how we can manage our dependencies and reduce our impacts.

The application of the TNFD reporting framework has been undertaken in parallel to the enhancement of our climate-related disclosures in respect of the ISSB standards rather than as part of it.

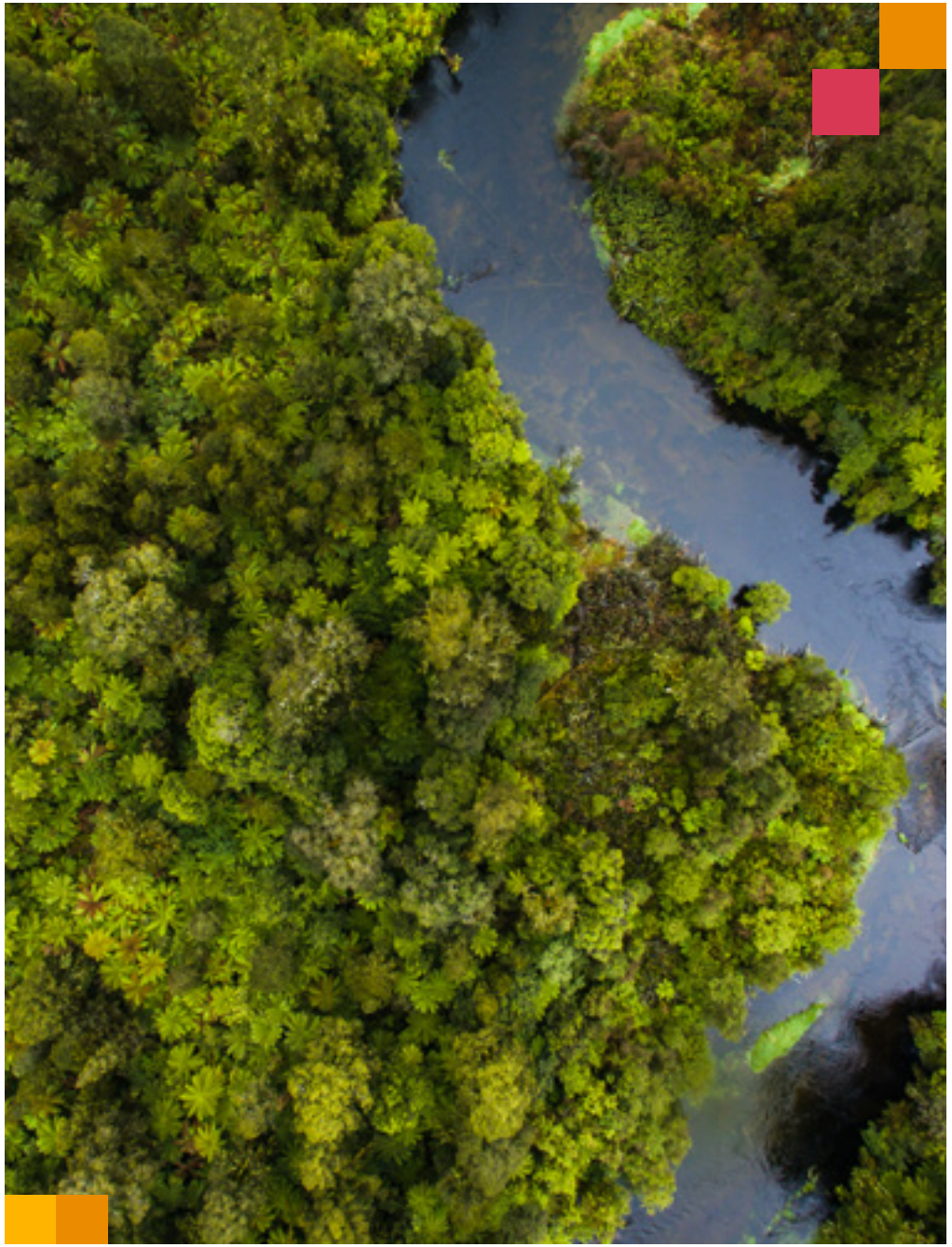
[4] In alignment with the TCFD and TNFD frameworks, climate-related matters and nature-related matters are dealt with as separate topics in this report.

Summary of key findings

Our biggest opportunity to contribute to a nature-positive future is via our work with clients. As a professional services business that operates virtually or in offices, with no physical products or processes, our own dependencies and impacts on nature are relatively small:

- At a sector level, the anticipated level of **materiality** of impacts or dependencies is generally considered to be low or not material for relevant business services or professional services sectors.
- Our **impacts** were estimated to be low and found to be immaterial for our business (based on spend for our direct operations and supply chain).
- We have some locations across our network that are in or near areas which are considered **sensitive** from a nature perspective.
- Our **dependencies** on nature are very low. There is close alignment in the limited dependencies identified with the physical risks already surfaced in our climate analysis.
- Our nature-related **risks and opportunities** are largely correlated with our risks and opportunities from a climate perspective.

Given the findings of our work, it is clear we do not have material impacts or dependencies on nature. However, we will use our findings to focus on specific areas and issues to make progress as a business.



Scope

This year, we have started a journey towards disclosing against the TNFD recommendations. The scope of our analysis and reporting is as follows:

- The estimated nature-related impacts and dependencies of our direct operations
- The estimated nature-related impacts of our supply chain, namely, the upstream segment of our value chain that supplies our PG&S (as described in appendix 1).

For details on the TNFD framework and where to find relevant content, please see appendix 4. For the TNFD core metrics see appendix 2.

Dependencies and impacts

Many businesses and sectors rely heavily on the supply of critical goods and services provided by nature, which underpin ways of life across the world. This would be seen as having 'dependencies' on nature. In addition, businesses will have varying levels of 'impact' on nature. Understanding those impacts allows them to adapt their strategies and products to limit any damage to our natural ecosystems.

Building on our efforts from last year, we undertook additional work[5] to establish what, if any, dependencies we have as a business and the likely materiality of any impacts in our direct operations and supply chain. For more on our materiality considerations, please refer to Box B in appendix 2.

Our key findings were as follows:

- Like all businesses, we benefit from some ecosystem services that help mitigate physical risks to our people and disruption to our business, arising from hazards such as extreme heat and wildfires, amongst others. We mitigate these risks mainly with our technology infrastructure, enabling our people to collaborate virtually. Our existing climate resilience programmes also include areas where these risks are mitigated — such as real estate strategy and business continuity planning.
- Our direct operations do not have dependencies on cultural or provisioning ecosystem services, other than water for drinking and sanitation in our offices (see Box A in appendix 2 for more on ecosystem services).
- At a sector level, business or professional services (or the like) are classified as typically having a low or immaterial impact on nature.
- The impact assessment from PwC's 'Nature Impact Explorer' assessed our overall impact on nature as immaterial for our business (for details of the tool and methodology see appendix 8).
- Most of the impacts arise in our supply chain (93.4%). Impacts from our direct operations are just 6.6%. This is also typical and to be expected for our type of business. The majority of our spend with our supply chain is on services, as opposed to physical products.
- Our largest impact comes from GHG emissions. The steps we are taking to decarbonise our business are already addressing these. Other categories of impact are estimated to be less significant, with some being nominal – for example, water pollution levels.

See below for further detail supporting these findings.

[5]Using the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) Knowledge Base, the World Wide Fund for Nature (WWF) Biodiversity Risk Filter, the Sustainability Accounting Standards Board (SASB) Materiality Finder, CDP Industry Impact Classification - 2024 Methodology and PwC's Nature Impact Explorer.

Scenario analysis, risks and opportunities

This year, we have used nature scenario analysis to assess our nature-related risks and opportunities and test the resilience of our business strategy. You can read full detail of that analysis in appendix 2.

Both scenarios	‘Ahead of the game’	‘Sand in the gears’
There are a number of risks and opportunities that will arise regardless of the nature scenario	This scenario assumes **rapid and coordinated action** towards environmental policies that result in nature-positive outcomes	This scenario assumes a **slow and disorderly** response in the implementation of nature and climate-related policies. Physical impacts to nature may be severe
• The need to adapt our core services to embed consideration of nature-related matters • The development and scaling of new and emerging nature services to support clients • Continued ability to attract and retain talent • Potential brand/ reputational impact arising from our contribution to the nature agenda	• Sector-level disruption arising from a rapid transition to protect nature, such as new nature-related policies or regulations, particularly in nature-intensive sectors. This will have implications for our portfolio of clients • Disruption in geographies with highest levels of transition risk relating to nature (due to, for example, new nature-related policies or regulations)	• Physical risks to network office infrastructure arising from the decline of regulating and maintenance ecosystem services • Disruption in sectors with high levels of nature-related dependencies and associated physical risks, with implications for our portfolio of clients • Increased risk of regional or global ecosystem collapse or rapid decline potentially causing economic, political and societal instability

Our operational footprint in sensitive areas

We identified the operational locations across our global network that are located in or near to areas that are considered sensitive from a nature perspective.

At a headline level, 33% of our offices are located in water-stressed regions and 23% are located in or nearby protected or key biodiversity areas. While we do not have material impacts or dependencies in these locations, it is important to understand our potential exposure. Full details of that work and the results can be found in appendix 8.

What actions are we taking to support nature?

Our efforts to support nature span:

- Our own operations
- Our commitment to natural climate solutions within our carbon offsets portfolio
- Our work with our clients and the broader market.

Our own operations

Our analysis described above indicates that – as a professional services organisation – our impact on these areas is low.

However, some of our firms are already taking action to reduce the impacts we do have in these sensitive areas and support local biodiversity. A couple of those examples are included here. We share the approaches and learnings across our network to benefit other firms.

PwC UK

In 2011 PwC UK created its first green roof space on its More London building, extending this to Embankment Place in London a few years later, being the two largest offices in the UK. Designed to support biodiversity in an urban environment, the sedum roof, habitat walls and planting areas have provided a sanctuary for a wide range of native invertebrates, solitary bees and birds.

In addition to their work to embed nature considerations into their supply chain, catering, and client work, PwC UK also wanted to help their people connect with nature.

Taking into account factors such as roof structure and wind exposure, PwC UK sought to create an edible garden where its people could learn about growing food in a way that is compatible with nature, while ensuring the habitats already created weren't disturbed or in competition. An additional 55 varieties of plants were introduced to the roof space, specifically chosen to support nature while also providing produce for the chef team.

Alongside this, it created a series of events as part of PwC UK's Nature Network programme, including tasting tours, bee safaris and gardening workshops.

PwC Greece

PwC Greece has sponsored Arcturos, a environmental non-governmental organisation (NGO) founded in 1992, focusing on the protection of wildlife fauna and natural habitat, in Greece and abroad. Arcturos is active in the area near Ioannina, in Northern Greece, where PwC Greece's Ioannina satellite office is located, and which has a lot of wild and endangered species. Its sponsorship covers the annual feeding and caring expenses for a pack of wolves, amongst other animals.

PwC Greece has collaborated with Arcturos on a number of initiatives, including volunteer programmes for local PwC people engagement in forest cleaning. Arcturos scientists and expert staff have shared their insights and perspectives at a PwC Greece virtual event, discussing biodiversity, the need for its preservation and PwC Greece's joint actions with Arcturos. Next steps include creative upskilling for the children of PwC Greece teams about environment preservation and biodiversity.

Our commitment to natural climate solutions in our carbon offsets portfolio

Natural climate solutions (NCS) have the potential to contribute significantly towards the emissions reductions needed to achieve a net zero world. They can also deliver benefits to biodiversity, ecosystem services, climate resilience and local communities.

We are committed to at least 50% of our portfolio of offsets coming from NCS and have exceeded this commitment for the last five years. In FY24, 87% of our portfolio came from projects that protect and restore the environment through NCS. This commitment supports progress towards several targets of the Global Biodiversity Framework. You can learn more about our carbon offsets here.

Our clients and the broader market

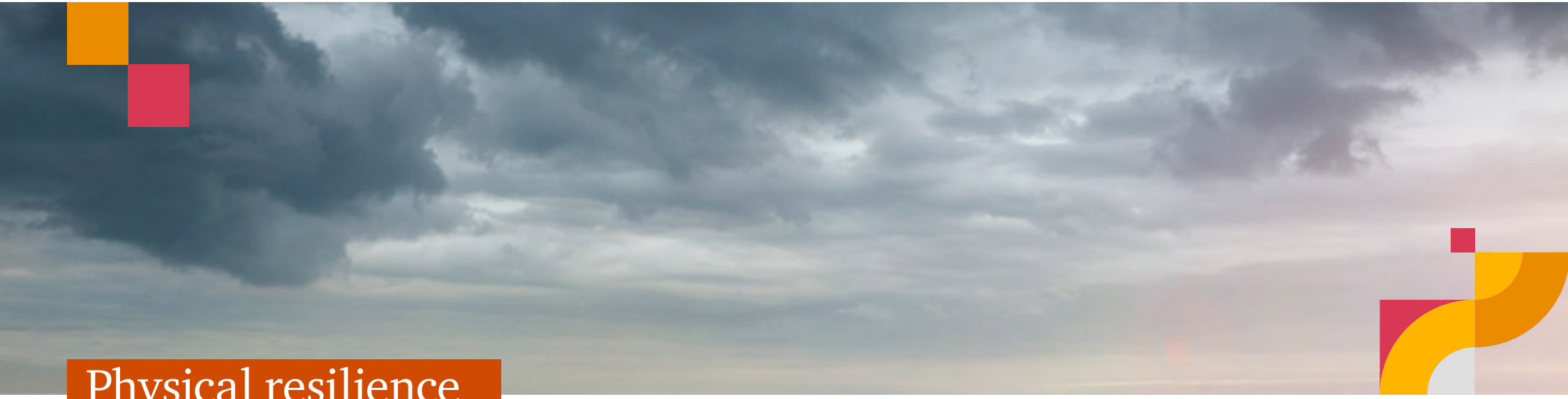
To gain insight into the level of nature-related dependencies, impacts, risks and opportunities we face in respect of our own client base, we profiled the levels of impact and dependency that underpin our global network revenues, based on the sectors and sub-sectors of the clients we work with. We found that roughly one-fifth of our revenue in FY24 was derived from sectors the TNFD has identified as having material nature-related dependencies and impacts.[6]

We have already begun offering new nature-related services to help these clients identify, assess, manage and disclose their nature-related risks and opportunities through our Centre for Nature Positive Business. You can read more about the Centre here.

Looking at the broader market, PwC analysis found that more than half the market value of companies listed on 19 of the world's largest stock markets is in sectors with high or moderate levels of dependency on nature. The same analysis also found that 55% of global gross domestic product is generated in sectors that are dependent on nature – reflecting how nature-related risks will affect individual livelihoods around the world.

We believe it is vital for us not only to support our clients, but to engage in broader efforts to ensure policymakers, the public sector and civil society are aware of and engaged in efforts to halt and reverse nature loss. You can read about some of our activities in that regard here.

[6]TNFD, Additional Guidance for Financial Institutions v.2 (Annex 1), June 2024



Physical resilience

Climate change is manifesting in various forms, with repercussions being felt globally. The frequency and intensity of extreme weather events such as floods and wildfires are escalating, leading to a surge in physical risks. The associated financial impacts are complex and wide ranging, as organisations experience impacts across their full value chains. In response to these challenges, organisations are compelled to adapt and build resilience against today's risks, with an eye on the future as conditions are set to deteriorate further.

While global transition efforts are accelerating, they remain insufficient to meet the goal of achieving net zero by 2050.

In 2023, it was estimated that a record amount of renewable generation capacity was added to the grid.[7] However, in the same period, global energy-related carbon dioxide emissions reached a new record high.[8] Put simply, progress is being made, but growth in our energy demand is outstripping the pace at which we are greening our energy systems.

This means that whilst we are transitioning, it is not happening fast enough to avoid the worst impacts of climate change. Where we used to hear about the 'twin' agendas of adaptation (building resilience to the physical risks of climate change) and mitigation (decarbonisation) needing to be pursued in parallel, the mitigation agenda is not moving fast enough. This is leading to adaptation taking on increasing levels of significance.

When it comes to business, it should be a priority for all businesses to assess the physical risks they are facing across their whole value chains. That will help them understand the financial risks that could crystallise as a result, enabling them to put strategies in place to build business resilience against the critical exposures they face. At PwC, we continue to invest in new services and skills, and work alongside our clients to support them in adapting to these strategic risks. Find out more about our climate risk, resilience and adaptation services here.

[7] IEA, World Energy Outlook 2023
[8] IEA, CO2 Emissions in 2023

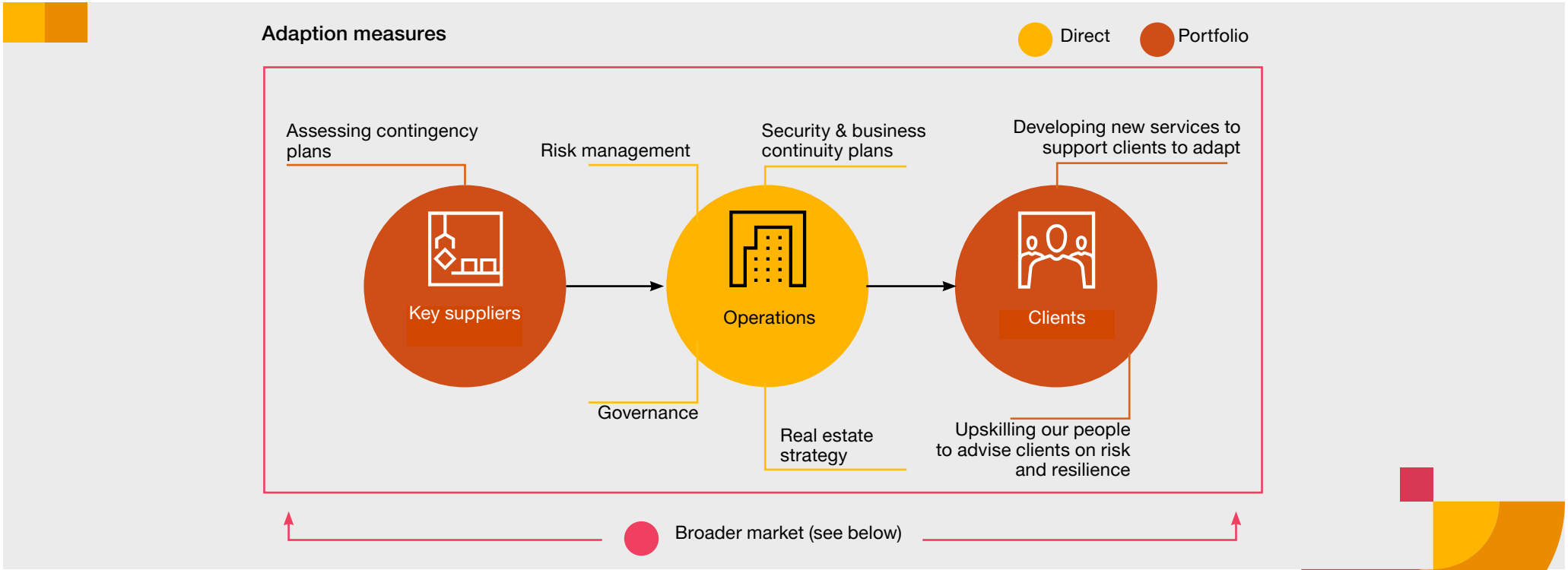
Adaptation across our network

For our own business, we continue to progress a number of actions to adapt to climate change, and reduce our exposure to physical risks. This is driven by our original scenario analysis, but also an understanding that – regardless of which scenario actually prevails – there is a significant amount of warming already 'locked in'. All pathways get worse from today onwards, even in net zero cases. So our focus is on adapting for what we know will happen in the next decade as conditions are set to deteriorate.

Our climate resilience strategy covers a number of areas across our value chain:

- Direct: climate-related outcomes that directly affect PwC operations, services or people
- Portfolio: climate-related outcomes impacting PwC clients or our key suppliers
- Broader market: climate-related outcomes which create regional, economic and social disruption triggered by acute and chronic climate events, including large-scale supply chain disruption and adaptation.

We have summarised some of the steps we're taking to address physical risks within our value chain in the graphic below. Explore further details in appendix 1.



Helping to address systemic issues

Climate analysts estimate that, due to climate-related physical risks, the world economy is committed to an income reduction of 19% by 2050, **outweighing the mitigation costs required by sixfold** over this time frame in order to limit global warming to 2°C. [9]

Macroeconomic estimates are signalling that there will be significant financial repercussions as a result of climate-related physical risks if we fail to adapt. However, there is an apparent disconnect between what these macroeconomic estimates tell us and the pace at which organisations are addressing their potential financial exposures from physical risks within their own value chains.

New research from PwC this year in our Climate Risks to 9 Key Commodities report revealed the vulnerability of commodities such as iron, lithium and rice to climate change, even under a 'low warming' climate scenario. Our findings underline the risks many industries will be exposed to as these core commodities come under increasing pressure.

Some estimates reveal less than one-third of potential losses from natural disasters are insured today, [10] meaning businesses are financially exposed to potential major economic shocks. We are working with our clients to help them understand the business-critical risks they face, supporting them to build strategies that address these risks.

When considering the financial markets, the economic risks of climate change may not be priced into valuations to their full extent. This could have potentially severe consequences for financial institutions and financial markets alike.[11]

At PwC, we're using our voice to raise awareness of these issues, and collaborating with other organisations to develop a path forward. For example:

We have been collaborating with the World Business Council for Sustainable Development (WBCSD) to drive focus and awareness of the significant financial impact of physical risks for business, financial system actors and the wider economy, in advance of their Council meetings later in 2024. Through this work we hope to have enhanced the understanding of the financial impacts attributable to climate-related physical risks and, therefore, emphasise the need to accelerate collective action in driving both the mitigation and adaptation agendas.

We also collaborated with the Climate Champions Team (which supports the United Nations Climate Change High-Level Champions) to produce Business Action for Adaptation and Resilience,[12] a report which supports businesses to deliver the Sharm El-Sheikh Adaptation Agenda (SAA). The report seeks to:

- promote the connection between business adaptation action and the SAA, and highlight how business action is critical to achieving outcomes;
- share some of the actions that businesses and others are already taking, across each of the SAA impact systems and enablers; and
- propose what efforts are urgently needed to help deliver system-level transformation, with calls to action for key stakeholder groups, including businesses, financial institutions, NGOs, governments and more.

[9] Potsdam Institute for Climate Impact, The economic commitment of climate change (pub. nature, 17 April 2024)

[10] Verisk, Global Modeled Catastrophe Losses 2023

[11] European Central Bank, Climate change and financial stability, May 2019

[12] UN Climate Change High-Level Champions, Business Action for Adaptation and Resilience: Bridging gaps for businesses to deliver the Sharm El-Sheikh Adaptation Agenda, 2024

Evolving our services

Our clients look to us to help them navigate the myriad of challenges they face in today's world. Rapid changes in the environment and sustainability landscape are driving businesses to evolve their strategies, redefine their value propositions and improve their resilience – all while working through significant shifts in the regulatory environment.

Our clients are at the heart of all we do and we continue to evolve our services to support their changing needs. That's why we put sustainability at the heart of our global strategy.

This evolution of our service offerings continues to be a central pillar of our environment strategy. It goes to the heart of our own business transformation journey, as we work to remain at the leading edge of what our clients need.

We go about this in two ways. We continue to **adapt our core services** to embed consideration of climate change and other sustainability matters. We are also **building and scaling new services**. Our sustainability practice brings together a global community of sustainability and sector specialists, empowered by technology solutions and data insights which means we can help clients across a range of sustainability challenges.

To enable this evolution, we continue on our journey to develop broader sustainability capabilities across our whole community of solvers. We do this by providing our people with a range of sustainability upskilling programmes and initiatives. You can read more about that here.

Adapting our core services

Sustainability touches every part of a business model. So our clients need to consider it in whatever they are doing. That means we also need to put sustainability at the heart of our services – including our core services such as deals, transforming business models, providing assurance or giving tax and legal advice.

Business model transformation

We support many businesses seeking to harness the long-term opportunity that climate change presents. By pursuing transformation, we help organisations to rethink their strategies from the ground up and shape their businesses to capture long-term value.

Unlocking transformation opportunities through the green energy transition

PwC Spain was engaged by a multinational client which operates in the utility sector to assist with a joint venture to deploy a network of electric vehicle (EV) charging points in Spain and Portugal. By investing in a greener energy system, the joint venture opened up strategic transformation opportunities for our client, while also further enabling the transition of the wider energy infrastructure.

PwC Spain's team supported the client by:

- preparing a valuation of the joint venture and EV charging points;
- completing a market analysis of the EV sector in Spain and Portugal;
- supporting the post merger integration process; and
- supporting with the elaboration / preparation of the business plan for the joint venture.

PwC Spain's experience helped to deliver a meaningful outcome for our clients, enabling them to unlock their potential to find, create and preserve value in a changing world.

Tax & Legal services

Most business changes require some element of tax to be considered – be it people implications, trade tax and tariffs, tax incentives, legal support or tax structuring. So when businesses need our support, whatever changes they are considering, our tax teams across the network are ready to help.

Developing leaders of tomorrow

In a world characterised by a multitude of interconnected crises and megatrends that are reshaping our world, leadership teams across the world are facing the challenge of needing to reinvent their business models in order to survive and thrive in the new world.

Through our new Global Centre for Transformative Leadership, we offer customised assessments, learning programmes and individualised coaching to help leaders develop the skills needed to guide their organisations through change, re-invent their business, and create lasting value in the face of many challenges. This includes a strong focus on climate change and its potential impacts on business strategy and resilience.

> Tax strategies that embed environmental considerations – whether that be supply chain redesign, investments in green incentives or workforce strategies targeting capacity building – can empower businesses to drive rapidly towards a more sustainable and equitable future.
>
> **Brad Silver,**
> Global Tax and Legal Services Leader

Building and scaling new services

With so many urgent challenges to address - including faster rates of decarbonisation, adapting to the climate risks we face, the interconnectedness of nature, all underpinned by the dynamic regulatory environment enabling these changes and the need for a just transition - our sustainability service offerings have continued to expand this year. Here's what we have been doing.

Risk, resilience and adaptation

As sustainability and climate consequences emerge, companies are looking for ways to mitigate climate risk and build more resilient businesses. We help our clients understand their climate risks and work with them to understand the vulnerabilities within their business strategies, develop adaptation plans to address those and build greater levels of resilience.

Advising on the integration of environmental risks into risk management processes

PwC Germany helped a major German bank to understand their exposure to climate and biodiversity risks. We advised how they could successfully integrate these environmental risks into their existing risk management process, while also supporting them to carry out a materiality assessment to profile the strategic significance of those risks.

PwC Germany's proprietary Climate Excellence tool was used to assess the bank's physical and transition risks, delivering the outputs in a visual dashboard enabling their leadership to inspect the findings in detail and understand how they will be impacted by climate change, so that they can take the necessary steps to adapt.

> In the face of climate change, business transformation is not just an opportunity but a necessity. We are helping clients reinvent their business models, building resilience and delivering long-term value in a rapidly evolving world.
>
> Damir Maras,
> Global Advisory Leader

The regulatory landscape

We are moving at pace to support clients as they respond to the dynamic regulatory environment, building tech-enabled solutions to help our clients comply with regulatory requirements, as well as supporting them in moving beyond regulation to capture the connected opportunities to optimise business models, structures and processes.

The ESG Reporting Manager was developed by PwC Germany and was awarded the prestigious SAP Innovation Award for 2024 in the Partner Paragon category. The tool enables clients to achieve automated CSRD compliance quickly using their existing SAP applications. Beyond the immediate compliance need, the solution empowers clients to strengthen, accelerate and firmly embed their sustainability strategies within their business models and strategic decision-making processes.

> Building trust extends beyond financial audits to encompass critical areas including sustainability reporting. This shift is not about compliance; it's about empowering stakeholders with the transparency and insights needed to drive meaningful change.
>
> **Wes Bricker,**
> Global Assurance Leader

From regulatory compliance to long term value creation

A French multinational food product corporation approached PwC France to help them understand the strategic significance and opportunity that the European Union (EU)'s Corporate Sustainability Reporting Directive (CSRD) posed for their business, and to put in place a strategy to enable the company to prepare for the new disclosure regulations. PwC France supported the client by:

- delivering a training session to the key executive committee members to upskill them on CSRD and how it can create strategic value for the business;
- assisting the client to complete a CSRD-compliant double materiality assessment; and
- delivering a CSRD gap assessment, peer analysis and providing wider CSRD reporting support, including delivery of a reporting action plan.

The business is now well positioned to report under CSRD, as well as to pursue the opportunities the sustainability agenda holds for the business that will support it in creating value over the long term.

Energy demand and transition

Global ambition to accelerate the pace of decarbonisation calls for collective effort, in which businesses can play a leading role. We are converging our collective expertise to assist our clients in generating value when navigating their own energy transition journeys.

PwC's Energy Demand Experience

In collaboration with the **World Economic Forum's International Business Council**, we are working together to drive business action on energy demand. We co-authored the Forum's Transforming Energy Demand white paper, which finds there are many tangible actions all businesses can take today to act on energy demand. PwC's Energy Demand Experience is an interactive experience, powered by Microsoft technologies, that builds on the findings of the report. A Microsoft alliance sustainability showcase, it helps show participants how their simulated business decisions concerning energy in buildings, industry and transportation affect a company's overall growth, environmental impact and carbon footprint.

Nature and biodiversity

The PwC network has doubled its number of nature practitioners from 500 to over 1,000, with specialisms including biodiversity, water, deforestation, marine resources and regenerative agriculture.

PwC's global **Centre for Nature Positive Business** unites nature specialists from across our network. By combining our expertise, the Centre enables us to share our knowledge with clients so we can collectively accelerate the global transition to a nature-positive and net zero future.

Exploring how environmental changes may exacerbate health issues

PwC UK delivered a pioneering project with GSK's Global Health team, about the impacts of climate change and nature depletion on the global burden of disease. Together, we explored how environmental changes may exacerbate health issues and considered strategies to mitigate these effects. This work not only highlights the importance of sustainability in healthcare but also emphasises the broader implications of climate change and nature loss for public health.

We are ready to keep supporting our clients in the race to build a sustainable future. For more examples of ways that we do this, see here.

Investing in skills for a more sustainable future

Building the skills our people need

Environmental and societal factors are rapidly changing the risks and opportunities organisations are facing, across all sectors and regions. Our people need to be equipped with the right skills to support our clients to reach their sustainability goals, meet stakeholder expectations and redefine their value proposition. In FY24, 198,190 PwC employees participated in sustainability upskilling activities.

We are mobilising our community of solvers to deepen our impact in the market and with our clients through the launch of three new upskilling programmes:

- **Delivering Sustainability,** a three-day programme designed to equip staff with sustainability skills and drive impactful change across our network and with our clients.
- Our **Sustainability Forum**, which aims to enhance the services we deliver to our clients by fostering better collaboration across our territories and service offerings.
- Our **Sustainability Graduate Programme**, which launched its first cohort in December. This two-year programme is designed to provide immersive learning and real-world experiences for individuals as they build and develop their sustainability careers at PwC. During the launch, participants engaged in a competition to develop innovative recommendations for a client challenge. In FY25, we will welcome our second cohort from 8 territories.

> “As we navigate the complexities of a rapidly evolving global economy, our focus on sustainability is a responsibility – to our people, our business, and our clients – in order to drive value and impact.
>
> Carol Stubbings,
> Global Chief Commercial Officer

We've rolled out further **Sustainable Business Transformation** training this year, expanding it to participants from over 20 territories. Driven by market regulation, investor expectations, a pull from consumers and other stakeholder pressures, many of our clients' C-suites consider sustainability as a core business driver. This intensive masterclass provides participants with the skills to help support and guide our clients' sustainable business transformations.

Building on the success of previous programmes, we introduced the **Sustainability Business Impact Badge** this year to recognise our people's understanding of the relevant issues.

Our entire PwC network has the opportunity to upskill on a broad range of topics. This year, **new e-learns** were introduced to help our people increase their knowledge on Sustainability and Environmental, Social and Governance, Nature and Human Rights.

Our **Global Client Partners Academy** also launched this year. This programme equips our senior leaders with the enhanced skills and knowledge necessary to help our clients understand how sustainability can be integrated into their organisations and drive competitive advantage.

PwC US' four-day **Climate Transition Leadership Accelerator by Harvard Business School Executive Education** gathered together 61 top leaders from PwC firms, including PwC US leaders, Sustainability Global Platform leaders and Lead Client Partners. The programme featured expert lectures on supply chain decarbonisation, digital sustainability and Chief Executive Officer (CEO) climate leadership. Attendees engaged in workshops to create actionable strategies for clients, emphasising low-carbon economy navigation and innovation. This programme is one example of our commitment to empowering leaders to drive sustainable business practices.

Upskilling our people through the PwC Metaverse

PwC's Asia Pacific and China Sustainability teams led a programme that included a vlog competition for our people to share their passion for sustainability. The programme also included an immersive experience that took place through the PwC Metaverse, and highlighted our service offerings, our people's expertise and potential sustainability career opportunities. This programme enabled 1,274 people across 13 territories to deepen their sustainability knowledge and further drive impact across our business and with our clients.

Serious play to develop our people's sustainability upskilling experience

PwC's Asia Pacific Sustainability team delivered an experiential game involving the Sustainable Development Goals for our people to better understand the purpose and impact of their leadership as it relates to sustainability. Through 'real world' scenarios, participants have the opportunity to co-create a sustainable world and understand the impact of their decisions. Each simulation's outcome varies, depending on the participants and their own lived experiences, motivations and values.

Risk management

Our enterprise risk management (ERM) framework sits at the centre of our business response to the environmental crisis. The framework is reviewed to reflect the inherently dynamic nature of the risks we face as a business, including those relating to the environment. In this context, 'environment' encompasses both climate and nature. The network's governance and oversight structure includes the following elements, all of which are geared towards effective risk management.

- Global Board of PwCIL: provides oversight, review and approval of our network's ERM approach.
- Risk Committee of the Board: monitors key risks and responses, sets quality assurance expectations, sets the network's overall risk management framework, and oversees compliance with our Network Standards, policies and legal and regulatory requirements.
- The Network Leadership Team: provides strategic direction, including in the area of ERM.
- The Chief Risk & Regulatory Officer: responsible for network risk management, including ERM.

Members of the Global Leadership Team evaluate the most significant risks and related responses, and set the guidelines for the compliance and monitoring associated with them.

Key Network Risks

Each year, we review the risks with the highest potential impact on the PwC network, known as Key Network Risks (KNRs). KNRs are risks which have the potential to either undermine the achievement of the network strategy and business objectives, or fundamentally damage the network and compromise its future.

Key factors in our assessment include:

- client and service quality, and the network's ability to fulfil its obligations to clients and regulators and to meet the expectations of other stakeholders
- the trust of clients and other key stakeholders (including regulators and governments)
- legal and regulatory compliance across the network
- achievement of the network strategy, including its purpose
- the ability of PwC firms to recruit and retain key talent
- revenues across the network of firms.

The KNRs and related risk responses are reviewed by the Global Board.

Our risk framework

Climate and other environmental risks are embedded within our overall ERM framework and risks identified are subject to the same process and managed in line with all other risks. The framework includes consideration of both physical and transition risks, and the different scenarios that could lead to each as a result of our scenario analysis work.

> Navigating the complexities of climate risk requires agility. By embedding climate considerations into our risk frameworks, we are transforming potential vulnerabilities into strategic strengths to remain resilient in an unpredictable future.
>
> **Coenraad Richardson,**
> Global Chief Risk Officer

PwC firms must comply with certain standards – our Network Standards – including a Standard on ERM, which requires each PwC firm to establish an ERM programme and integrate the output into its annual business planning. The ERM programme must also establish clearly defined roles and responsibilities for identification, prioritisation and mitigation of enterprise-level risks. The ERM programme is designed to identify the most significant risks that could impact the PwC firm, considering a variety of factors, including the KNRs which include Climate (see below).

The shifting environmental risk landscape has been reflected in a recent update to the Climate KNR to capture broader environmental concerns.

Environment KNR: Not fully considering the impact of environmental risks (including extreme weather events, climate change, nature loss and geological disasters) on the network and preparing for their implications. This would include: (i) the impact of physical risks and related disruption; (ii) the impact of transitional risks on certain clients, sectors, economies and on our services; and (iii) failure to meet network commitments related to the environment.

The inclusion of Environment as a KNR not only reflects the importance the network places on the need to manage environment-related risk, but also effectively embeds its consideration into the ERM programme and processes of PwC firms.

Each PwC firm is required to identify its own significant risks, to assess the probability of the risk occurring, its potential impact and whether the risk is operational, forward-looking or emerging. PwC firms are required to develop an appropriate response to manage each risk by establishing its net impact and probability position.

Guidance is provided to help understand impact ratings across a range of criteria, including financial impacts as well as impacts on our people, reputation and quality. Guidance on the use of a heat map is also provided for prioritising risks based on impact ratings and levels of probability. Where relevant, risk responses are collated in specific action plans detailing target dates, responsible parties and ongoing monitoring of remediation activities.

PwC firms are required to perform an annual review to identify, assess and manage risks in line with the Network Standards. This annual review helps PwC firms identify and monitor the movement in risks from year to year.

Annually, each PwC firm completes a self assessment of its compliance with the Network Standards and related policies and procedures, and confirms whether it is in compliance with that Standard. The PwC firm supports its self-assessment with appropriate evidence.

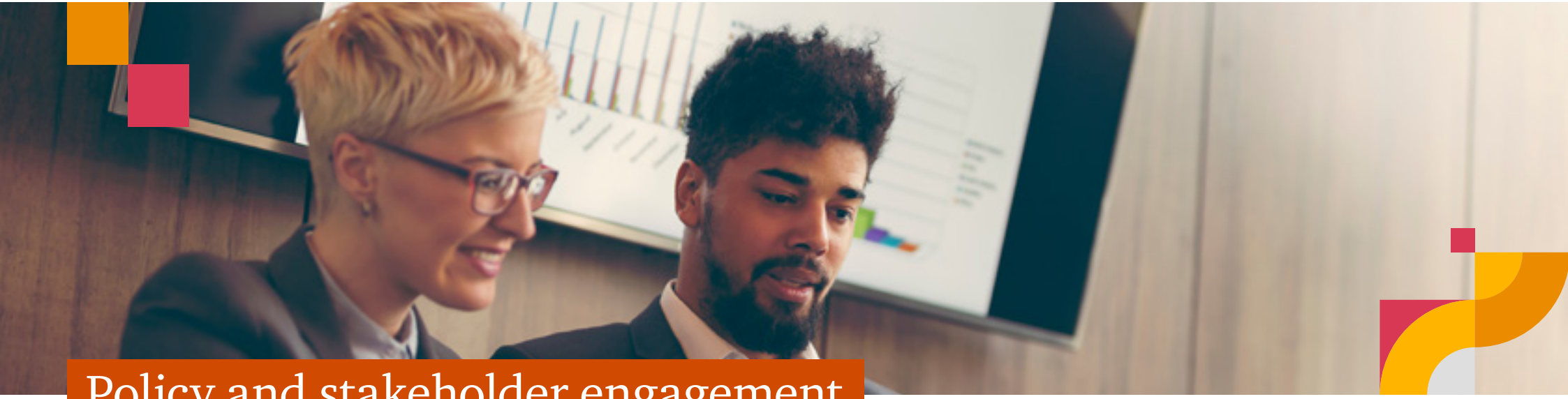
Each self-assessment is independently evaluated by a core team of specialists and feedback is provided to the PwC firm, where appropriate.

For further detail on our risk management framework and processes, please see our Global Transparency Report.

Our Global Corporate Sustainability (CS) team has undertaken a network-level climate risk identification exercise to highlight areas of potential risk. This includes risks either to our physical infrastructure (offices) or transitional risks arising in economically important geographies or sectors. The results of that exercise are contained within **appendix 1**, along with an update on our various business responses.

We continue to evolve our risk management approach to further embed consideration of climate and broader environmental risks as the global risk landscape develops.

Between fiscal years 2023 and 2024, we enhanced our approach to reviewing PwC firms' ERM risks as part of our continuous improvement programme to elevate data analysis and reporting. Additionally, we reviewed the descriptions of the KNRs, resulting in the recently updated Environment KNR to better recognise the shifting landscape and highlight the broader environmental issues.



Policy and stakeholder engagement

Driving progress towards a net zero economy

It's easy to be overwhelmed by the challenges of sustainability, given the size of the problem. But we don't have to be. We can do better. While there is progress taking place, it is not happening at the pace and scale necessary to address the climate crisis.

According to PwC UK's Net Zero Economy Index, the world must achieve a daunting year-on-year decarbonisation rate of 17.2% from now until 2050 if we are to limit global warming to 1.5°C above pre-industrial levels.

Broader, systemic change is needed to support the transition.

> We are committed to driving systemic change and fostering collaboration across public and private sectors to build a more resilient and sustainable future for society at large.
>
> **Colm Kelly,**
> Global Corporate Sustainability Leader

Business has a crucial role to play in driving progress on sustainability, but we need to work across governments, civil society, not-for-profits and businesses to build more urgency in climate action. During **Climate Week NYC 2023**, we participated in a panel discussion on the importance of driving systems change collaboration between public and private sectors to address the climate crisis.

We know that the net zero transition needs new and different policies to support change at the scale it is needed, and we advocate those that can accelerate and create the enabling environment for systems change. We were a signatory to an open letter[13] released by the World Economic Forum on behalf of the Alliance of CEO Climate Leaders in the run up to the 28th Conference of the Parties (COP28), calling on global policymakers and businesses to step up their ambition on climate action.

The transition to net zero, as well as the sustainability agenda more broadly, requires extensive collaboration across sectors to inform and bring about action. We work in collaboration with NGOs and other not-for-profit organisations, such as think tanks and business membership organisations, and contribute to the public dialogue with standard setters. This year, our global community of solvers – including our people from PwC firms in India, the Netherlands, Brazil, Mauritius, South Africa, Canada, the UK and the US – participated in secondments to organisations including the **World Economic Forum, Climate Champions Team** (which supports the **UN Climate Change High-Level Champions), Science Based Targets Network (SBTN), WBCSD,** and **Integrity Council for the Voluntary Carbon Market** to support work on a range of topics, including climate adaptation and resilience, nature and the energy transition.

While it is critical to continue to push for the large-scale decarbonisation of the economy, it is also important to address those emissions that cannot be eliminated today. At **COP28**, we were proud to be one of the first corporate participants to **support Ghana's efforts in fighting deforestation** through carbon credits supplied by the LEAF Coalition. We also collaborated with the World Economic Forum to publish **Better Carbon Credits on the Horizon,**[14] which offers insights on how Article 6 of the Paris Agreement can build trust and what it means for business leaders.

[13] World Economic Forum, Alliance of CEO Climate Leaders share open letter to world leaders for COP28, October 2023

[14] World Economic Forum and PwC, Better Carbon Credits on the Horizon, November 2023

Contributing to a just energy transition

The world has made a great deal of progress in building consensus around long-term solutions in response to the dangers and disruptions posed by climate change. But the gap between the world's current emissions level and trajectory and the 2050 targets remains significant.

There is a clear and urgent need for action. As a member of the **Glasgow Financial Alliance for Net Zero (GFANZ)**, we participate in GFANZ working groups with other financial service providers aimed at driving dialogue for a whole-economy transition aligned with the Paris Agreement. This year's working groups focused on a range of topics, including nature in net zero plans, transition finance, capital mobilisation, public policy and index investment.

But it's not just individual businesses. Every industry needs to do more – and use less energy – to ensure the energy transition is just and sustainable, and enables economic growth. Global platforms are vital to advance coherent, meaningful action through multi-stakeholder dialogue, investments and upskilling.

During the World Energy Congress 2024, we engaged in sessions on decarbonisation with justice, global energy governance and accelerating energy transitions in Europe. We also hosted a Future Energy Challenge for young professionals from government, the energy and social sectors, academia, and civil society to pitch their ideas on shaping the global energy future before a judging panel of global energy leaders.

> "There is no transition, unless it's a just transition. Because unless we involve and listen to people and plan for their needs, we just won't get to the scale and speed that we so urgently require.
>
> **Emma Cox,**
> PwC Global Climate Leader

Building on PwC's role as knowledge partner for the World Economic Forum's "Transforming Energy Demand" initiative, we shared insights on a panel at its Annual Meeting in Davos on the importance of improving energy efficiency to ensure an affordable, secure and climate-friendly future. We also jointly launched thought leadership in support of the Forum's Reskilling Revolution Initiative of which we are a founding partner. It examines the impact of a skills-first approach to talent management and the labour market, including in the context of the digital and green transitions.

> By focusing on skills and potential rather than solely on formal education and previous job titles, we can unlock a much larger, more diverse pool of talent. This approach better equips us for digital and green transitions, while significantly broadening access to opportunities and driving innovation.
>
> **Peter Brown,**
> Global Workforce Leader

We support the **WBCSD Social Performance & Accountability** workstream, helping to design its strategy and develop frameworks to quantify social impact. Our Global CS Leader is a commissioner of the Business Commission to Tackle Inequality, and we continue to engage on the development of the **Task Force on Inequality and Social-related Financial Disclosures** (TISFD). In 2023, PwC worked with the **WageIndicator Foundation** on a global survey[15] that analyses the role of living wages in creating sustainable businesses.

During the **Global Solutions Summit**, leaders across government, civil society and business convened to tackle topics focused on building a just world and sustainable planet in line with the focus of this year's Brazil G20 presidency. We participated in a panel emphasising the urgent need for systemic change to drive sustainable progress. Some of our thought leadership was shared with policymakers, including **Brazil's Energy Evolution**[16] on the skills and policies needed for a sustainable future in Brazil. A group of Young Global Changers (YGCs) participated in the **Global Solutions Summit's Recoupling Awards**, which recognised their efforts in reimagining climate and societal action, business, and civic engagement. We are proud to support the YGCs programme, which has engaged over 500 young leaders from 120 countries since 2017.

Through our collaboration with UNICEF in support of Generation Unlimited, we participated in the launch of Green Rising at COP28. This initiative aimed to equip 10 million young people with the knowledge and skills they need to take climate action by 2026. Green Rising exceeded its ambition after less than a year and has to date worked with over 11 million young people. As a founding partner of Generation Unlimited, we collaborate to address skilling challenges facing young people globally as well as locally through programmes such as Youth Hub (India) and Mamelodi Business Hub (South Africa).[17] These global and local initiatives support Generation Unlimited's mission to help skill and connect 1.8 billion young people to opportunities.

[15] WageIndicator Foundation, Living wage: An emerging standard, October 2023
[16] Global Solutions Journal Issue 10, Brazil's Energy Evolution, April 2024
[17] UNICEF South Africa, Mamelodi Business Hub, May 2022

Accelerating the adaptation agenda

We know that emissions reduction alone isn't enough. We must also adapt to the impacts of climate change that are already happening and will continue to accelerate.

According to our 27thAnnual Global CEO Survey, roughly half of CEOs are innovating climate-friendly products and services, but fewer have plans for other climate action. We have been collaborating with others and engaging in different fora to underscore the point that by taking action, companies can create long-term value, embrace sustainability and thrive in a changing world. For example, we collaborated with the World Economic Forum and others to publish Taking Stock of Business Efforts to Adapt to Climate Change that was launched at COP28.

These resources aim to empower businesses to accelerate climate change adaptation efforts and help advance the policy agenda in this vital area. We are now supporting the WBCSD with tools and methodologies to support business adaptation planning.

Working towards nature-positive outcomes

We know that the nature and climate crises are fundamentally interconnected and need to be solved together. There is no net zero without nature.[18]

We have been at the forefront of developing robust data and measurement frameworks for the TNFD and are proud to be an inaugural TNFD Early Adopter. We joined over 320 organisations in our commitment to making nature-related disclosures based on TNFD recommendations. By aligning our corporate reporting with TNFD recommendations, we can better understand and assess our nature-related dependencies, impacts, risks and opportunities.

We have also been at the forefront of the TNFD's data and measurement efforts, leading the TNFD Data & Measurement Working Group and Data Catalyst initiative, and facilitating collaborative discussions with corporates during COP28. At Climate Week NYC 2023, we collaborated on a roundtable to advance biodiversity footprinting methodologies.

We also contributed to the TNFD's Biodiversity Footprinting Discussion Paper,[19] which emphasises the importance of financial institutions adopting these approaches for a deeper understanding of their relationship with nature.

Businesses face new risks from nature loss, but nature-positive strategies can be implemented to create sustainable outcomes. Our Centre for Nature Positive Business enables our community of nature specialists to work with other businesses and governments to transition to a nature positive future. For instance, PwC UK partnered with **Business for Nature** on its "It's Now for Nature" campaign and the Nature Strategy Handbook that identifies key steps and features of a nature strategy. We also supported the **SBTN** with guidance, frameworks and dashboards to help validate freshwater and land targets.

[18] The Climate Group, Why climate and nature matter to every business, August 2023

[19] TNFD, Discussion paper on Biodiversity footprinting approaches for financial institutions, December 2023

Adapting to a dynamic reporting landscape

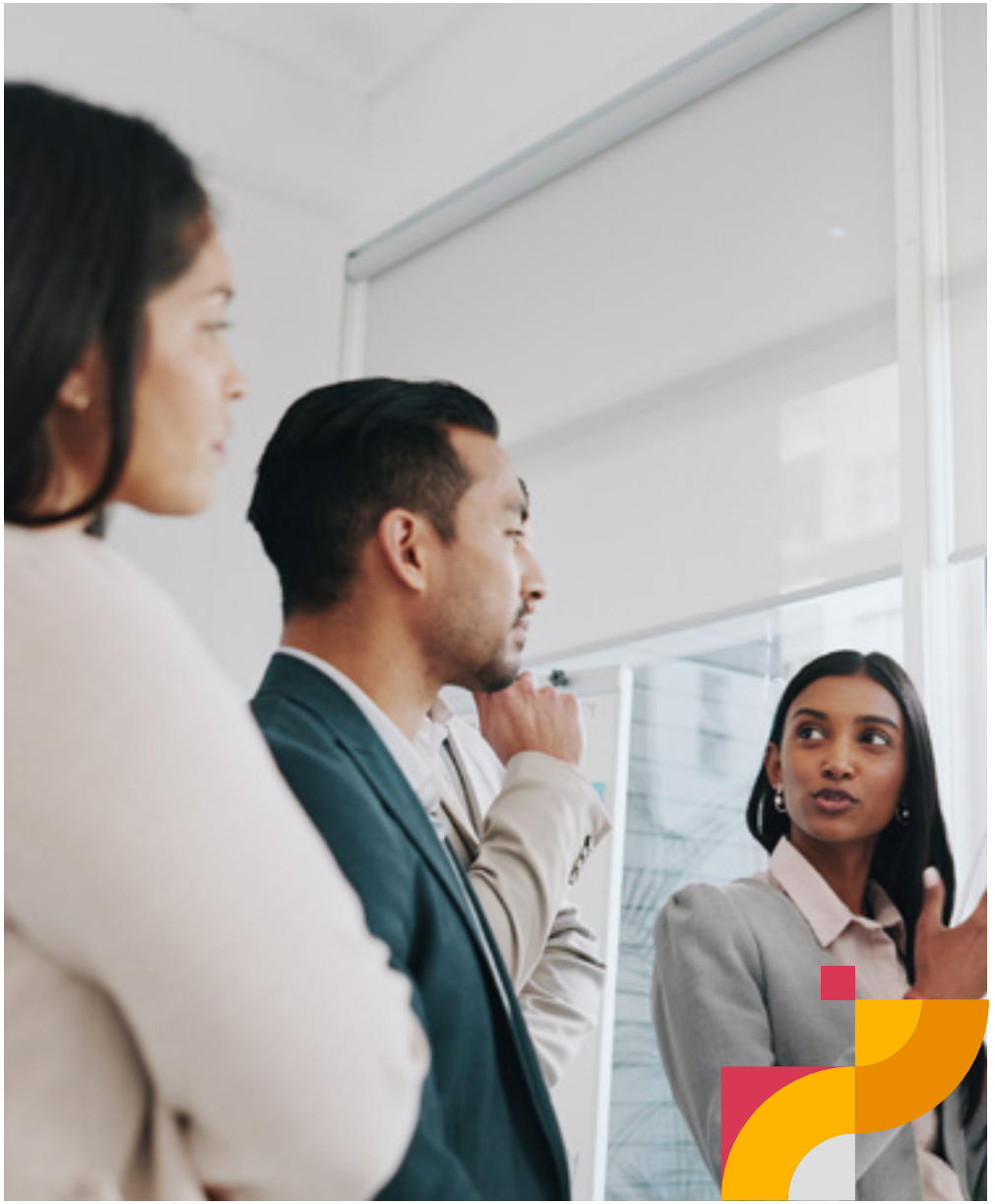
The sustainability reporting landscape is evolving rapidly due to the introduction of new disclosure requirements from a number of standard setters, coupled with the transition from voluntary to mandatory reporting.

Our Global CSRD survey found that almost two-thirds of companies are very or extremely confident that they will be ready to report under the EU's CSRD, but that confidence varies among companies and by topic, with many companies far less confident in meeting the reporting requirements on less familiar topics, such as biodiversity, affected communities, and water and marine resources.

The need for high-quality environmental data has never been more important. Through our involvement in work with the **WBCSD**, we are collaborating with companies to drive global adoption of sustainability disclosure standards through the **Preparer Forum for Sustainability Disclosures.**

We contribute to the public dialogue with standard-setters such as **EFRAG, the ISSB and the TNFD** to help shape standards that will support the transition to net zero. Assurance in sustainability reporting will have a critical role to play in building trust in this new reporting ecosystem, and we are investing to develop our readiness in this important area.

We disclose our environmental performance through CDP, a non-profit organisation that manages global disclosures for various stakeholders. **We are proud to have achieved an 'A-' for our 2023 CDP climate submission**, a reflection of how we are demonstrating best practices in sustainability strategy and action.



Independent Limited Assurance Report to PricewaterhouseCoopers Services B.V.

We have been engaged by PricewaterhouseCoopers Services B.V. (hereafter 'PwC') (acting for itself and for the benefit of other members of the PwC network (the "PwC network"), meaning any entity or partnership within the worldwide network of PricewaterhouseCoopers firms and entities, each a separate legal entity, to provide independent limited assurance on PwC network's reported Non- Financial information for the year ending 30th June 2024. For the avoidance of doubt PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

Our conclusion

On the basis of our procedures and evidence obtained nothing has come to our attention that causes us to believe that the Non-Financial information has not been prepared in all material respects in accordance with the Reporting Criteria (as in Appendix 6 of the 2024 PwC Network Environment Report) as we understand them based on our discussions with the PwC team and based on the wording in the reviewed methodology and reporting documentation.

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

Subject Matter Information

The Non-Financial information included within the scope of our assurance report is set out in full below:

- **Greenhouse Gas – Scope 1 (total)**
- **Greenhouse Gas – Scope 2 (total market based)**
- **Greenhouse Gas – Scope 3 (business travel)** including accommodation, air, rail, road (company car SECR and other road emissions)

The scope of our work does not extend to any other information.

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.

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 the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or 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 methodology

The Selected Non-Financial Information needs to be read and understood together with PwC's Reporting Criteria. The absence of a significant body of established practice on which to draw, and hence to evaluate and measure Non-Financial information such as GHG emissions, 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 Non-Financial Information are for the 2024 reporting year (year ending 30th June 2024).

Work done

We are required to plan and perform our work in order to consider the risks of material misstatement of the Selected Non-Financial 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 and across its member firms
- Reviewing the working papers of audits completed of PwC member firms
- 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 GHG emissions reported by 20 member firms, selected on the basis of their inherent risk and materiality to PwC, with additional random sampling. We have also relied on the conclusions of three territories previously reviewed by Crowe under a separate appointment.
- Analytically reviewing the data included within the scope of our report: this included limited substantive testing of the Selected Non-Financial Information to check that data had been appropriately measured, recorded, collated and reported
- Assessing the disclosure and presentation of the Selected Non-Financial Information for the intended stakeholders

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Non-Financial information for the year ending 30th June 2024 have been prepared, in all material respects, in accordance with the Reporting Criteria.

PwC's responsibilities

PwC is responsible for:

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

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Non-Financial 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 PwC

This report has been prepared to assist PwC in reporting its Non-Financial information, to enable PwC to show it has addressed its governance responsibilities by obtaining an assurance report of its GHG emissions. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PwC network as a body, for our work, for this report, or for the conclusion we have formed. We do, however, provide a release to allow the results of this assurance report to be shared with the Corporate Disclosure Project (CDP).

Signature

Alex Hindson

For and on behalf of Crowe U.K. LLP

Chartered Accountants, London

Date: 21st October 2024

APPENDIX A: METRICS ON WHICH CROWE HAS PROVIDED LIMITED ASSURANCE

Item	Measure	PwC Network FY24
Greenhouse gas emissions summary		
Scope 1	Tonnes CO_2e	28,815
Scope 2 (market based)	Tonnes CO_2e	14,709
Scope 3 business travel	Tonnes CO_2e	532,612
Scope 1 Greenhouse Gas Emissions Detail		
CO2 of Fuels	Tonnes CO_2e	9,585
CO2e of Owned/controlled transport	Tonnes CO_2e	19,230
Scope 2 (market based) Greenhouse Gas Emissions Detail		
CO2e of Electricity (market based)	Tonnes CO_2e	6,849
CO2e of Heat (market based)	Tonnes CO_2e	7,779
CO2e of Battery electric cars (market based)	Tonnes CO_2e	80
Scope 3 Business Travel Greenhouse Gas Emissions Detail		
TOTAL air travel greenhouse gas emissions	Tonnes CO_2e	373,125
TOTAL land travel greenhouse gas emissions	Tonnes CO_2e	63,157
TOTAL accomodation greenhouse gas emissions	Tonnes CO_2e	96,330

Appendices

Appendix 1 - Climate scenario analysis: Methodology and findings

Appendix 2 - Nature scenario analysis, findings, core metrics

Appendix 3 - Our governance framework

Appendix 4 - TCFD and TNFD indices

Appendix 5 - Our climate transition plan

Appendix 6 - GHG data and methodology

Appendix 7 - Beyond value chain mitigation

Appendix 8 - Nature impact: Analysis, methodology and key considerations

Appendix 9 - Net Zero Financial Service Providers Alliance

Appendix 10 - Glossary of terms

Appendix 1 - Climate scenario analysis: Methodology and findings

An overview of our approach

We have used **climate-related scenario analysis** to assess the climate resilience of our strategy and business model to climate-related changes, developments and uncertainties. Our latest scenario analysis was carried out this year to reflect changes to the scenarios and time horizons used for our analysis (see further details below).

Below we have defined our business model and value chain in order to assess the impact that climate change may have on our direct operations, downstream and upstream value chain, and the broader markets in which we operate.

Our business model and value chain

At PwC, our purpose is to build trust in society and solve important problems. Our firms have over 743 offices in 149 countries. With more than 370,000 people, PwC is among the world's leading professional services networks.

We have a diversified business with a wide range of private and public sector clients across a variety of industries, sectors and geographies. We help organisations and individuals create the value they are looking for by delivering quality Assurance, Tax and Advisory services.

As a people-based organisation **our business model** relies on people as our key asset and our primary input into our business. Their collective knowledge and skills provide a diverse and significant breadth of capabilities that we leverage to support our clients in achieving their goals.

The key **inputs** for our business model can be summarised as:

- Human capital - Experienced hires/professionals, graduates and school leavers;
- Financial capital - Partner equity; third party debt
- Intellectual capital - Technical and technological expertise; proprietary tools and methodologies
- Physical assets - Offices (mainly leased); IT equipment

We also require some limited natural resources to run our operations, such as energy supporting our locations and travel, plus other office supplies.

Our key **outputs** are normally reports, advice or opinions. The majority of these are shared electronically with our clients.

We operate this same business model across the world, supported by a number of shared acceleration centres which provide virtual client engagement support across PwC's services and capabilities.

Given the global nature of our business, people and services, we have a diverse **value chain.** It can be broadly divided into two key groups: upstream suppliers and downstream clients.

Upstream from our direct operations, we engage with a variety of stakeholders, suppliers and partners to source inputs to carry out our services. These upstream inputs include, but are not limited to:

- Purchased goods and services: office infrastructure, IT equipment, financing, technology (including AI) and travel services which allow us to carry out our day to day business operations (see above for more detail on our inputs);
- Alliance partners: to help accelerate innovation and power our clients' business transformation we curate strategic alliances with some of the world's leading technology and data companies. More information on these alliances can be found here.

Downstream from our operations are our clients. We have a diversified portfolio of private and public sector clients, spanning the majority of industries, sectors and geographies.

Climate-related risks and opportunities already have and will continue to affect our business model and value chain. We see these impacts in our business model in the demand for specific services, the need to evolve the skills and capabilities of our people, and it informs which markets we will decide to operate and invest in going forward.

With respect to those actors upstream from our business, climate-related risks and opportunities have already impacted what we buy and who we buy it from. Most notably it has impacted our business travel decisions, sourcing renewable electricity, and having suppliers with science-based targets (SBTs) to reduce the climate impact in our supply chain. Our supply chain will continue to be impacted as we further refine our purchasing strategies.

With respect to impacts downstream from our business, climate-related risks and opportunities have already and will continue to impact how we engage with our clients and on which topics, the type of work we perform (with greater and growing emphasis on climate and environmental matters), as well as the strategic alliances we develop.

The substantive climate-related risks we've identified at a network level are concentrated in our direct operations. The risks relate to our ability to adapt our core services to embed consideration of climate change, and the development and scaling of specific climate-related services to meet market demand. This would also have a significant impact on our efforts to attract, recruit, and develop climate-related skills and capabilities in our people. Failure to act on these risks would have a significant negative impact on our business. That is why these areas are addressed in our business strategy, to ensure we evolve our practices to not just meet the change in market demand that we see, but to lead on it.

The above describes the concentration of strategic risks and opportunities in overall terms for our network. How these materialise at the level of individual firms across our network may vary.

Our methodology framework

We know that the risks and opportunities posed by climate change will impact our business model and value chain on different levels. Some impacts will directly affect our own infrastructure and operations, others will arise through our upstream and downstream value chain. The different levels of impact are of strategic significance because the way in which we understand and then respond to the matters varies depending on which category they fall into. It also allows us to organise our business responses at the appropriate levels within our organisation.

The framework (see table below) starts where we have most control or influence (Direct), as well as the greatest scope to take actions to reduce risks or pursue opportunities. Our level of control and ability to reduce risk changes as you move down the categories (Portfolio and Broader market). We'll need to work proactively with other stakeholders to make sure we're making progress for our business and tackling the broader climate challenge.

Category	Impact level	Illustrative business response
1. **Direct**	Climate-related outcomes that directly affect PwC operations, services or people	• Improvements to offices to increase energy efficiency or protect against increase in extreme weather. • Changes to core services to include consideration of climate-related matters.
2. **Portfolio**	Climate-related outcomes impacting PwC clients (downstream value chain) or our key suppliers (upstream value chain)	• Manage our overall client portfolio by identifying and working with sectors and regions which are likely to be most impacted by climate risk. • Manage opportunities in emerging clients and sectors that are likely to grow quickly during a transition.
3. **Broader market**	Climate-related outcomes which create regional economic and social disruption triggered by acute and chronic climate events or transitional activities, including large scale supply chain disruption and adaptation	• Work with clients, governments and policy makers to help anticipate, plan and respond to effects of climate change in the more severely impacted regions, and support planning for orderly transitions.

Climate scenarios

We selected two climate scenarios to assess the risks and opportunities for our business and applied both scenarios to the levels within the framework above.

1. Paris-aligned scenario (1.5°C) and
2. no mitigation scenario (>4°C).

What is a 'climate scenario'?

Climate scenarios are hypothetical future states under different levels of global warming and states of transition to a low carbon world. They provide a forward looking view into how different types of climate-related risks and opportunities may impact an organisation. There are a number of scenarios which have been developed by central scientific organisations or large businesses which are publicly available and widely used within climate-related scenario analysis.

First, in our Paris-aligned scenario, we assessed transition risks by using a scenario where the rise in global temperatures is limited to an average of 1.5°C relative to pre-industrial levels. Second, in our no mitigation scenario we assessed physical risks by selecting a stressed physical scenario which assumes limited policy changes are implemented to curb the current volume of emissions, resulting in an increase of >4°C in average global temperatures.

We acknowledge physical risks will be present in a 1.5°C scenario, but we have not analysed those impacts at this time, instead focusing on the more severe position.

We periodically review the relevance of the scenarios we choose to apply in our analysis and refine as needed. This year we changed from a 'well below 2°C' scenario, to a scenario that is aligned with the most ambitious global temperature goal set out in the Paris Agreement (1.5°C). This change allows us to stress test our business under the highest levels of transition risk, and it also reflects the net zero commitments to which we are aligning our business. We apply both scenarios to our full value chain.

Scenario	Paris-aligned scenario (1.5 °C)	No mitigation scenario (>4°C)
Rationale	We selected this scenario to assess the transition impacts for our business in an economy shifting to a low carbon world.	We selected this scenario to assess our physical risk under a high emissions scenario, consistent with a future with limited policy changes to reduce emissions.
Underlying model	Network for Greening the Financial System (NGFS) Net Zero 2050 scenario	Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways 5-8.5
Used to analyse	Transition impacts	Physical impacts
Assumptions	**Transition features:** • Ambitious climate policies are introduced immediately. • Transition risk leads to a negative short-term impact on gross domestic product. However, immediate coordinated transition will be less costly than inaction or a disorderly transition in the longer-term. • Carbon dioxide (CO_2) removal is used to accelerate decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. • Electricity from renewables increases 5-fold over the next three decades. • Net CO_2 emissions reach zero around 2050 (50% chance of limiting global warming to below 1.5°C by the end of century).	**Physical features:** • Reversal of current technology and/or mitigation policy trends. • Global emissions continue to rise as a result of high carbon intensity of the energy system. • High reliance on fossil fuels to support economic development. • Global mean sea level rise of 0.63–1.01 m (likely range) by 2100 relative to the 1995–2014 average. • Very high frequency and intensity of heat waves and extreme precipitation events.

Time horizons

We've defined three forward-looking time horizons for our analysis and used them to categorise risks and opportunities.

Short term
0 - 1 years

Mid term
>1 - 5 years

Long term
>5 years

This year we have redefined the time horizons used for our analysis. These time frames reflect cycles considered in our strategic planning, which allows closer alignment to our typical business decision-making time frames.

PwC's climate risk analysis tools

To produce our analysis, we've sought to test and interrogate our business through a number of different lenses for which we have used our own sustainability technology suite. These are applied in our work supporting clients with their climate risk analyses and/or their climate-related disclosures.

Climate-related risks and opportunities: Detailed findings

The table in the following pages contains a full summary of the most significant impacts arising from climate change for our network, based on the selected scenarios and in the time frames described above.

We've included some quantifications to illustrate the potential financial impact on our business model and value chain. The values are subject to many variables and assumptions and so should not be taken as our estimate of the likely impact. We have not assessed the probability of the outcomes discussed.

We will continue to refine our analysis to reflect the best available climate science and to factor in actual progress being made in overall terms.

Risk / opportunity	Time horizon	Business impact	Business response
Physical impacts: Impacts arising from climate- or weather-related events			
Risk Physical risks to network office infrastructure arising from acute and chronic climate events	☑ **Current period** ☑ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Direct impact** PwC firms (including our shared data and acceleration centres) will be exposed at various levels to increasing levels of extreme weather and the related disruption to our people, operations and business. The highest levels of exposure will occur in the >4°C scenario. However, we are already seeing extreme weather have an impact today. Impacts to our business may include disruption to the delivery of client services; negative impacts on our people; property damage; and reduced revenue due to disruption to our operations. For example, if 1,000 of our client-facing staff were disrupted from engaging with our clients for a period of one week as a result of an extreme weather event, this could potentially impact our revenue by around US$3.4 million. If we assume 2 of these events occurred per annum across our network, over the course of 5 years that risk could equate to US$34 million.	We carried out a network-level physical risk analysis to determine exposure levels to climate-related hazards across important strategic or economic areas of our network. As a business, we have put measures in place to help ensure that we are building greater resilience across PwC's global network. For example, we have established a community of **Climate Risk Leaders**, which comprises leaders from nearly all of our PwC firms. The leaders are each responsible for overseeing climate analysis on a local basis and working across multiple functions to implement necessary adaptation measures for their business. **Remote working** should reduce the effects of an acute disruption to our service delivery. Although if whole regions come under severe stress from climate change this may impact our people's ability to work from home, causing significant disruption to our operations. As a network, our business responses for direct physical risk impacts include: **1. 'Environment' Key Network Risk (KNR)** The shifting environmental risk landscape has been reflected in a recent update to the Climate KNR to capture the broader environmental concerns such as biodiversity and ecosystems. 'Environment', including extreme weather events, climate change, nature loss and geological disasters, is included as a KNR in our network enterprise risk management (ERM) framework. This has driven greater levels of awareness and discussion within local leadership teams. PwC firms have begun the process of building understanding of climate risk into their local ERM frameworks.

Risk / opportunity	Time horizon	Business impact	Business response
		In extreme circumstances some offices may need complete relocation – with related costs of disruption to avoid a wider impact on our ability to deliver services across the network, and on our people.	**2. Global security and business continuity planning** Our Global Security team has dedicated resources to support PwC firms in understanding the impacts of extreme weather events and help our local business continuity teams to understand, assess and manage these risks as proactively as possible. This team also provides our PwC firms with intelligence reports and other planning information. The Global Security team will also provide planning support to PwC firms that are most at risk from extreme weather events. **3. Real estate strategy** Many of our local real estate teams already take climate-related issues into account when they're deciding new office locations. This includes consideration of a building's ability to withstand increased levels of acute and chronic climate events. For network-level real estate, we actively factor physical risks into our strategic decision-making process.

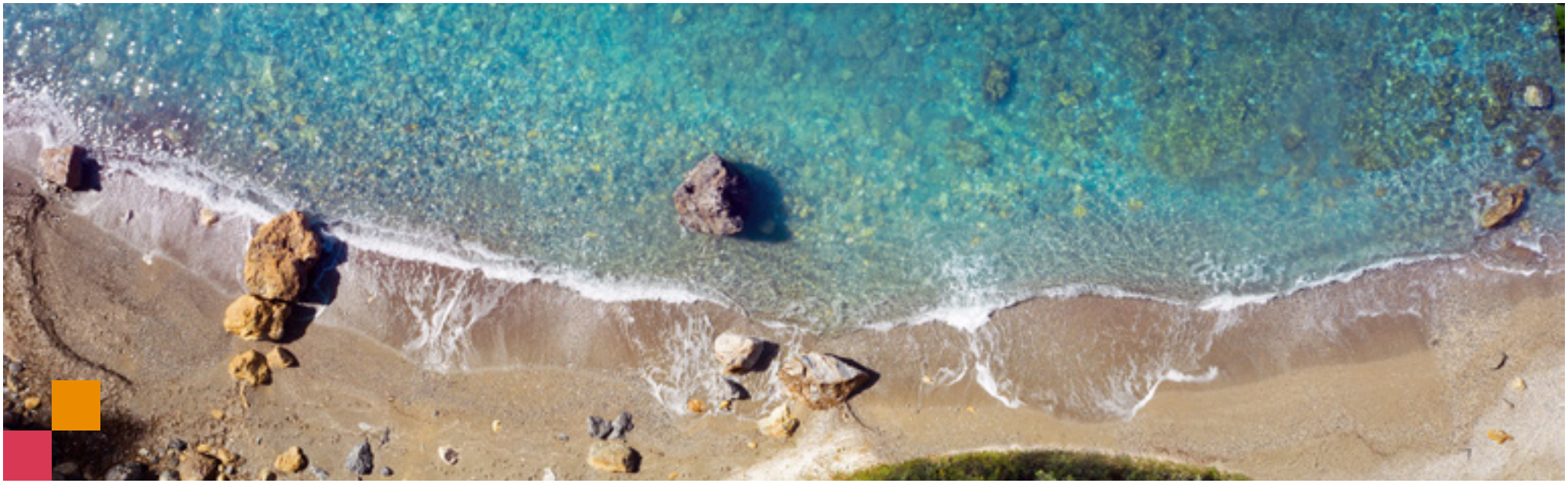
Risk / opportunity	Time horizon	Business impact	Business response
Risk Impact of climate events (acute and chronic) in higher risk geographies	☐ **Current period** ☐ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Portfolio impact & Broader Market impact** Country or regional economic disruption brought on by climate-related events could impact our business through our client base and have wider implications for economic, social and political stability. We're already seeing events like this, but they would be much more frequent and severe in a >4°C scenario. It's very difficult to estimate the economic impacts of this type of disruption. But we expect they could be far ranging and cause widespread, even global, economic stress. If our revenue base were challenged between 5-10%, that could mean a loss of revenue in the range of US$2.8 billion – US$5.5 billion.	**Response to portfolio impact:** As we work with our clients locally and regionally we will provide our expertise and input to support them with their strategic planning, to respond and adapt to climate-related risks and related developments (within relevant independence requirements). Focus is needed to plan for the impact of possible large-scale disruption in important economic regions for our business, working with local leadership teams to define how we need to respond. Our physical risk analysis is one of the key inputs required to support this planning. **Response to broader market impact:** This type of event also presents much wider societal and economic risks. These could include large scale alterations to migration patterns within and between regions. We expect to work with multiple stakeholders, governments, clients and policymakers to plan for and reduce these risks as much as possible – to build resilience and minimise negative impacts. We know we cannot own or fix these problems ourselves. But as part of the broader ecosystem it's important that we contribute our expertise and resources to find solutions and connect with other stakeholders.
Risk Extreme weather events causing major disruption to sectors with significant supply chain concentration in areas of heightened risk	☐ **Current period** ☐ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Broader Market impact** Global or regional economic disruption caused by events of this nature could impact several areas of the business, across local regions and sectors whose supply chains are concentrated or heavily reliant on those geographic regions. Whilst events of this nature already occur, and our assumption is they would increase in a 1.5°C scenario, the effects would be far more extreme in a >4°C scenario.	This type of event presents much broader societal and economic risks. **We expect to work with multiple stakeholders, governments, clients and policymakers** to plan to reduce these risks as much as possible – to build resilience, and to minimise negative impacts. We also work with other organisations to develop resources so businesses can respond to these challenges. For example, this year we collaborated with the Climate Champions Team (which supports the United Nations Climate Change High-Level Champions) to produce 'Business Action for Adaptation and Resilience,[20] a report that serves as a resource to demonstrate business action on adaptation, in support of the Sharm El-Sheikh Adaptation Agenda.

[20]UN Climate Change High-Level Champions, Business Action for Adaptation and Resilience: Bridging gaps for businesses to deliver the Sharm El-Sheikh Adaptation Agenda, 2024

Risk / opportunity	Time horizon	Business impact	Business response
Risk Impact on business travel from extreme weather events	☐ **Current period** ☐ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Direct impact** As the impacts of climate change get worse (particularly in a >4°C scenario) we would expect to face increased disruption to business travel. This could result in delays in the delivery of our client services. For example, if half our client-facing professionals experienced disruption delaying them by a day, losing that time we spend with clients could impact revenue by approximately US$107 million per annum (p.a.).	**Operationalising our net zero commitment** An important part of our net zero commitment is to reduce emissions from business travel by 50% in absolute terms by FY30, from a base year of FY19 (aligned with a 1.5°C climate scenario). Our plans to achieve our near-term SBTs are being driven on a local basis by our Net Zero Business Leaders from each PwC firm, working with their local leadership teams to implement change. You can find further details about our journey to decarbonise our business here. **Digital transformation** We continue to review our hybrid working arrangements to balance the increased flexibility for our people with the importance of getting teams together. We've made significant investments in our own digital transformation enabling us to deliver more of our services virtually, reducing the need for travel. Risks as a consequence of climate-related disruption to our business travel are substantially mitigated by these initiatives.

Risk / opportunity	Time horizon	Business impact	Business response
Transition impacts: Impacts arising from the process of adjusting to a low carbon economy			
Risk & Opportunity Exposure to particular sectors with highest levels of transition risk	☐ **Current period** ☐ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Portfolio impact** We expect more transition impacts (risks and opportunities) in a 1.5°C scenario. In general, we assume disruption from the transition would be limited under higher temperature scenarios due to the lack of policy action – but physical risks are likely to be higher. In a high transition scenario, sectors which are more carbon intensive are likely to come under increasing pressure from investors, banks, governments and other stakeholders to transform to reduce carbon from operations and supply chains. This may place strain on some businesses or sectors, especially where progress is not being made at sufficient pace and scale. We'll need to carefully manage any resulting risks and exposures in our client portfolio. However, we also expect that those sectors with high levels of transitional disruption may need greater support to help them navigate the transformation process, giving rise to opportunity for us. There will also be opportunities to support increased activity in businesses and sectors which are focused on alternatives to carbon intensive operations and activities.	**Portfolio monitoring and management** The portfolio nature of our business offers risks and opportunities. We need to manage the portfolio at both global and territory levels to identify sectors and clients which are most likely to be affected. This allows us to manage risks and pursue opportunities. We'll do this in line with our commitment to working towards a just transition. **Investing in climate-related services** Climate change and the broader sustainability agenda are placed at the heart of our global strategy. In order to execute our strategy, in June 2021 we committed to investing US$12 billion over five years. This investment includes acquisitions and investments in partners, staff and technology, some of which will help us to support clients in driving sustainability through their strategy and operations. We will engage with our clients in sectors which are particularly exposed to transition risks in order to keep them informed of the business issues that may arise and we will continue to work with them to implement their strategies to mitigate the disruption and risks that they will be exposed to.

Risk / opportunity	Time horizon	Business impact	Business response
Risk & Opportunity Exposure to particular geographies with highest levels of transition risk	☐ **Current period** ☑ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Portfolio impact & Broader Market impact** Transition impacts (risks and opportunities) are likely to be more prevalent in a 1.5°C scenario. It's clear that certain countries/regions will progress their transition to a low carbon economy ahead of others. As countries transition, businesses operating within those economies (particularly those which are carbon intensive) will face potential disruption and increasing levels of complexity from evolving domestic regulation and other policies (e.g. carbon pricing). This will create both risks and opportunities in our portfolio in these regions. Some clients and sectors will need greater levels of support, others will be challenged (which may create risks). And there may be broader economic implications, which will impact our business overall.	Different countries will transition at different speeds. We are already supporting our clients as they navigate the complexity that is bringing (portfolio level) and will continue to focus efforts in regions as they transition. We'll also need to contribute to transition efforts by working with governments and respecting the need for a just transition, to create as orderly a transition as possible (broader market level). Focus will be needed to plan for the impact of possible large-scale disruption on our network in important economic regions to mitigate risks and pursue opportunities. We expect that global and local leadership will collaborate to better understand, anticipate and respond to the levels of disruption which may take place within their market.



Risk / opportunity	Time horizon	Business impact	Business response
Risk & Opportunity The adaptation of our core services to embed consideration of climate change, and the development and scaling of specific climate-related services	☑ **Current period** ☑ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Direct impact** With substantial market growth attracting many new entrants and vertical and horizontal competition, there is a risk PwC could lose market share if we fail to be agile in adapting to the market demand. However, there is also a significant opportunity for our services to be both relevant and impactful from a market perspective with the right investment. This opportunity includes a wide range of new climate-related service offerings, for example, supporting our clients with their net zero transformation or to comply with sustainability-related disclosure requirements (such as the Corporate Sustainability Reporting Directive or the International Sustainability Standards Board). It also includes a need to adapt our existing core services and further embed considerations of climate change. We estimate the value of the potential opportunity will be at least US$5 billion p.a. for PwC by 2028. This range is based on our estimated market share in line with our strategic ambition as part of our global strategy, and is informed by third party research.	Climate change and the broader sustainability agenda are placed at the heart of our global strategy. In order to execute our strategy, in June 2021 we committed to investing US$12 billion over five years. This investment will include business acquisitions, investment in partners, staff and technology, some of which will help us to support clients in driving sustainability through their strategy and operations. Some specific examples where we are investing in our service offerings include: **Global Sustainability Strategic Priority** We established our global Sustainability Strategic Priority team, which is tasked with developing and scaling our capabilities in climate and broader sustainability services, and embedding these into our core businesses. For example, a Sustainability Reporting Solution has been launched to provide our global teams with a pool of central resources to support the delivery of work with our clients. This helps our clients to transform their reporting function to provide insights that support management to meet sustainability ambitions, manage risk, create stakeholder trust as well as maintain regulatory compliance. The process of adapting our services will also partly be driven by response to updated regulatory frameworks which govern our profession (e.g. as a provider of regulated assurance services). PwC is a member of the **Net Zero Financial Service Providers Alliance,** connecting auditors and other financial service providers with the Glasgow Financial Alliance for Net Zero - a global coalition of leading financial institutions committed to accelerating the decarbonisation of the economy. For us, this means a commitment to plan and perform audit work that is consistent with relevant regulatory and professional standards in terms of assessing climate-related risks as part of the process of planning and execution of audits of financial statements. A more detailed description of the commitments and our reporting can be found in appendix 9. **Upskilling our people** One of the key pillars of our global strategy is our commitment to upskill all our people on sustainability topics, including climate change. These issues impact all sectors, geographies and products, and all businesses will be affected in some way. All our people will need at least a baseline knowledge and competency of climate change to provide even more value to our clients, whatever service we're delivering. Read more about our upskilling progress and initiatives here.

Risk / opportunity	Time horizon	Business impact	Business response
Risk & Opportunity Attracting and retaining talent	☑ **Current period** ☑ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Direct impact** Our response to the global climate challenge will either improve our reputation, or could potentially damage it. This will impact our ability to attract and retain talent. As a people-based service organisation, being able to attract key talent is critical to our ability to serve our clients. Risk exists under both scenarios.	We continue to actively engage with our people across a range of climate-related areas, including: • Evolving the services we offer clients. • Giving the opportunity to all our people to upskill on sustainability matters, including the impacts of climate change. • Making wider contributions via policy discussions, research and analysis. • Evolving how we deliver our services to help our clients to decarbonise and transition to a net zero future. • Engaging with our suppliers and our people on how they can make a positive difference. We have programmes and initiatives in place to drive our business forward in these areas, including upskilling our people on the topic of climate change to drive awareness, and to empower our people to drive impactful change in their own lives, across our firm and with our clients. Read more about our upskilling initiatives here.

Risk / opportunity	Time horizon	Business impact	Business response
Risk & Opportunity Brand / reputational risk arising from failure to contribute in a meaningful way to the climate agenda, including failure to meet our net zero commitment or show progress against our targets	☐ **Current period** ☑ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Direct impact** This is also an area of both risk and opportunity for us under all climate scenarios. Our response to the climate agenda and contributions toward finding solutions will either serve to improve our brand and reputation, or potentially damage it, with a corresponding positive or negative impact on our revenues. This includes the risk of being accused of 'greenwashing' if we do not follow through on the commitments we make. Every 1% increase or reduction in global revenue is worth approximately US$550 million.	When we created our global strategy, we looked at global trends and the challenges facing business. Climate change was central to the design of our strategy, because it affects all parts of society and the global economy. As part of executing our strategy, we committed to investing in our people, in climate capabilities and technology to broaden and scale our business – to support our clients with new climate services and embed climate change considerations within our core services (see above). **Policy and stakeholder engagement activities** A fundamental part of our own net zero commitment involves contributing our expertise to wider policy and sector-based efforts to accelerate the transition to low carbon alternatives and solve transitional challenges. We're committed to contributing our time and expertise to find solutions to these challenging and complex problems, in line with our purpose. Read further detail about our continued efforts this year here. **Net zero** Delivering on our net zero commitment with 2030 goals for our own operations is an important part of how we are responding to this risk. It's also reflected in a substantive programme to make sure our commitments are met. You can find further details about our net zero journey here.
Opportunity Energy saving policies and measures implemented across our network of offices	☑ **Current period** ☑ **Short** (Up to 1 year) ☑ **Mid** (>1 to 5 years) ☑ **Long** (>5 years)	**Direct impact.** We have an opportunity in all climate scenarios to drive efficiencies in our energy consumption, driving reduction in our greenhouse gas emissions.	A large number of PwC firms have already implemented some energy-efficiency measures. However there is opportunity and scope to broaden the application of energy-saving measures across the network.

Appendix 2 - Nature scenario analysis, findings, core metrics

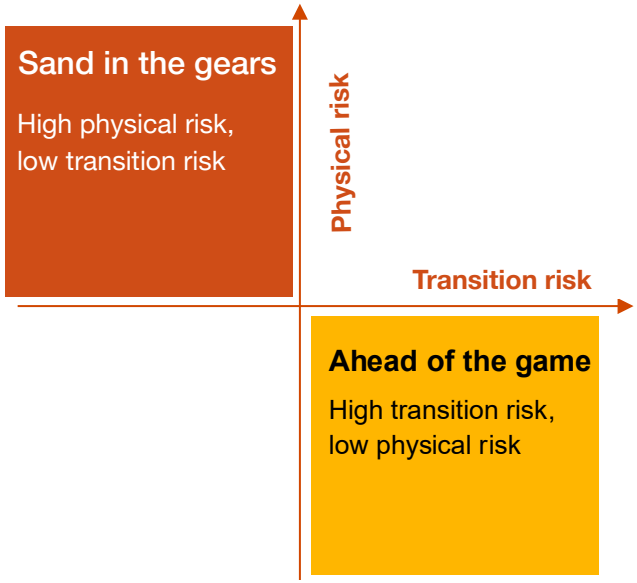
In line with the Taskforce on Nature-related Financial Disclosures (TNFD) framework, we have used scenario analysis to support the further development of our nature strategy by assessing our nature-related dependencies, impacts, risks and opportunities.

Like the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) S2 reporting standard (and the Task Force on Climate-related Financial Disclosures framework that preceded it), the TNFD recognises the importance of scenario analysis to test the resilience of a company's strategy.

As in our climate risk approach, we have selected one scenario that highlights physical risks, (due to a rapid deterioration of nature and ecosystems), and one that highlights transition risks (resulting from a policy environment that fosters nature-positive outcomes.)

Scenario selection

In this early stage of our TNFD journey, we have used two of the high-level qualitative scenarios recommended by the TNFD as default scenarios, as presented in the Recommendations of the TNFD.[21] We intend to periodically review the availability of new alternatives and the relevance of the scenarios we choose to apply in our analysis and refine as needed.



Sand in the gears

Environmental assets are deteriorating fast, but politics and finance are too noisy, slow and bogged down in complexity to drive broad and systematic action.

1. Organisations are incentivised to stopgap their most severe and acute business disruptions, and to externalise the costs and negative consequences where possible.
2. There are perverse incentives to overuse environmental assets in the short-term.
3. The developed–developing economy divide on benefits from environmental assets widens.

Ahead of the game

Positive progress on carbon and climate accelerates the turn toward a policy and macro-prudential environment for nature-positive outcomes.

1. Actual experienced loss from nature degradation is low.
2. There are opportunities for organisations to lead, but also increasing scepticism of overreach on nature, given the lack of proof points about impact and risk, and the lack of visible opportunities in carbon-neutral growth

Time horizons

We've defined three time horizons for our analysis and used them to categorise risks and opportunities. These broadly correspond with our horizons for strategic planning.

Short term	Mid term	Long term
0 - 1 years	1 - 5 years	>5 years

[21] Taskforce on Nature-related Financial Disclosures (TNFD), Recommendations of the TNFD, September 2023

Risks and opportunities: Detailed findings

Risk/opportunity, time horizon, category	Business impact	Business response
Physical impacts arising from nature loss or the decline of ecosystem services		
Physical risks to network office infrastructure arising from the decline of regulating and maintenance ecosystem services • Short, mid, long term • Direct impact on PwC operations, services and people	Our direct operations do not have dependencies on cultural or provisioning ecosystem services other than water for drinking and sanitation in our offices. Like all businesses, however, we benefit from regulating and maintenance ecosystem services that help mitigate the physical risks to our people, as well as the risk of disruption to our business, from environmental hazards such as extreme heat, wildfires, extreme precipitation, hail, flooding, drought, and landslides, as well as polluted air and water. The specific set of relevant hazards and the degree of associated risks are unique for every location. (For descriptions of the three categories of ecosystem services, please refer to Box A below.) The decline of ecosystem services is more likely under the "Sand in the gears" scenario.	We mitigate these risks, which could be exacerbated by the decline of regulating ecosystem services, with our technology infrastructure that enables our staff to work, communicate and collaborate (both internally and externally) virtually. Although in some cases our people's homes would also be affected, making remote working difficult, if just one of our locations is affected, the physical risks would not have a material financial impact on our whole network. Nonetheless, we aim to continue improving both our understanding of these risks and our mitigation measures. Most of the hazards cited are already being addressed by our climate resilience efforts, described in appendix 1. In 2024, we took steps to widen the scope of our Key Network Risk for climate-related risks to include extreme weather events, nature loss and geological disasters. This will become part of our enterprise risk management during the coming year, bringing added focus from PwC firms to each location's specific set of environmental hazards that are not already covered by our climate resilience efforts.
Exposure to particular sectors with high levels of nature-related dependencies and associated physical risks • Mid to long term • Portfolio impact via our client base	Our real economy clients face risks from nature/ecosystem decline, especially in sectors with significant land, freshwater or ocean footprints in their value chains, including those that depend on agriculture, forestry, fisheries, ample water supplies, river transportation, ground stability, etc. Our financial sector clients face these risks via companies in their loan and investment portfolios. These events would be highest under "Sand in the gears" scenario.	We will continue developing our expertise and service offerings to help our clients manage their nature-related physical risks.
Local, regional or global ecosystem collapse or rapid ecosystem decline • Mid to long term • Broader economic or social impact	Local, regional or global ecosystem collapse or rapid ecosystem decline could bring large-scale disruption of water supplies, air quality, food production and the built environment, causing economic, political and societal instability. Poorer economies will generally have less resources to build resilience to these risks and could suffer more severe impacts. These events would be highest under "Sand in the gears" scenario.	We will continue contributing our expertise and resources to improving resilience in collaboration with other stakeholders, including governments, clients and policymakers.

Risk/opportunity, time horizon, category	Business impact	Business response
Transition risks: Impacts arising from the process of adjusting to a nature-positive economy		
Exposure to particular sectors with highest levels of transition risk • Mid to long term • Portfolio impact via our client base	Our real economy clients could face risks (e.g. regulatory, litigation, reputation) from society's efforts to protect nature, especially in sectors with pollution or significant land, freshwater or ocean footprints in their value chains. Our financial sector clients would face these risks via companies in their loan and investment portfolios as well as financial sector regulations targeting indirect portfolio impacts and investor expectations for greener assets. These impacts are more likely under the "Ahead of the game" scenario.	We will have opportunities to help clients assess, report and manage their physical and transition risks. Some clients will be challenged, bringing risk to our revenue base. Capturing the opportunities and managing the risks will require relevant in-house capabilities. We continue to invest in relevant skills and capabilities across our network to support our clients with these challenges. Read more about our Centre for Nature Positive Business.
Exposure to particular geographies with highest levels of transition risk • Mid to long term • Portfolio impact via our client base • Broader market impact via economic or social impact	Policy and regulatory measures (e.g. restrictions on nitrogen runoff or deforestation-free requirements for certain commodities) could impact certain agriculture, forestry and fishery production regions and populations, impacting their prosperity, well-being and social stability. Developing economies, in particular, could lack resources to adapt to new requirements, e.g. smallholder adoption of traceability measures. Such events are most likely under the "Ahead of the game" scenario.	We will continue contributing our expertise and resources to address these risks in collaboration with other stakeholders, including governments, clients and policymakers. We will continue to make the just transition to a nature-positive economy a high priority in our stakeholder engagement efforts.
Reputation, brand and employee retention risks if we fail to demonstrate commitment and contribution to achieving a nature-positive economy	Our direct operations have a low overall impact on nature and ecosystems, but we could face reputation risks if we fail to demonstrate commitment to support business and society's transition to a nature-positive economy, and to understanding and addressing our operations' impacts on nature. There could be growing expectations that carbon credits/removals are purchased to deliver other certified positive impacts, or that companies purchase biodiversity credits to offset negative impacts. This risk is likely in both the "Ahead of the game" and "Sand in the gears" scenarios.	We will continue our decarbonisation efforts, which generally involve shifting away from fossil fuel combustion. We expect that these efforts will also serve to reduce non-greenhouse gas (GHG) air pollution across our value chain. We will identify best practices among our PwC firms and share them across the network in areas such as circular economy initiatives, waste reduction, real estate strategy and other measures that demonstrate innovation and results. We will continue contributing our expertise and resources to engage private and public sector stakeholders in the transition towards a nature-positive economy. We will continue in our commitment that our carbon credit portfolio is mostly sourced from natural climate solutions, which go beyond reducing the amount of GHGs in the atmosphere by helping to fund projects that protect or restore the environment.

Box A: Ecosystem services

Ecosystems produce flows of benefits, known as ecosystem services, to people and the economy. Ecosystem services fall into three categories:

- **Provisioning services** represent the flow of benefits that are extracted or harvested from ecosystems, such as timber and fuel wood from a forest or freshwater from a river.
- **Regulating and maintenance services** are those ecosystem services resulting from the ability of ecosystems to regulate biological processes and to influence climate, hydrological and biochemical cycles, and thereby maintain environmental conditions beneficial to individuals, organisations and society. For example, air filtration by trees, storm surge protection provided by mangroves, and pollination as a service provided by bees. These services are essential for the productivity and resilience of organisations and society.
- **Cultural services** are the experiential and intangible services related to the perceived or actual qualities of ecosystems, where their existence and functioning contributes to a range of cultural benefits. For example, the recreational value of a forest or coral reef for tourism, or the spiritual value of certain trees or landscapes. Organisations may rely on these directly (e.g. tourism value) or indirectly (e.g. benefits for employee well-being).[19]

[19]TNFD, Guidance on the identification and assessment of nature-related issues: The LEAP approach v1.1, October 2023

TNFD core metrics	
Core metrics	**Relevant information and sections**
C1.0 Total spatial footprint	Not material for reporting purposes. (See Box B below.) For more information on our land footprint please refer to appendix 8
C1.1 Extent of land/ freshwater/ ocean-use change	Not material for reporting purposes. (See Box B below.) In FY24, the Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+), Improved Forest Management (IFM) and Afforestation, Reforestation and Revegetation (ARR) projects we have supported, alongside others, have supported the conservation of 970,000 hectares of primary rainforests and peatlands, and supported the reforestation and afforestation of more than 214,000 hectares of forest. (Please refer to this section for more information.)
C2.0 Pollutants released to the soil split by type	Not material for reporting purposes. (See Box B below.)
C2.1 Wastewater discharged	Not material for reporting purposes. (See Box B below.)
C2.2 Waste generation and disposal	Not material for reporting purposes. (See Box B below.)
C2.3 Plastic pollution	Not material for reporting purposes. (See Box B below.)
C2.4 Non-GHG air pollutants	Not material for reporting purposes. (See Box B below.)
C3.0 Water withdrawal and consumption from areas of water scarcity, (including identification of water source)	Not material for reporting purposes. (See Box B below.) For more information on our water withdrawal and consumption please refer to appendix 8.
C3.1 Quantity of high-risk commodities sourced from land/ ocean/ freshwater	Not material for reporting purposes. (See Box B below.)
C7.0 Transition risk C7.1 Physical risk	Based on analysis of just over 80% of our global network FY24 revenue, we estimate that approximately one-fifth of our revenue comes from clients in sectors that the TNFD identifies as having material dependencies and impacts on nature. These sectors are identified in Annex I of the TNFD's Additional guidance for financial institutions v2.0.[23]
C7.2 Fines, penalties and litigation	Not material for reporting purposes. (See Box B below.) We are not aware of any nature-related fines, penalties or litigation matters having arisen in FY24 within the network. Given the nature of our business and the limited impact our operations have on the environment, this would be unlikely to occur. If we become aware of any such matters we will disclose these in a future report.
C7.3 Opportunity	Sustainability is at the heart of our global strategy. In June 2021, we committed to investing US$12 billion over five years. This investment includes acquisitions and investments in partners, staff and technology – with a significant focus on growing our capabilities in relation to sustainability issues. Most of the investment in nature-related services is made at local firm level, based on their client base, local market environment and level of new capabilities required.
C7.4 Opportunity	Work that we classify as "entirely" Sustainability related has generated US$905m in FY24 (FY23: US$519m). We also undertake further work on Sustainability matters as part of larger, multi-disciplinary projects. Revenue for these projects, including Sustainability, totalled $658m in FY24 (FY23: $605m).

[23]TNFD, TNFD, Additional guidance for financial institutions v2.0, June 2024

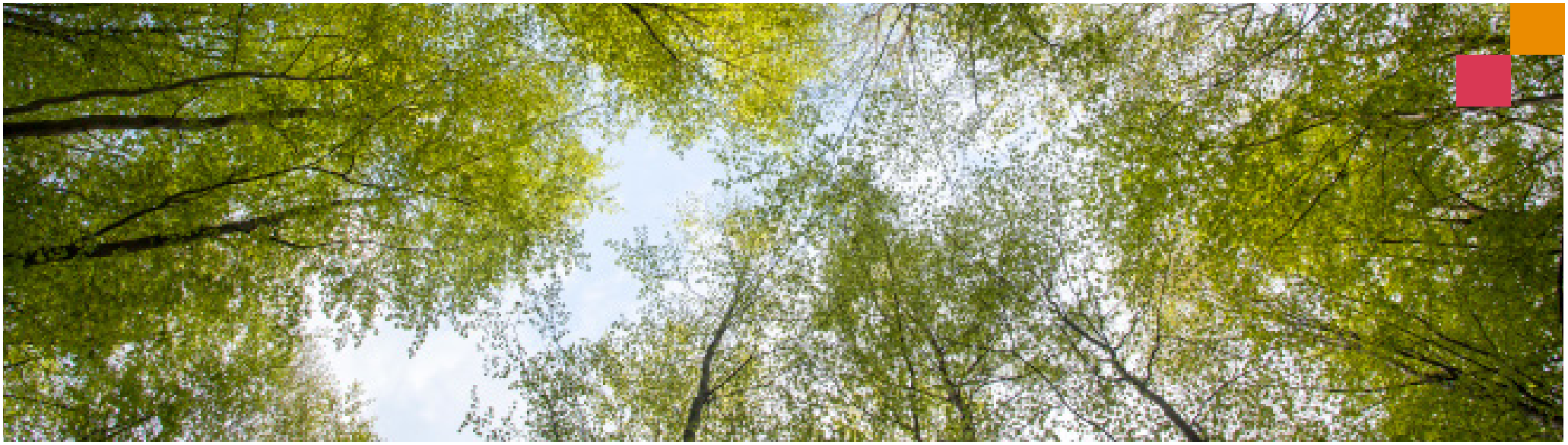
Box B: Materiality

For the nature-related dependencies of our direct operations, we used the World Wide Fund (WWF) for Nature Biodiversity Risk Filter for location-specific insights and referred to the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) Knowledge Base for sector-related insights.

We have used PwC's Nature Impact Explorer to estimate the nature-related impacts for our operations and supply chain, and we have referred to guidance and analysis from organisations, including ENCORE, Sustainability Accounting Standards Board (SASB) and CDP, for additional sector-related materiality insights on these impacts.

The TNFD recommends that report preparers use the ISSB's definition of material information. Based on the ISSB's IFRS S1 standard's criteria for materiality, S1.17[24] and S1.18,[25] we have concluded that these nature-related dependencies and impacts are not material for disclosure purposes.

Nonetheless, we believe it is important to continue building our understanding of our impacts and dependencies, reducing our impacts and managing the dependencies and physical risks we have identified for our business.



[24] IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, June 2023 (S1.17: "An entity shall disclose material information about the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.")

[25] IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, June 2023 (S1.18: "In the context of sustainability-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity.")

Appendix 3 - Our governance framework

An overview of our governance structure, the roles of the different bodies within it and the parts they play in monitoring, managing or overseeing our responses to environmental matters.

Our governance structure is a key mechanism in enabling our environment-related strategic priorities. Oversight and management of these issues are conducted at both a network and individual firm level.

Executive leadership

The **Network Leadership Team (NLT)** sets the overall strategy for the PwC network and the Standards to which PwC firms agree to adhere. The NLT is made up of the Network Chair and the Territory Senior Partners (TSPs) of the PwC firms in the UK and the US, plus a fourth member appointed by the Global Board (currently the TSP of PwC Germany and Regional Senior Partner of PwC Europe).

The **Global Leadership Team (GLT)** is appointed by, and reports to, the NLT. Its members are responsible for leading teams drawn from PwC firms to coordinate and lead PwC's activities across all areas of the business, including our lines of service and network functional teams. Their responsibilities are reflected in their respective role descriptions.

The Global Markets Leadership Team (GMLT) was responsible for setting our market strategy and priorities. Within this is the consideration of the opportunities arising from climate change and the environmental agenda more broadly. Going forward, this responsibility will be held directly within the GLT.

Governance of our environment strategy

At network level

Management and oversight of our environment agenda, including our net zero programme, target setting and how we are transitioning our business to be sustainable in a low carbon economy, is provided by the NLT.

Our **Global Sustainability Leadership Team (GSLT)** is the primary management body relating to our own corporate sustainability (CS) agenda. It is led by our Global CS Leader and brings together leaders from the largest PwC firms, representatives of our regions and subject matter experts to review our CS objectives, progress and impact. Its remit covers the network's global environmental and community ambitions.

The GSLT monitors progress towards our net zero commitment, including our near-term science-based targets, as well as our broader business transition to adapt in response to the environmental agenda. The GSLT reports to the NLT and Global Board (or one or more of its committees) periodically.

In the last 12 months, our Global CS Leader has reported to a number of key leadership groups within our business to discuss our approach to decarbonising our business, and also reported on our progress in transitioning the wider business in response to climate change risks and opportunities. This includes meetings with the Global Board, the GLT, the Global Strategy Board and the GMLT. In addition, the Global CS Leader met regularly with the Network Chair and with the Global Markets Leader at least monthly, and on an ad hoc basis as needed.

At territory level

Our network environment statement sets out targets, expectations and firm responsibilities. The TSP of each PwC firm has appointed a Net Zero Business Leader who is responsible for defining and implementing the net zero plan in their territory, and also provides updates to our Global CS Team.

Furthermore, the TSPs have each appointed a Climate Risk Leader for their PwC firm. The Climate Risk Leader is responsible for overseeing a climate scenario analysis for their territory and ensuring that their PwC firm is taking the necessary steps in order to adapt to any climate-related risks identified and to avail themselves of any climate-related opportunities.

PwC's Global Board

The Board of PricewaterhouseCoopers International Limited **(PwCIL)** represents the interest of all members of the PwC network. It has overall responsibility for the governance of PwCIL and the PwC network, oversight of the NLT and approval of Network Standards.

Having a broad range of backgrounds and experiences is an essential ingredient in the Board's discussions. In addition to their core technical expertise across a range of disciplines such as audit, accounting, tax and consulting, our Board members also have experience and competencies across the spectrum of environmental, social and governance (ESG) issues including inclusion and diversity, social mobility, renewable energy and corporate governance. The Board also draws on a range of internal and external subject matter experts to complement their knowledge.

The Board currently has four standing committees: the Governance Committee, Markets Committee, Operations Committee and Risk Committee. Each of these have an important role to play in governing PwC's response to the risks and opportunities posed by the environmental agenda. Their responsibilities and those of the Global Board are set out in the PwCIL constitutional documents.

PwCIL Board	
Governance Committee	With oversight of all network governance and leadership matters, the Governance Committee is responsible for approving the NLT's annual plans (which includes environmental Key Performance Indicators) and overseeing the performance of the NLT, who set the overall strategy for the PwC network. The committee evaluates the NLT's performance against their annual plans and makes a recommendation to the Board regarding the compensation for the global component of each NLT member's role.
Markets Committee	The Markets Committee provides governance over our markets, portfolio of services, brand positioning, CS and public interest matters. The Markets Committee therefore has oversight of how the PwC network is supporting clients to achieve their environmental targets through our sustainability related service and product offerings.
Operations Committee	The areas of focus of the Operations Committee include finance, and network investments and transactions, operational matters (including the oversight of how our operations are being transformed to meet our net zero commitment), network performance, people, technology strategy and data protection. This includes providing oversight of global security matters and the safety of our people to plan for and mitigate the physical risks that we expect will increase as a result of more frequent extreme weather events.
Risk Committee	The areas of focus for the Risk Committee include enterprise-wide risk management (ERM) and legal matters, as well as adherence to Network Standards, ethics and compliance, and policies. The Board of PwCIL provides oversight, review and approval of the network ERM approach and focus. The Risk Committee is responsible for the monitoring of Key Network Risks (KNRs) and responses. The PwC network and PwC firms adopt a rigorous approach to ERM. KNRs are reviewed on an annual basis, and are identified as the risks with the highest potential impact for the PwC network. These KNRs and related mitigation plans are reviewed by the Risk Committee. See Risk management for further information relating to our current KNRs.

Over the past year the Board and its Committees have received updates or discussed various elements across our environmental agenda seven times, including periodical reports on the network's progress against its net zero commitment, and the trade offs between business risks and opportunities.

Appendix 4 - TCFD and TNFD indices

Throughout this report we have included our disclosures in line with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). Both frameworks are structured around four pillars that represent core elements of how organisations should operate: governance, strategy, risk management, and metrics and targets. The frameworks have a number of disclosure recommendations within each of these pillars. The indices below outline where we have addressed each of these disclosures within this report.

TCFD disclosure index

TCFD core pillars	Recommended disclosures	Relevant sections
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	Appendix 3: Our governance framework
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Context and strategic focus
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Physical resilience
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Appendix 1: Climate scenario analysis - methodology and approach
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Risk management
	b. Describe the organisation's processes for managing climate-related risks.	
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Appendix 1: Climate scenario analysis - methodology and approach
	b. Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas emissions and the related risks.	Decarbonising our business
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

TNFD disclosure index

TNFD core pillars	Recommended disclosures	Relevant sections
Governance The governance processes, controls and procedures the organisation uses to monitor and manage nature-related issues	a. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	Appendix 3: Our governance framework
	b. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	
	c. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	Our human rights statement Our global third-party code of conduct Appendix 7: Beyond value chain mitigation
Strategy The approach the organisation uses to manage nature-related issues	a. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	Context and strategic focus Evolving our services Reducing our impact on the environment: Nature Physical resilience Appendix 2: Nature scenario analysis, findings, core metrics Appendix 8 - Nature impact: Analysis, methodology and key considerations
	b. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	
	c. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	
	d. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	
Risk and impact management The processes the organisation uses to identify, assess, prioritise and monitor nature-related issues	a. i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	Risk management Appendix 3: Our governance framework
	a. ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	
	b. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	
	c. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	

TNFD core pillars	Recommended disclosures	Relevant sections
Metrics and targets The organisation's performance in relation to nature-related issues, including progress towards any targets the organisation has set or is required to meet by law or regulation.	a. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	Reducing our impact on the environment: Nature Appendix 2: Nature scenario analysis, findings, core metrics Appendix 8: Nature impact: Analysis, methodology and key considerations
	b. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	
	c. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	

Appendix 5 - Our climate transition plan

Transition plans form a critical component of a business strategy – helping to explain to customers, shareholders and investors how the business will deliver the changes necessary to meet their net zero objectives. The table below outlines the actions we are taking to transition our own business, the role we are playing within the overall transition of the economy and the relevant sections of our report where you can find more details. We will continue to review and refine this plan as we progress our transformation journey.

Transition plan components			Read more
Foundations	Objectives and priorities	We remain committed to accelerating the just transition to a net zero world, in alignment with the Paris Agreement. Our environment strategy embeds this objective into our way of doing business. This includes minimising our own impact on the environment, evolving our products and services, engaging with stakeholders, building capacity and skills across our business and beyond, and engaging in policy dialogues. Our net zero commitment includes near-term science-based targets (SBTs) which were validated by the Science Based Targets initiative (SBTi) in July 2021. They are aligned to a 1.5^0 climate scenario using a cross-sector pathway.	Context and strategic focus Decarbonising our business
Implementation strategy	Products and services	One of the most important roles we can play as part of the broader transition is working with our clients to help them understand and navigate their own net zero pathways. We are investing significantly to evolve our service portfolio to both adapt our existing core services, and develop and scale new climate-related services so we can meet our clients' climate-related needs.	Evolving our services

Transition plan components			Read more
	Activities and decision making	Our business transformation in response to climate change is an ongoing process. Our environment strategy remains focused on two key interconnected agendas - mitigation and adaptation. We have taken these into consideration when planning how we evolve our services, enhance our skills, build physical resilience, reduce our own impact, manage the risks appropriately and undertake policy and stakeholder engagement activities. Throughout our report we have outlined the mitigation actions and decarbonisation levers we are applying, and the key assumptions and anticipated external factors that may influence the achievement of our strategic ambition. The network's Environment Key Network Risk is embedded into our enterprise risk management framework and ensures that we continue to monitor any potential risk of failing to meet network commitments related to the environment. **Impact on financial planning:** We're integrating emissions reduction actions into our financial planning, considering how we can reduce our own emissions and also how we can contribute to wider emission reduction efforts by supporting clients with their emission reduction targets. For example: • **Revenue:** One of the most important roles we can play as part of the broader transition is working with our clients to help them understand and navigate their own net zero pathways. Work that we classify as "entirely" sustainability related has generated US$905m in FY24 (FY23: US$519m). We also undertake further work on sustainability matters as part of larger, multi-disciplinary projects. Revenue for these projects, including Sustainability, totalled $658m in FY24 (FY23: $605m). • **Investments (opex and capex):** In June 2021, we committed to investing US$12 billion over five years in order to execute our global strategy. This investment includes acquisitions and investments in partners, staff and technology, some of which will help us to evolve our services so that we can support clients in driving sustainability through their strategy and operations.	Context and strategic focus Decarbonising our business Risk management Evolving our services

Transition plan components			Read more
	Activities and decision making	Investments are being made all across our network, as individual member firms respond to the changing market dynamics. For example: - PwC Germany invested in building tech-enabled solutions to help clients comply with new regulatory reporting requirements - PwC US has invested in the creation of Geospatial Climate Intelligence, a web-based application that is able to assess and quantify the impact of climate events and changing climate conditions on clients' assets, employees and supply chains. Actionable insights are created to enable our clients to integrate climate risks and opportunities into core functions such as strategy, supply chain, operations, risk and compliance to build business resilience. Individual member firms are also investing in improving energy efficiencies and retrofitting our offices. For example: - PwC Cyprus has installed solar panels on its two main buildings with a total capacity of 97 kilowatts, which will cover around 10% of their annual electricity needs. - PwC Belgium installed solar panels in its Brussels Campus and Liege offices. - PwC Finland is using district heating from renewable sources such as heat pumps operated by zero emissions renewable hydropower. - PwC Germany relocated its data centre to reduce power consumption and space. • **Internal carbon price:** At a network level we do not apply a carbon price. Some of our PwC firms apply an internal carbon price to help drive low carbon investment and activities. For example, PwC Netherlands applies an internal carbon price of €100 per tonne. This measure finances sustainability initiatives such as Sustainable Aviation Fuels and Circular Renovation, while also accelerating emission reduction projects. As a key financial indicator, it influences internal operations within the local firm and enhances the viability of sustainability projects.	Decarbonising our business

Transition plan components			Read more
	Policies and conditions	We have a number of policies and conditions in place to support the achievement of our network strategic ambition. These include, but are not limited to: Our Network Environment Statement, which sets the framework for our PwC firms to: • Align with and deliver against PwC's global net zero ambition. • Continuously improve their environmental performance with respect to their business operations. • Reduce the consumption of resources and promote the efficient use of those resources. • Consider environmental and social issues in the procurement of goods and services. • Consider environmental impacts such as energy performance, biodiversity and waste in the management and use of buildings. • Consider the impact of environmental risks (including extreme weather events, climate change, nature loss and geological disasters) and prepare for their implications. This includes physical risks and related disruptions, and the impact of transitional risks on certain clients, sectors, economies and PwC services. We also have a Third Party Code of Conduct (TPCoC) that explains the minimum standards of integrity and business conduct PwC expects of the Third Parties with which it does business. The TPCoC was updated in 2023 to enhance the environmental stewardship section where PwC expects Third Parties to play their part to limit climate warming including efforts to identify and manage environmental risks and impacts of their organisation and supply chain.	Our Network Environment Statement PwC's Global Third Party Code of Conduct
Engagement strategy	Value chain	As a professional services provider, we are continually working with our clients and engaging them on climate-related matters relevant for their businesses. This involves informing our clients about climate-related frameworks and regulatory changes and supporting them in their transitions to a low-carbon economy. As part of our own transition, we are actively engaging with our suppliers and encouraging them to set their own SBTs and reduce their climate and environmental impacts.	Evolving our services Decarbonising our business

Transition plan components			Read more
	Industry	We believe that it is essential to contribute our expertise to support the development of common sets of frameworks, definitions, methodologies and reporting standards to help in the net zero and climate transition. We have made contributions across a number of areas with varying industry bodies. We are also members of the Net Zero Financial Service Providers Alliance, connecting auditors and other financial service providers with the Glasgow Financial Alliance for Net Zero.	Policy and stakeholder engagement Appendix 9: Net Zero Financial Service Providers Alliance
	Government and other external stakeholders	We remain committed to using our influence and voice to enhance the transition to a net zero world. We work with government, business and civil society groups to support a just transition to net zero, protect nature and build climate resilience. Given our role in facilitating the delivery of trusted information, we remain focused on driving increased transparency through globally-aligned and comparable sustainability reporting. PwC supports the development of mandatory sustainability reporting standards by working with a number of standard setting bodies such as the International Sustainability Standards Board, EFRAG and the Global Reporting Initiative. We continue to collaborate with other organisations - such as UNICEF, the World Economic Forum and the Global Solutions Initiative - to help develop the green skills and capacity needed to support the global transition.	Policy and stakeholder engagement
Metrics and targets	Metrics & targets	**Greenhouse gas (GHG) emission metrics and sectoral pathways:** Our near-term SBTs were validated in July 2021 by the SBTi and are aligned to a 1.5° climate scenario. We have committed to: • reduce absolute scope 1 and 2 emissions by 50% from a FY19 baseline by FY30. • transition to 100% renewable electricity in all PwC firms by FY30. • reduce absolute business travel emissions by 50% from a FY19 baseline by FY30. • 50% of our purchased goods and services suppliers (by emissions) setting SBTs to reduce their own climate impact by FY25. We have seen a 22% reduction in absolute GHG emissions in FY24 from a FY19 baseline year. We continue to monitor our performance against our targets to help ensure accountability for our actions.	Decarbonising our business Appendix 6: GHG data and methodology

Transition plan components			Read more
		Carbon credits: There are some emissions that we cannot eliminate today by changing our operations. To mitigate these, each year, once PwC firms have reduced their emissions in line with our near-term SBTs, they offset any scope 1, 2 and scope 3 business travel emissions they have not yet eliminated. We offset emissions to help accelerate the global transition to net zero and to take fuller account of our impact as we continue with our own business transformation. We will continue to offset those emissions we cannot eliminate through high-quality carbon credits and plan to transition our portfolio to 100% removals from FY30. We will regularly review the options and market solutions available to us to deliver on this	Appendix 7: Beyond value chain mitigation
		Other relevant metrics: **Upskilling:** Another key metric used to measure the transition within our business is the upskilling undertaken across the network in relation to sustainability. In FY24, 198,190 PwC employees participated in sustainability upskilling activities representing 54% of our workforce.	Investing in skills for a more sustainable future
Governance	Roles, responsibilities and remuneration	Our governance structure is a key mechanism in enabling our environment and climate-related strategic priorities. The Global Board represents the interest of all members of the PwC network. It has overall responsibility for the governance of the PwC network, oversight of the Network Leadership Team (NLT) and approval of the Network Standards. The NLT sets the overall strategy for the PwC network and the Standards to which PwC firms agree to adhere. The transition plan is developed by the Global Corporate Sustainability (CS) Leader, who reports to a number of key leadership groups within our business to discuss our approach to decarbonising our business, plus report on our progress in transitioning the wider business in response to climate change risks and opportunities. This includes meetings with the Global Board, the Global Leadership Team, the Global Strategy Board and the Global Markets Leadership Team. The Global Board monitors the implementation of the transition plan.	Appendix 3: Our governance framework

Transition plan components			Read more
		The Global Sustainability Leadership team (GSLT) is the primary management body relating to our CS agenda. The GSLT monitors progress towards our net zero commitment, including our near-term SBTs, as well as our broader business transition to adapt to the risks and opportunities that climate change will bring for our business. At a territory level, Territory Senior Partners are accountable for the progress towards our net zero transition. The leaders of the Strategy Council (our largest 21 PwC firms and regions) have a Key Performance Indicator (KPI) embedded in their performance objectives relating to their progress. This KPI impacts their reward and monetary incentives.	
	Skills and culture	At PwC, our purpose is to build trust in society and solve important problems. We have established five values that set the context in which we strive to fulfil our purpose, these include: • Act with integrity • Make a difference • Care • Work together • Reimagine the possible Our purpose and values underpin how we guide our actions to support our strategic ambition. We are actively **upskilling our entire workforce** to ensure the appropriate training and support is provided to enable the transition to a net zero and climate resilient world.	Our purpose and values Investing in skills for a more sustainable future

Appendix 6 - GHG data and methodology

Contents

A. Net zero scorecard

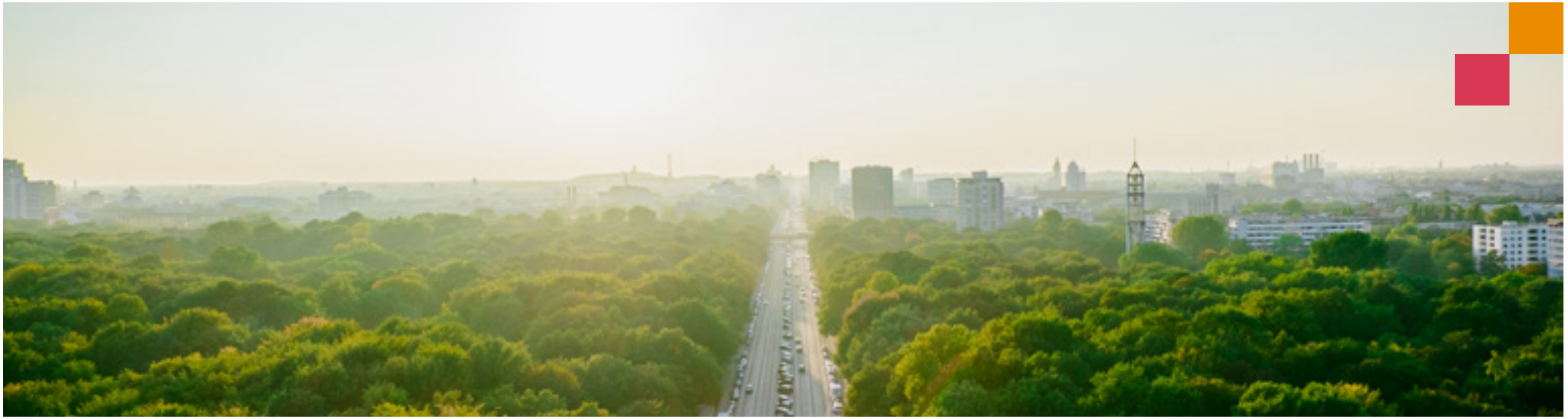
Key Performance Indicator (KPI)	Target	FY19 baseline	FY24 performance	Progress from baseline year
Scorecard of progress on targets				
Scope 1 and 2 tonnes of carbon dioxide equivalent (tCO_2e)	50% absolute reduction by FY30	147,737	43,522	-71%
% renewable electricity	100% by FY30	53%	95%	42 Percentage points
Scope 3 business travel (tCO_2e)	50% absolute reduction by FY30	929,247	532,612	-43%
% purchased goods and services suppliers (PG&S) with science-based targets (SBTs)	50% by emissions by FY25	0%	24% (In addition, 11% committed to set SBTs.)	24 Percentage points
Other metrics				
Total gross greenhouse gas (GHG) emissions (tCO_2e)		2,517,035	1,974,769	-22%
Gross emissions revenue intensity (tCO_2e / $M USD revenue)		59.6	35.6	-40%
Gross emissions per employee (tCO_2e / employee)		9.3	5.3	-42%
Gross energy and mobility emissions revenue intensity (tCO_2e / $M USD revenue)		25.5	10.4	-59%
Gross energy and mobility emissions per employee (tCO_2e / employee)		4.0	1.6	-61%
Beyond value chain mitigation (BVCM): carbon credits purchased for FY24 (tCO_2e)			725,883	

Refer to Section 3 for inclusions in gross emissions.

Energy and mobility emissions include scope 1, scope 2 (market based) and scope 3 (category 6) business travel (including radiative forcing (RF)).

B. Full emissions data

tCO_2e	FY19 Baseline year	FY20	FY21	FY22	FY23	FY24	Change since baseline year
Scope 1 direct emissions							
GHG emissions from stationary combustion (tCO_2e)	14,143	12,939	12,046	11,508	11,131	9,585	-32%
GHG emissions from mobile combustion (tCO_2e)	25,655	20,273	15,934	19,074	20,742	19,230	-25%
Total scope 1 emissions (tCO_2e)	39,798	33,212	27,980	30,582	31,873	28,815	-28%
Scope 2 indirect energy emissions							
Energy usage (electricity and heating) (megawatt hour (MWh))	441,831	410,222	384,238	378,164	362,628	354,294	-20%
Total scope 2 emissions (market based) (tCO_2e)	107,939	96,414	65,219	24,938	19,985	14,707	-86%
Total scope 2 emissions (location based) (tCO_2e)	173,964	153,563	131,948	132,102	132,142	131,277	-25%
Total scope 1 & 2 emissions (market based) (tCO_2e)	147,737	129,626	93,199	55,520	51,858	43,522	-71%
% electricity from renewable sources[10]	53%	53%	67%	91%	91%	95%	42 percentage points



tCO_2e	FY19 Baseline year	FY20	FY21	FY22	FY23	FY24	Change since baseline year
Scope 3 indirect emissions							
Total PG&S emissions[1,2,7] (category 1) (tCO_2e)	1,385,229[1]	1,216,112[1]	1,412,699[1]	1,485,082	1,520,421	1,345,778	-3%
% PG&S suppliers with SBT (by emissions)	0%	4%	6%	12%	19%	24%	24 percentage points
Upstream energy and fuel related emissions[3] (category 3) (tCO_2e)	54,822	45,495	38,077	51,392	53,319	52,857	-4%
GHG emissions from air travel[6] (tCO_2e)	670,001	466,545	48,439[4]	196,308[4]	343,711	373,125	-44%
GHG emissions from land-based travel (tCO_2e)	117,128	89,636	28,502	40,751	54,388	63,157	-46%
GHG emissions from accommodation (tCO_2e)	142,118	98,684	38,512	61,175	83,498	96,330	-32%
Total business travel emissions[5] (category 6) (tCO_2e)	929,247	654,865	115,453	298,234	481,597	532,612	-43%
Total reported scope 3 emissions (tCO_2e)[9]	2,369,298	1,916,472	1,566,229	1,834,708	2,055,337	1,931,247	-18%
Total Gross GHG Emissions (tCO_2e)	**2,517,035**	**2,046,098**	**1,659,428**	**1,890,228**	**2,107,195**	**1,974,769**	**-22%**

Emissions intensity measures	FY19	FY20	FY21	FY22	FY23	FY24	Change vs. FY19
Gross emissions[8] by revenue intensity (tCO_2e / $M USD revenue)	59.6	47.8	36.9	37.7	39.7	35.6	**-40%**
Gross emissions[8,11] by headcount intensity (tCO_2e / employee)	9.3	7.3	5.7	5.8	5.8	5.3	**-42%**
Gross energy and mobility emissions[8] per revenue) (tCO_2e / $M USD revenue)	25.5	18.3	4.6	7.1	10.0	10.4	**-59%**
Gross energy and mobility emissions[8] per employee[11] (tCO_2e / employee)	4.0	2.8	0.7	1.1	1.5	1.6	**-61%**

Other	FY19	FY20	FY21	FY22	FY23	FY24	Change vs. FY19
Value chain mitigation: tCO_2e avoided through the purchase and use of SAF	0	0	32	709	2,025	4,642	N/A
BVCM: Volume of carbon credits purchased[9] (tCO_2e)	700,434	500,877	82,888	270,585	546,718	725,883	N/A
Out of scope emissions: Biogenic emissions (tCO_2e)	3,060	2,145	2,314	2,539	2,747	2,517	**-18%**

PwC undertook a larger scope 3 data review during FY24 to improve and expand our scope 3 reporting: That review resulted in the following revisions as noted in footnotes 1-5:

1. We started collecting PG&S data for the first time in FY22. As such, much of our FY19-FY21 PG&S data is based on estimates. These estimates were originally made from a limited data set. Data collected for FY22 and FY23 has now been used to more accurately estimate prior emissions, and PG&S data for FY19-FY21 has been revised based on spend intensity and spend distribution across the relevant procurement categories, by country.

   Impact of revisions on total GHG emissions: FY19: -11.2% FY20: -15.6% FY21: -6.8%

2. The PG&S emissions were revised to exclude upfront embodied carbon emissions that are accounted for by building developers and owners in order to align with the *Buildings Sector Science-Based Target Setting Guidance* from the SBTi. This revision is already accounted for in the impact of the revised estimates under footnote 1 for FY19-FY21 and in FY24 data.

   Due to a lack of data availability, some territories were unable to restate FY22 and FY23 data for the exclusion of upfront embodied carbon emissions, impacting the year-on-year comparability of PG&S data. We are committed to continue improving our data availability and will restate the data in future years. We estimate the impact to be an overstatement of reported data in the range of FY22: 7%-9% and FY23: 2%-4%.

3. The release of new International Energy Agency (IEA) emission factors from FY22 has allowed for measurement of upstream fuel related emissions and transmission and distribution losses in scope 3 category 3. As a result, this data has been calculated for the first time and has been disclosed for all prior years. The UK Department for Energy Security and Net Zero (DESNZ) (previously published by Department for Environment, Food & Rural Affairs (DEFRA)) factors were used for FY19-FY21 as the IEA does not have data available for those years.

   Impact of revisions on total Gross GHG emissions: FY19: 1.98%; FY20: 1.92%; FY21: 2.20%; FY22: 2.78%; FY23: 2.48%

4. The DESNZ 2022 emission factors (previously published by DEFRA) were used to calculate air travel emissions to best reflect the current state of travel in FY24. In addition to this the DESNZ (previously published by DEFRA) 2023 emission factors have been applied to FY21 and FY22 to best reflect air travel emissions during the COVID-19 pandemic. Further details on this can be found in section 3.1 calculation methodologies.

   Impact of revisions on total GHG emissions: FY21: 0.5%; FY22: 2.0%

5. The upstream fuel related emissions (tCO_2e) for business travel (not included in the table above) have been calculated as: FY19: 101,981; FY20: 73,092; FY21: 13,025; FY22: 33,348; FY23: 51,756; FY24: 57,369

6. Air travel emissions are inclusive of RF

7. PG&S emissions include the emissions as defined in the GHG Protocol scope 3 category 1 and 2 (PG&S and capital goods). Emissions are estimated using the spend-based method.

8. Refer to Section 3 for inclusions in gross emissions. Energy and mobility emissions include scope 1, scope 2 (market based) and scope 3 (category 6) business travel (including RF).

9. Carbon credits are purchased prospectively and reconciled against reported emissions for each PwC firm. PwC firms purchase carbon credits to counterbalance (at a minimum) scope 1, 2 and scope 3 business travel emissions they have not yet eliminated. We do not purchase carbon credits for well-to-tank WTT emissions related to business travel.

10. % of Renewable Electricity is calculated in accordance with GHG Protocol scope 2 guidance. This includes the purchase of some International Renewable Energy Credits (I-RECs) and other renewable instruments that do not currently meet the RE100 boundary criteria but are used in accordance with the issuing body (e.g., I-REC) market boundaries. We do this to account for our impact now, in line with the GHG Protocol, while signalling market demand for renewables in the region.

11. Employees/headcount is calculated as full time equivalent as at year end (excluding external contractors).

1. Introduction

This section outlines the standards, principles, procedures, methodologies and assumptions used in measuring and reporting the GHG emissions for the PwC network (PwC).

1.1 GHG Targets

In 2021, PwC received validation from the SBTi on our near-term emissions reduction targets aligned with a 1.5 degree climate scenario.

Climate related targets

Target	Coverage	Target objective	Target methodology
Reduce scope 1 and 2 absolute emissions by 50% from a FY19 base by FY30	100% coverage of gross scope 1 & scope 2 (market based) across the network	Decarbonisation and conformance with science-based initiatives	Cross-sector, absolute contraction approach (ACA) reductions pathway in line with 1.5°C trajectory
Transition to 100% renewable electricity in all territories by FY30	100% coverage of gross scope 2 (market based) across the network	Decarbonisation and conformance with science-based initiatives	Cross-sector, ACA reductions pathway in line with 1.5°C trajectory
Reduce absolute business travel emissions by 50% from a FY19 base by FY30	100% coverage of gross scope 3, category 6 (business travel) across the network	Decarbonisation and conformance with science-based initiatives	Cross-sector, ACA reductions pathway in line with 1.5°C trajectory
Commit that 50% of our PG&S suppliers (by emissions) have set SBTs to reduce their own climate impact by FY25	100% coverage of gross scope 3, category 1 (PG&S)[26] across the network	Decarbonisation and conformance with science-based initiatives	Engagement target based on absolute emissions

Targets are measured and reported using carbon dioxide equivalent (CO_2e), capturing all relevant emissions from the seven GHGs covered by the Kyoto Protocol – carbon dioxide ($CO_{2)}$, methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

Progress against all targets is measured and reported annually. In addition, progress against our business travel and PG&S targets is monitored internally on a quarterly basis. Targets are also reviewed in line with SBTi requirements on an annual basis. Carbon credits are not used towards the achievement of our near-term emissions reduction targets.

PwC will continue to purchase high quality carbon credits and transition our carbon credit portfolio to 100% carbon removals from FY30. PwC firms purchase carbon credits equivalent to remaining scope 1, scope 2 and scope 3 business travel emissions each year (at a minimum).

[26] See section 3.1 - calculation methodologies for details on the scope of the PG&S category

2. Standards, principles and procedures

2.1. Standards

We consider the principles and guidance of the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol Corporate standard"), Scope 2 Guidance and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard ("Scope 3 standard") to guide the criteria to collect, calculate and report our GHG emissions metrics.

2.2. Principles of Reporting

PwC measures, monitors and discloses GHG data in line with the reporting principles as set out in the GHG Protocol Corporate standard. These principles guide PwC in the application of common reporting standards, particularly where ambiguous situations arise and help to ensure that the GHG reporting is a true and fair representation of PwC's operations.

Accuracy – PwC aims to ensure that the data quantification methodology is sufficiently accurate to enable decision making by the users, and that the process is without bias and uncertainties as far as practicable.

Completeness – PwC aims to include all relevant GHG data and information in its reporting metrics to allow for comprehensive and meaningful measurement. This may require datasets to be re-assessed to make sure that changes in reporting are appropriately considered and GHG data is complete. Any exclusions are disclosed along with justifications for their exclusion. This includes emissions that are considered immaterial.

Consistency – PwC aims to enable a meaningful comparison of GHG data over time. This requires the consistent application of accounting approaches, boundaries, and calculation methodologies, with disclosure of any changes over time.

Relevance – PwC aims to consider the intended objectives and decision-making needs of the users, and to make sure that the GHG data is relevant to those needs.

Transparency – PwC aims to disclose sufficient and appropriate GHG related information to enable the user to make decisions with reasonable confidence. Our report reflects both positive and negative aspects of PwC's performance to enable a reasoned assessment of overall performance. An audit trail is maintained to support the emissions quantification.

2.3. Procedures

2.3.1. PwC Structure

PwC is the brand under which the firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively. In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation. For these reasons, the PwC network consists of firms which are separate legal entities. Further information about the structure of the PwC network is available on our website www.pwc.com/structure.

Within this context, this document outlines the approach used when aggregating and reporting network corporate sustainability (CS) information from individual PwC firms. It also provides an overview of the Network Standard for CS reporting to which PwC firms adhere. Network CS information is presented in the PwC Global Annual Review, the PwC global CS website and in the annual Network Environment Report.

2.3.2. Reporting Boundary

Organisational Boundary

Our reported CS information covers the operations and supply chain of all PwC firms and is reported as a consolidated group, using an operational control approach guided by the GHG Protocol. Unless otherwise stated, references to the "network" or "PwC" in this document refer to all PwC firms collectively. Any organisation that trades under the PwC brand or is operationally controlled by an organisation that trades under the PwC brand, is included within the organisational boundary, with one exception: we exclude companies that PwC's insolvency practices may operationally control for short periods of time through provision of our services.

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

- **Offshore operations -** PwC firms report sustainability impacts for those activities under operational control within both their domestic geographical boundary as well as offshore activities.
- **Joint ventures -** All impacts associated with the activities of all joint ventures where PwC has management control of the associated operation are included.
- **Third-party contractors -** Activities of all third-party contractors are included in the operational footprint if the contractors are required to carry out work specified by PwC in accordance with PwC's operating policies. Otherwise, third party contractors are considered as part of our supply chain and included within our PG&S.
- **Data centres -** All impacts associated with data centres owned and operated by PwC or where PwC firms either lease a substantial proportion or all of a data centre, i.e. lease the site, a specified number of racks or defined storage space and are determined to have operational control over these facilities, emissions are included in our operational footprint. Data hosting outside these circumstances are considered as part of our supply chain and included within our PG&S.

2.3.3. Inventory Development

Time period

The GHG inventory is updated annually to reflect the last financial year (01 July - 30 June). PwC reports against an FY19 base year. FY19 was selected as our base year to avoid anomalies due to COVID-19.

Scope 1

PwC reports scope 1 emissions in accordance with the GHG Protocol Corporate standard. Please see details of the calculation methodology in section 3.1.

Scope 2

PwC reports scope 2 emissions using both the location and market-based methods. The market-based method has been designed to better reflect electricity purchasing decisions, including accounting for the impact of green or renewable electricity products on GHG emissions.

1. Using the location-based methodology. The location-based method involves applying a "national grid average" emission factor which is an average that relates to the grid on which electricity consumption occurs based on the geographical location (country).
2. Using the market-based methodology. The market-based method involves using a supplier-specific emissions factor wherever it is available and then applying the relevant "residual mix" emissions factor to any electricity that does not have supplier-specific emissions information.

Scope 3

Network CS reporting includes all upstream and downstream scope 3 emission sources which are material in our baseline year (FY19).

PG&S emissions are calculated using a spend-based methodology and an environmentally extended input-output (EEIO) model due to a scarcity of supplier-specific emission data in the market. Decarbonisation efforts made by PwC in our supply chain may not be reflected as emissions are modelled rather than actual.

Calculation Methodology

PwC has adopted the calculation-based quantification methodology to estimate emissions for PwC's reported activities, using appropriate emission factor guidelines released by authoritative sources. PwC has adopted the centralised approach to corporate level reporting as outlined in the GHG protocol. Activity data is collected by PwC firms from key internal and external data sources.[27] PwC firm activity data is then gathered and aggregated for each of the included emissions sources centrally to apply a consistent emissions calculation methodology.

Total emissions are calculated by applying the most relevant emission factors from the sources listed in section 3.1- calculation methodologies.

Reported GHG emissions are expressed in both absolute and intensity terms. The intensity ratios used to present the consolidated network data is GHG emissions per employee and per revenue. Aggregated employee data is collected from PwC firms. Employees are calculated as full time equivalent as at year end (excluding external contractors).

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

These differences may be due to:

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

3. Scope of Reporting

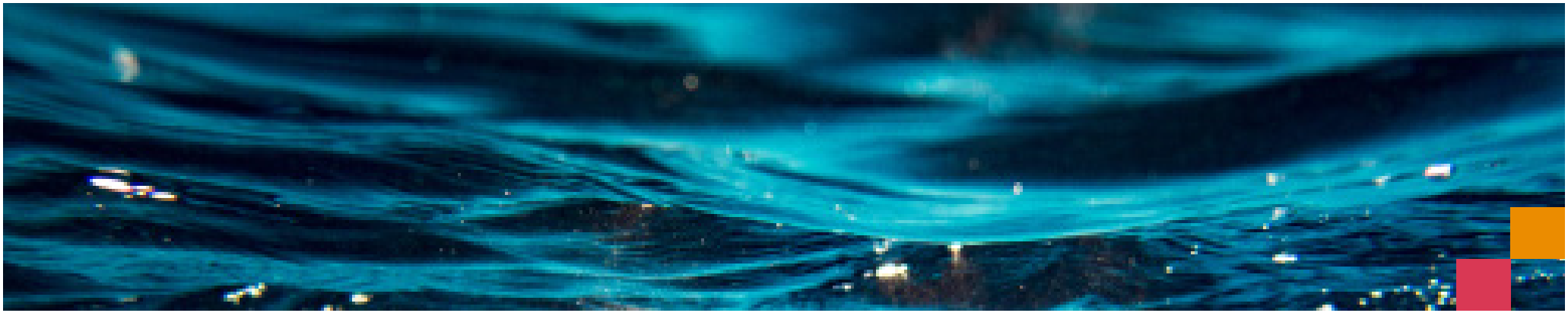
The table below provides a summary of the emissions sources reported at the network level.

GHG Scope	GHG reporting status
Scope 1	
Stationary fuel combustion	**Included.** Stationary combustion of fuels that are owned or controlled
Mobile fuel combustion	**Included.** Mobile combustion of fuels in owned or controlled transport
Scope 2	
Purchased electricity (location-based)	**Included.** Generation of purchased electricity
Purchased electricity (market-based)	**Included.** Generation of purchased electricity
Purchased heating, steam and cooling	**Included.** Generation of purchased heat, steam and hot water

[27]Details of data sources used in the quantification of emissions can be found in section 3.1 - calculation methodologies.

GHG Scope	GHG reporting status
Scope 3	
Category 1: PG&S	**Included.** Cradle-to-gate emissions associated with the production of goods and services purchased or acquired, calculated using the spend-based method.
Category 2: capital goods	**Included.** Cradle-to-gate emissions associated with the production of capital goods purchased or acquired, calculated using the spend-based method. Captured as part of PG&S calculation
Category 3: fuel- and energy- related activities	**Included.** Upstream WTT and transmission-and-distribution losses for fuels and energy reported in scope 1 and scope 2
Category 4: upstream transportation and distribution	**Included.** Emissions associated with third party transportation and distribution services purchased, calculated using the spend-based method. Captured as part of PG&S calculation
Category 6: business travel (including RF)	**Included.** Business travel (air travel, land based travel, accommodation)
Category 8: upstream leased assets	**Included.** Emissions associated with the operation of leased assets, not included in scope 1 and 2. Captured as part of PG&S calculation
Other	
Out of scope emissions: biogenic emissions	**Included.** Reported out of scope for biofuels used in stationary and mobile combustion.

Scope 3 categories 9 - 12 are excluded from our reporting as we are unable to reasonably estimate downstream emissions, as per the GHG Protocol Scope 3 standard. Scope 3 categories 13-15 are excluded as they are not relevant to our business. Scope 1 fugitive emissions and scope 3 waste generated in operations (category 5) are excluded due to the level of materiality (<1% of total GHG emissions respectively). Scope 3 employee commuting & remote working emissions (category 7) are excluded due to a lack of available data to meet the required data quality threshold and current estimated level of materiality (<5% of total GHG emissions).



3.1. Calculation Methodologies

Reported metric	Scope and definition	Methodology and key assumptions	Emission factor
Scope 1: Emissions from stationary fuel combustion (tCO2e)	Emissions associated with the stationary (i.e. non-transport) combustion of fuels at site or in an asset owned or controlled by the reporting organisation during the assessment period	Data is collected from PwC firms for fuels that are directly combusted on site and used for either/and: • Generation of electricity • Heating, cooling or cooking Data for stationary fuel consumption is collected by fuel type, using meter readings or invoices. Where this data is unavailable, estimates are calculated based either on landlord reports or on similar offices (by size and geography) using a floor area intensity. Where PwC is one of a number of tenants and fuel is not directly purchased by PwC, the fuel used for heating and backup generation is allocated based on the percent of the floor space occupied by PwC. There are no exclusions for this metric.	2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting
Scope 1: Emissions from mobile fuel combustion (tCO2e)	Emissions associated with total fuel consumption or distance travelled by means of controlled or owned passenger transport (i.e. PwC car fleets or long-term 12+month leases) powered by internal combustion engines, by partners, employees and contractors for business purposes	Data is collected from PwC firms for the fuel consumption or distance travelled in PwC car fleets and/or long-term vehicle leases where the vehicles are within PwC's operational control. Data for mobile fuel consumption is collected by fuel type, using statements, invoices, mileage logs or expense claims specifying the volume of fuel consumed or distance travelled. Where this data is unavailable, estimates are calculated based either on the spend from expense claims or other data from similar firms (by size and geography) using an emissions per vehicle intensity. Where the vehicles cannot be allocated by fuel type an average (unknown fuel type) emission factor is applied. There are no exclusions for this metric. Emissions from vehicles on short term leases used for business purposes are captured in scope 3 category 6 business travel.	2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting
Energy usage (electricity and heating) (MWh)	Total energy consumption from electricity, heat, steam and hot water	Data is collected from PwC firms on their purchased and self-generated energy for the consumption of electricity, heat, steam and hot water. Data for energy consumption is collected, using meter readings or invoices/ statements. Where this data is unavailable, estimates are calculated based either on landlord reports or on similar offices (by size and geography) using a floor area intensity. Where PwC is one of a number of tenants and energy is not directly metered to tenants, electricity and heating energy is allocated based on the percent of the floor space occupied by PwC.	

Reported metric	Scope and definition	Methodology and key assumptions	Emission factor
		Reported electricity consumption includes electricity use for the purposes of air conditioning. At some PwC offices, where heating is not separately measured, heating is included as part of electricity consumption. There are no exclusions for this metric.	
Scope 2: Market-based electricity emissions (tCO2e)	Total emissions from the consumption of electricity, heat, steam and hot water.	Data is collected from PwC firms on their purchased electricity and heating in offices, and the electricity consumption of company fleet or long-term lease electric vehicles (EVs). Data for scope 2 emissions is collected from meter readings, invoices and EV car charging invoices/reports. Where this data is not available, estimates are made based on landlord reports or on similar firms by size and geography using a headcount intensity. Where PwC is one of a number of tenants and electricity/heating is not directly metered to tenants, electricity and heating consumption is allocated based on the percent of the floor space occupied by PwC. Reported electricity consumption includes electricity use for the purposes of air conditioning. At some PwC offices, where heating is not separately measured, heating is included as part of electricity consumption. No PwC firms currently use district steam or cooling.	Market based: • 2023[2] v1.3 IEA (electricity) • 2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting (heating) • 2023[1] Association of Issuing Bodies (AIB) European Residual Mix factors (RE-DISS) • Renewable energy is considered to have zero scope 2 emissions and an emission factor of 0 tCO_2e/kilowatt hour (kWh) is applied. • Supplier specific heating emission factors are used where available
Scope 2: Location-based electricity emissions (tCO_2e)		Calculating market-based emissions: In calculating market- based emissions, the following approach is taken: • Electricity (in order of application) – Renewable electricity is considered to have zero scope 2 emissions and an emission factor of 0 tCO_2e/kWh is applied. – For all non-renewable electricity: • The Association of Issuing Bodies (AIB) (Reliable Disclosure Systems for Europe (RE-DISS)) factors are applied, where available • The IEA emission factors are applied to all other countries where no AIB (RE-DISS) factors are available • Heating (in order of application) – Renewable energy is considered to have zero scope 2 emissions and an emission factor of 0 tCO_2e/kWh is applied. – For all non-renewable electricity:	**Location based:** • 2023[2] v1.3 IEA (electricity) • 2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting (heating)

Reported metric	Scope and definition	Methodology and key assumptions	Emission factor
		• Where a supplier specific emission factor is available, this is applied to heating consumption from that supplier • The DESNZ heating emissions is applied to all remaining heating For location-based, the IEA factors are applied for electricity and DESNZ (previously published by DEFRA) factors are applied respectively. There are no exclusions for this metric.	
Scope 2: Percent of electricity from renewable sources (%)	Total % of consumed electricity that is either self-generated from renewables or renewable energy certificates are procured	Data is collected from PwC firms on the total purchased electricity from the grid, total self-generated electricity (renewable and non-renewable) and total purchased renewable energy certificates. Data is collected in the form of meter readings and invoices, self-generation reports, and from the retirement of renewable energy certificates. Where this data is not available, estimates are made based on landlord reports or on similar firms by size and geography using floor area. Purchase/consumption of renewable electricity is only reported where actual data is available. Consequently no estimates are made for renewable electricity. Where PwC is one of a number of tenants and the electricity is not metered/invoiced to PwC directly, the electricity consumed is allocated based on the percent of the floor space occupied by PwC. PwC applies the GHG Protocol Corporate standard, and where feasible the RE100 technical criteria, when procuring renewable electricity. Purchases of some I-RECs and other renewable instruments do not currently meet the RE100 criteria. This is a result of no active renewables markets in certain countries. Where this is the case renewables are procured from the next best alternative in the region to signal market demand for renewables in the region. PwC has committed to procuring 100% renewable electricity that meets the RE100's criteria by FY30. There are no exclusions for this metric.	N/A
Scope 3: category 1, PG&S (tCO_2e)	Emissions associated with all PG&S procured by the firm	Data is collected from PwC firms on the total spend with suppliers on PG&S (broken down into goods/service categories). Emissions relating to capital goods (category 2), upstream transportation and distribution (category 4) and upstream leased assets (category 8) are captured in our PG&S emissions. Data is collected from individual PwC firms' internal procurement or finance teams with enough detail to allocate the spend into goods and service categories. Where this data is unavailable, estimates are calculated using other network PG&S intensity metrics (revenue or headcount) applied to the estimating firm.	Produced by in house EEIO model with cradle-to-gate emission factors, incorporating the 2022 EXIOBASE v3 dataset adjusted for inflation and exchange rates.

Reported metric	Scope and definition	Methodology and key assumptions	Emission factor
		Data for PG&S was first captured in FY22 and has been captured each subsequent year. While several territories have submitted actual data for FY19 - FY21, PG&S data for all other territories is estimated for FY19 - FY21. FY19 - FY21 estimates are calculated using a revenue intensity (where revenue data was not available headcount intensities were used i.e. for non-revenue generating entities). A firm specific revenue intensity factor by spend category is calculated using the actual FY22 and FY23 PG&S data provided by each PwC firm. These intensities are applied to firm level revenue data from FY19-FY21 to estimate procurement spend for all PwC firms where no data was available. The appropriate PG&S emission factors are applied to these estimates to calculate the relevant PG&S emissions. Spend related to data that is captured directly through scope 1, scope 2 or other scope 3 activity data is excluded. Other exclusions include rent payments, taxes, medical insurance and pension fund contributions, charitable contributions, interfirm payments and employee salaries.	
Scope 3: category 3, fuel- and energy- related emissions - scope 1 and 2 (tCO_2e)	Emissions associated with the upstream activities resulting from fuel- and energy-related activities, specifically the WTT emissions of scope 1 fuels and transmission and distribution losses of scope 2 electricity	Data is collected from PwC firms on fuels consumed in buildings and company owned vehicle fleets and all purchased electricity in buildings and for charging EVs. Data collected under scope 1 and 2 emissions is utilised to calculate upstream fuel and energy related emissions . WTT emissions of fuels use the following data sources: • Scope 1 - Mobile combustion • Scope 1 - Static combustion • Scope 2 - Purchased electricity • Scope 2 - EV electricity consumption Transmission and distribution losses emissions use the following data sources: • Scope 2 - Purchased electricity • Scope 2 - EV electricity consumption There are no exclusions for this metric.	Scope 1 sources: • 2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting Scope 2 sources: • 2023[2] v1.3 IEA (electricity)
Scope 3: category 3, fuel and energy- related emissions - business travel (tCO_2e)	Emissions associated with the upstream activities resulting from fuel- and energy-relating activities, specifically the WTT emissions of business travel	Data is collected from PwC firms on the distance travelled or fuel consumed from air and land-based business travel. Data collected under scope 3 air and land-based business travel is utilised to calculate upstream fuel and energy related emissions calculations for business travel. There are no exclusions for this metric.	2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting

Reported metric	Scope and definition	Methodology and key assumptions	Emission factor
Scope 3: category 6, business travel - air travel emissions (tCO_2e)	Emissions associated with employee air travel for business purposes	Data is collected from PwC firms on the distance travelled by employees from air travel, broken down by class (economy, business, etc) and flight distance for each leg of any air travel. Data is collected in the form of airline and/or travel agent reports or records specifying the class and distance flown of each flight undertaken. Each flight leg is considered and assessed separately. Where this data is not available, estimates are made based on invoices or expense claims specifying either the origin and destination of each flight, or the spend on flights. In the event that this data is unavailable, estimates are calculated using headcount intensity metrics from other air travel data from similar firms (size and geography). Where the class of flight is not available an average emission factor is applied. All air travel undertaken by PwC employees, regardless if the travel is reimbursed by clients or paid for by PwC, is included in air travel emissions. Air travel emissions are calculated inclusive of RF. There are no exclusions for this metric. **Air travel emission factors:** The DESNZ 2023 emission factors (previously published by DEFRA) reflect passenger load data from reduced travel during the COVID-19 pandemic. We have therefore applied these to FY21 and FY22 to best reflect air travel emissions during this time. We have utilised 2022 emissions factors for FY24 as these are the latest available factors that are not impacted by reduced passenger loads experienced during the pandemic. This approach accounts for the impact of the COVID-19 pandemic during the relevant reporting periods and provides a more relevant and accurate representation of our air travel emissions. It is in line with the approaches used by US Environmental Protection Agency[28] and GHG Protocol[29] in the provision of their emission factor data sets. The application of COVID adjustments to emission factor sets has only been applied to air travel. Land travel and accommodation emissions factor sets are not similarly impacted as underlying data used by DESNZ is either constant or already updated to account for COVID-related anomalies.	2022[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting - Refer to explanation in methodology column

[28]United States Environmental Protection Agency, Emission Factors for Greenhouse Gas Inventories, June 2024

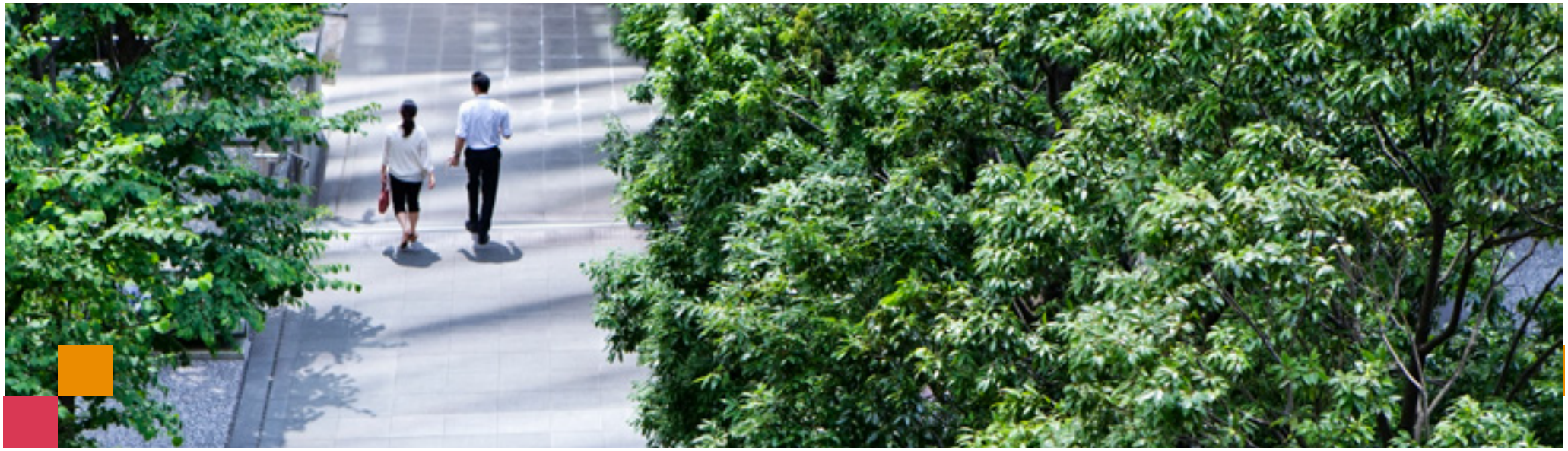
[29]Greenhouse Gas Protocol, Calculation Tools and Guidance

Reported metric	Scope and definition	Methodology and key assumptions	Emission factor
Scope 3: category 6, business travel - land-based travel emissions (tCO_2e)	Emissions associated with employee land-based travel for business purposes	Data is collected from PwC firms on the distance travelled or fuel consumed by employees from land-based transport. Car hire and the use of employee vehicles for business travel is reported by fuel type, either through volume of fuel consumed or distance travelled, all other land transport (taxi, bus, train and motorcycle) is reported by distance travelled. Data is collected in the form of reports from a travel agent or travel providers, and expense claims specifying fuel consumed or distance travelled by mode of transport. Where this data is not available, estimates are made based on invoices or expense claims specifying either the origin and destination of the land travel, or the spend on the travel. In the event that this data is unavailable, estimates are calculated using other network land travel data and the firm's headcount figures. Where the vehicles cannot be allocated by fuel type an average (unknown fuel type) emission factor is applied. All land travel undertaken by PwC employees, regardless if the travel is reimbursed by clients, paid for directly by clients or paid for by PwC is included in land-travel emissions.	2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting Supplier specific emission factors for train travel are used where available
Scope 3: category 6, business travel - accommodation emissions (tCO_2e)	Emissions associated with employee accommodation	Data is collected from PwC firms on the number of nights stay in hotels, serviced apartments or guesthouses not owned or operated by PwC, broken down into domestic and international nights. Data is collected in the form of reports from a travel agent or travel providers, and invoices/purchase orders specifying the location of the hotel and check-in and check-out dates. Where this data is not available, estimates are made based on spend volumes from accommodation invoices or expense claims, or through using other network accommodation data and the estimating firm's headcount figures. All accommodation undertaken by PwC employees, regardless if the travel is reimbursed by the client or paid for by PwC, is included in accommodation emissions. There are no exclusions for this metric.	2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting

Reported metric	Scope and definition	Methodology and key assumptions	Emission factor
Outside of scopes: Biogenic emissions	Emissions associated with the direct CO_2 emissions from biologically sequestered carbon	Data is collected from all fuels consumed that have a biological component. Data collected under scope 1 emissions is utilised to calculate upstream fuel and energy related emissions. The scope 1 fuel sources relevant to this metric are: • Biogas • Biofuel/Biodiesel • Petrol cars • Diesel cars Petrol and diesel cars are included because the biofuel blend emission factor is used. There are no exclusions for this metric.	2023[1] DESNZ (previously published by DEFRA) GHG Conversion Factors for Company Reporting (heating)

[1]As DESNZ (previously published by DEFRA) and AIB factors are typically released towards the end or after the PwC reporting period, the preceding year factors are used for reporting. Eg, 2023 DESNZ (previously published by DEFRA) factors are used for FY24 reporting, with the exception of air travel which makes use of 2022 DESNZ (previously published by DEFRA) factors for FY24 reporting.

[2]IEA emission factors are released annually and account for a full calendar year. The IEA emission factors are also updated annually, with a 2-year lag behind the year of release (e.g. 2023 IEA file includes updated factors up to 2021). This release occurs after the close of the PwC reporting period, which runs from July to June. Due to the release schedule and the IEA annual updates of prior year emission factors, PwC reports using the preceding years emission factors that overlap with the first half of our financial year running from July to December (i.e. IEA 2021 factors are used for FY22 reporting).



4. Recalculations and Voluntary Revisions / Restatement of Information

Each year, CS information will be revised when discrepancies deemed to be material are identified. In this case, materiality is assessed at the PwC firm level at the KPI level, and not at the aggregate data level. However, PwC only publishes recalculations where revisions or restatement are deemed to have a 'material' impact on the relevant aggregated network CS data previously reported. PwC assesses the nature of the revision or restatement looking at both its quantitative and qualitative materiality in the context of the PwC network reporting and whether the revision or restatement could reasonably be expected to influence the decisions of the primary users of the CS data.

Revisions of GHG information may be due to reasons such as:

- Changes in calculation methods resulting in changes to prior year data
- Changes in published emissions factors, even when there has been no material change in the underlying consumption or activity data for that KPI
- Updated or new data becomes available for previous reporting years

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

- Discovery of an error or a number of errors which, taken together, are material
- Organisational changes impacting the firm's operations – e.g. mergers, acquisitions and divestments

While the above description is intended to be as accurate as possible, invariably some exceptions to this basis of reporting may occur.

Restating data for structural changes:

- For network reporting, PwC applies the fixed base year approach meaning that our base year is set at FY19 and does not change. Structural changes were not material in FY23 and FY24.

Restatements under the full-year approach:

- An acquired company's emissions are included in PwC's base year emissions (even if the entity was not owned by PwC at that time)
- Similarly, a divested (sale) company's emissions are excluded from PwC's base year emissions (even if PwC has owned that company at that time)

Importantly the emissions from the acquired or divested are included or excluded for the full financial year, irrespective of the date of acquisition or divestment. This means that emissions are always included or excluded for the full financial year.

Baseline emissions shall be revised in line with the guidance set out above, where practicable. Where this is not practicable this fact and the reason for it not being practicable will be disclosed.

5. Assurance

As a network of firms, our global performance is based on the aggregated data and performance of PwC firms. We have obtained limited assurance over information for scope 1, scope 2 (market based) and scope 3 (category 6) business travel. Please refer to the Independent Limited Assurance Report to PwC for the assurance opinion.

Appendix 7 - Beyond value chain mitigation

Beyond value chain mitigation (BVCM) refers to the actions companies undertake in addition to decarbonising their business in line with their science-based targets (SBTs) to help accelerate the transition to global net zero. For example, purchasing carbon credits to compensate for emissions that have not yet been reduced, providing finance to help scale nascent technologies that can help address climate change or supporting initiatives that will enable the systemic transformation required to achieve net zero.

Our commitment to BVCM

In addition to our efforts to reduce our emissions in line with our SBTs, each year, PwC firms purchase high quality carbon credits equivalent to their remaining scope 1, 2 and scope 3 business travel emissions. We do not count emissions offset through carbon credits towards our near-term SBTs, but do this as part of our BVCM efforts. We will continue to offset those emissions we cannot eliminate through high-quality carbon credits and plan to transition our portfolio to 100% removals from FY30. We will regularly review the options and market solutions available to us to deliver on this.

Beyond our carbon credit purchasing, you can read more about our commitments and the work we undertake to support the systemic transformation required for net zero in the Policy and stakeholder engagement section.

Our approach

As a network, we facilitate a global process to purchase carbon credits for our PwC firms. The network portfolio offers a range of credits in terms of project type and location that must meet our quality criteria. PwC firms make independent choices on their local portfolios based on their priorities and preferences, and in line with criteria that are set out for our overall portfolio composition. Recognising the dynamic and rapidly evolving nature of the voluntary carbon market, we are committed to regularly reviewing our approach and quality criteria to help make sure our portfolio delivers real emissions reductions as well as sustainable development outcomes that go beyond the impact on climate.

We are committed to being transparent about our approach, our purchases and reporting on the volume and nature of credits we purchase. We take a number of steps in order to manage risk and maximise our impact.

To reduce the risk in our portfolio, we have developed criteria to guide our suppliers and PwC firms on the quality of our purchases. These criteria cover eligible market standards, project types/methodologies and vintages. Credits which meet these criteria are eligible to be considered for our portfolio. Those that do not are likely to have higher risk profiles associated with them. This does not mean that projects that do not meet these criteria cannot deliver quality credits. In exceptional circumstances we may consider projects that don't meet these criteria, but our process would then require these projects to be subject to further review and due diligence. We review our quality criteria as the market evolves in response to, for example, the work of the Integrity Council for Voluntary Carbon Markets.

- Defining portfolio composition requirements
- Building a portfolio of projects to diversify risk
- Utilising a third party supplier of credits, which undertakes additional due diligence on all projects in our global portfolio
- Defining eligible and excluded project types
- Defining eligible vintages
- Defining eligible verification standards

Eligible verification standards	Gold Standard (GS), Verified Carbon Standard (VCS), Climate Action Reserve (CAR), American Carbon Registry (ACR), Carbon Farming Initiative (CFI), Emissions Reduction Fund (ERF), Architecture for REDD+ Transactions (ART), Global Carbon Council (GCC), other International Carbon Reduction and Offset Accreditation (ICROA) endorsed national standards.
Eligible project types and methodologies	Community focused energy efficiency, fuel switching, waste heat recovery, Afforestation, Reforestation and Revegetation (ARR), Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+), sustainable agricultural land management, grassland/rangeland management, improved forest management (IFM), no-till/ low-till agriculture, soil carbon, urban forestry, wetland restoration/ management, clean/improved cookstove distribution, water purification device distribution, transportation (public), biogas, biomass, biochar, off-grid renewable electricity from geothermal, run-of-river hydro, solar or wind.
Excluded project types and methodologies*	Industrial energy-efficiency, agroforestry, rice cultivation/ management, nitrous oxide (N_20), ozone-depleting substances, coal mine methane, landfill methane, livestock methane, wastewater methane, transportation (private), large hydro, projects with a substantial commercial revenue stream in high or upper-middle income countries (as defined by World Bank lending groups[30]) including grid-connected renewable electricity.
Eligible vintages	Vintage describes the age of a credit based on the year the carbon emissions reduction takes place. We aim to purchase the most recent vintage issued by a project to make sure additionality of our purchase and that we continue to support existing projects. It also ensures that the credits are verified to the latest and most robust standards. Different projects and project types have different verification and issuance cycles. We therefore take the following approach to eligible vintages: • Technology solutions - Maximum 3 years • Natural climate solutions (NCS) - Maximum 5 years Vintages should be from the latest crediting period of the project.

Additional considerations

- **Price** - we do not use price as a strict criteria, but do consider price in our selection process, understanding that low prices can signal that there may be quality or integrity issues. Through our contracting process, we specify that a minimum of 85% of the price we pay for a carbon credit must support the projects that are driving the mitigation outcomes, and not to intermediaries in the chain. A portion of the cost is to account for the services associated with the procurement process, marketing materials, due diligence activities which are also necessary to help make sure the the credits we purchase are high integrity.

- **Blended portfolio & maximising impact through co-benefits** - we diversify our impact and spread risk by purchasing across multiple projects. A blended portfolio also enables our PwC firms to make some targeted higher impact purchases by balancing costs across a range of projects. Our portfolio composition requirements seek to help balance between impact and cost. We seek to include projects with verified co-benefits.

- **Locations** - PwC firms make purchasing decisions based on local priorities. Some PwC firms seek to specifically support local, or regional based projects. At network level, we seek to help support a diversity of projects across our major regions and areas of operations.

- **Independence & conflicts of interest** - our purchasing process is conducted in line with our independence and conflict of interest requirements.

Our portfolio composition requirements

We are committed to at least 50% of our portfolio coming from NCS in recognition that they are critical to efforts to keep the planet within a 1.5 degree scenario and can deliver broader benefits to biodiversity, ecosystem services, climate resilience and local communities. Our composition requirements also include guidance to our PwC firms around volumes and consistency of purchasing decisions, recognising the benefit to projects of sustained and significant financial support over time.

* Exceptions can be applied subject to local market circumstances and additional project due diligence

[30]World Bank, World Bank Country and Lending Groups

FY24 disclosure

In FY24 our credit purchase volume was 725,883 tonnes of carbon dioxide equivalent (tCO_2e). This varies from our scope 1, 2 and 3 business travel emissions (576,134 tCO_2e) as a result of our forward purchasing approach (meaning some PwC firms carry forward excess FY23 purchased credits and others purchase additional credits to reconcile any deficit between their estimated and actual FY24 emissions). Variances also arise as a number of firms elect to offset additional scope 3 sources.

Our FY24 portfolio is disclosed below and descriptions of the projects can be found in our carbon offset explorer tool here.

In summary, our FY24 portfolio was sourced from 24 projects across 16 countries. The average weighted price paid for credits was US$14.09. 87% of our portfolio by volume came from NCS. These credits help to fund projects that protect or restore the environment. By conserving, restoring or better managing natural environments, benefits can go beyond reducing carbon. They can also help to improve the resilience of natural habitats to climate change, safeguard biodiversity, secure water supplies and provide economic opportunities for local communities.

A majority of our NCS credits were sourced through the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition in FY24. We purchase through the LEAF Coalition in recognition of the critical need to halt deforestation. The credits are also high quality and by taking a jurisdictional approach (working at the national or sub-national scale), and applying the rigorous ART TREES (The REDD+ Environmental Excellence Standard), many of the risks associated with smaller scale REDD+ projects are reduced. For example, issues with baseline measurement, leakage (where deforestation activities move to an alternate nearby area) and protecting the rights of Indigenous Peoples and Local Communities (IPLCs) can be better managed.

Beyond the LEAF Coalition, the projects we have supported in FY24, alongside others, have collectively impacted over 1.2 million people and created over 34,000 jobs. They have supported the conservation of 970,000 hectares of primary rainforests and peatlands, and supported the reforestation and afforestation of more than 214,000 hectares of forest.

Projects that remove carbon from the atmosphere (rather than avoid emissions) accounted for 19% of our portfolio. 5,035 tCO_2e (0.7%) are from hybrid or technology based removals projects, the scaling of which will be critical to achievement of the Paris Agreement. We have a FY30 ambition of transitioning the whole of our carbon credit portfolio to carbon removals and other market solutions as they become available.

Our PwC firms are also exploring how they can contribute to the acceleration of removals technologies through advanced market commitments. For example, PwC Switzerland has signed a carbon removal contract with Climeworks.

Indigenous Peoples and Local Communities

The jurisdictional REDD+ (JREDD+) carbon credits purchased through the LEAF Coalition meet the requirements of the ART TREES standard, which includes specific safeguards addressing IPLCs' rights and participation, based on the Cancun Safeguards.[31]

The verification standards for the remainder of the NCS projects in our portfolio have safeguards for human rights and the engagement of stakeholders, including engagement with IPLCs and the protection of their rights.

[31] UN-REDD Programme, Cancun Safeguards

Project Name	Project ID	Certifications	Project Type (methodology)	Location	Vintage	Avoidance / Removal	NCS / TBS / Hybrid	Volume (tCO_2e)
LEAF Coalition	*Awaiting issuance and retirement	ART TREES	JREDD+	Ghana	2019	Avoidance	NCS	456,761
Renewable Solar Arise Project	VCS2057	VCS	Solar	India	2022- 2023	Avoidance	TBS	44,608
Katingan Peatland Restoration and Conservation Project	VCS1477	VCS & CCB	REDD+	Indonesia	2018	Avoidance	NCS	27,340
Mekong River Delta Water Purifier Bundle	VCS2581	VCS	Water Access	Vietnam	2022- 2023	Avoidance	TBS	18,740
Rimba Raya Biodiversity Reserve Project	VCS674	VCS & CCB	REDD+	Indonesia	2018	Avoidance	NCS	11,317
Western Kenya Borehole Rehabilitation Project	GS7557	GS	Water Access	Kenya	2021- 2022	Avoidance	TBS	9,390
Small Scale Renewables Bundle	VCS3613 / GS4533	VCS/GS	Solar	Cambodia /India	2020- 2022	Avoidance	TBS	6,550
Promoting Improved Cooking Practices in Nigeria	GS7312	GS	Cookstoves	Nigeria	2021	Avoidance	TBS	5,079
Houji Solar Cooker Project	GS7604	GS	Cookstoves	China	2022	Avoidance	TBS	3,453
Methane Recovery Project The Netherlands	VCS335	VCS	Biogas	Netherlands	2020- 2021	Avoidance	TBS	2,500
Unitor REDD+ Project	VCS 2508	VCS	REDD+	Brazil	2021-2022	Avoidance	NCS	2,123
Manoa REDD+ Project	VCS 1571	VCS	REDD+	Brazil	2019- 2020	Avoidance	NCS	622

Doyon Native Community Forest Project	ACR 592	ACR	IFM	US	2020- 2022	Removal	NCS	45,500
La Norteñita IFM	CAR1744	CAR	IFM	Mexico	2021- 2022	Removal	NCS	43,646
Chudu Afforestation Project	VCS 2087	VCS & CCB	ARR	China	2019	Removal	NCS	18,000
Huadu Afforestation Project	VCS 2379	VCS	ARR	China	2020	Removal	NCS	13,463
Selva Maya IFM bundle	CAR1606	CAR	IFM	Mexico	2021- 2022	Removal	NCS	7,219
TIST Program in Kenya	VCS737	VCS & CCB	ARR	Kenya	2019	Removal	NCS	4,158
Biochar USA bundle	244045	Puro	Biochar	US	2023	Removal	Hybrid	3,000
Obio Biochar Project	727586	Puro	Biochar	Norway	2023	Removal	Hybrid	739
Nordgau Germany Biochar	424545	Puro	Biochar	Germany	2023	Removal	Hybrid	600
Delta Blue Carbon	VCS2250	VCS & CCB	ARR - Mangroves	Pakistan	2020- 2021	Removal	NCS	379
Sylvia Fertilis French Biochar Project	242171	Puro	Biochar	France	2023	Removal	Hybrid	361
Explocom Biochar Project in Romania	307998	Puro	Biochar	Romania	2023	Removal	Hybrid	335

NCS - Natural Climate Solutions, TBS - Technology Based Solutions, Hybrid - combination NCS/TBS.

All emission reductions and removals contributed towards host country nationally determined contributions.

Credits purchased through the LEAF Coalition have been contracted, but are awaiting issuance and cancellation.

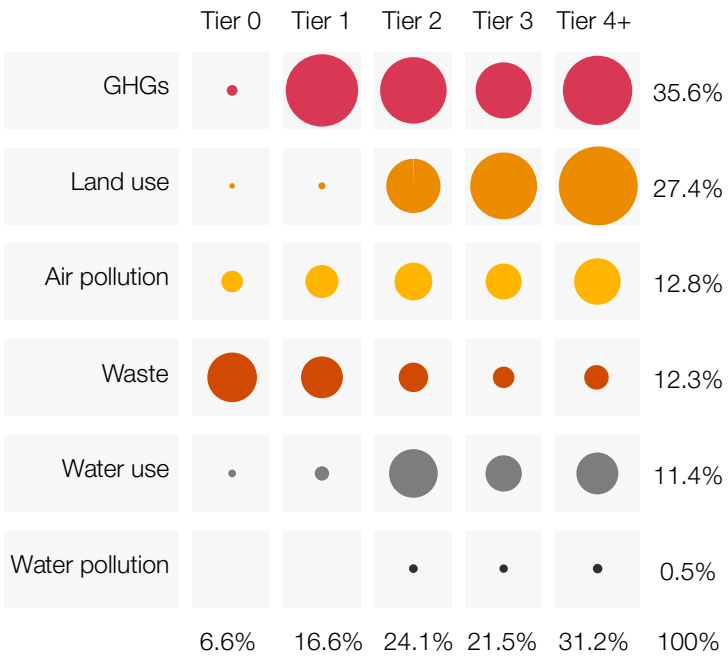
Breakdown of portfolio by standard is: ART TREES 63%, VCS 21%, CAR 7%, ACR 6%, GS 2%, Puro 1%.

Appendix 8 - Nature impact: Analysis, methodology and key considerations

We used **PwC's Nature Impact Explorer** to estimate and analyse the impact of our business, including both our direct operations and supply chain, based on the locations of our business activities, their scale and our expenditures on various categories of goods and services. We used industry and geographical averages to build a picture of our impact profile.

The diagram below is a high-level assessment of the environmental impacts across our operations and supply chain. The size of the bubble reflects the relative size of our impact. The tier represents the point in our supply chain where the impact arises, i.e. in our offices (tier 0), or in the products and services we purchase (tiers 1-4+). It is important to note these are estimated impacts.

Environmental impacts - Direct operations and supply chain



Our Nature Impact Explorer helps us to better understand the drivers of those impacts, informing decisions on where to focus our efforts. It provides an estimate based on industry averages; thus does not reflect any actions we are already taking to reduce our impact.

Key findings from our analysis

- Our overall impact on nature is small compared to the size of our business. This is to be expected considering we are an office-based business whose activities are not highly impactful on natural ecosystems.
- The estimate shows that most (93.4%) of our impacts arise in our supply chain, from the goods and services we purchase. Impacts from our direct operations are just 6.6%. This is also typical and to be expected for our type of business.
- Our largest impact comes from greenhouse gas (GHG) emissions. Our decarbonisation programme is designed to tackle this. It spans our whole network and aims to transform our business model to deliver our work in a more sustainable way. You can read more about how we are doing this here.
- Impacts from land use are the next largest category. Most of these arise deep within our supply chain. They are predominantly linked to the production of food that our people and others within our supply chain consume. Less than 17% of our supply chain land footprint is from spend categories directly associated with agriculture and forestry products, namely catering meals and events, stationary, construction, food and beverages and furniture.
- The other categories are estimated to be less significant, for instance water pollution levels are nominal.

Our Nature Impact Explorer analysis of course has some limitations. It provides an estimate based on industry averages. That means the actions we are already taking to reduce our impact are not reflected in the results. And being able to identify the root causes allows us to assess whether our actions will be effective.

Our operational footprint in sensitive areas

We use the World Resources Institute (WRI) Aqueduct tool and the Integrated Biodiversity Assessment Tool (IBAT) to assess where our direct operations are located in or nearby sensitive locations. Together, these tools have supported our location-based assessment for the purposes of Taskforce on Nature-related Financial Disclosures.

Water-stressed areas

We used the WRI Aqueduct tool to identify which of PwC's 743 network firm offices are in water-stressed regions by overlaying a map of water-stressed areas onto our office network. 248 of PwC's offices are in water-stressed regions. We estimate our water usage in these regions to be 657 megalitres per annum, which represents 43% of our estimated total.

This analysis helps us to better understand our potential dependencies and impacts. Our impact analysis, described above, indicates that - as a professional services organisation - our impact on these areas is low.

Several PwC firms have set water consumption targets and track their progress against these targets (e.g. PwC UK), including some of the territories with locations in water-stressed regions. We will continue to share the approaches and insights from these initiatives more broadly across the network.

Region	Number of offices in water-stressed regions	Estimated annual water usage (megalitres)
Americas	50	112
Asia Pacific	61	292
Europe, Middle East and Africa	137	253
Total	248	657

Methodology

Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and nonconsumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users. Baseline water stress was determined using the WRI Aqueduct water risk atlas tool. Water-stressed regions are those defined as arid, extremely high and high.

PwC firm offices include owned, leased or managed locations as of 30 June, 2024. Water usage was estimated by extrapolating average per capita water use from a number of PwC firms. The per capita factor was also tested by way of benchmark against comparable industry data disclosed in peer reviewed papers. We have assumed for these purposes that water used in our offices does not return to the same catchment area or does not return in the same period. Therefore, our water withdrawal and consumption are deemed to be the same.

Key biodiversity areas and protected areas

We used IBAT to assess the extent to which PwC firms' office locations are in or adjacent (i.e. within 1 km) to Key Biodiversity Areas (KBAs) and/or Protected Areas (PAs). These are designated areas that have been recognised as significantly contributing to the long-term conservation of nature and biodiversity.

This analysis helps us to better understand our potential dependencies and impacts. Our sector-based analysis, which included reference to the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) Knowledge Base, the Sustainability Accounting Standards Board (SASB) Materiality Finder, the World Wide Fund for Nature (WWF) Biodiversity Risk Filter and the CDP Industry Impact Classification Methodology, indicates that –- as a professional services organisation –- our direct operations' impacts on these areas is not significant.

Region	Number of offices in or adjacent to KBAs and/or PAs	Land footprint (ha)
Americas	37	13
Asia Pacific	24	3
Europe, Middle East and Africa	110	30
Total	171	46

Methodology

PwC firm offices include owned, leased or managed locations as of 30 June, 2024. KBAs and PAs were identified using the IBAT. This tool combines three biodiversity datasets – the World Database on Protected Areas, the World Database of Key Biodiversity Areas and The International Union for Conservation of Nature Red List of Threatened Species. Relevant office land footprint data was estimated using relevant legal or government documents, and/or area calculator tools using satellite imagery. In instances where PwC firms are one of multiple tenants in a building, the land footprint was proportionally accounted for. Where this information was not readily available the total land footprint of the office has been reported. Some of our offices already have specific biodiversity plans and we will continue to share their learnings more broadly across our network.

PwC's Nature Impact Explorer

The tool uses revenue and spend data to estimate the impacts that a business has on nature. It is a diagnostic tool that can help organisations identify potential high impact activities in their direct operations and supply chains, and understand their relative significance. Outlined below is an overview of the methodology used.

Methodology

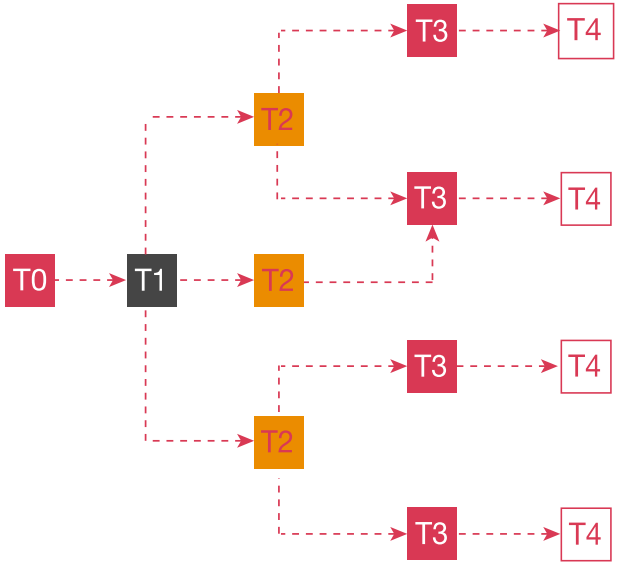
Step 1: Data inputs

Global revenue data is allocated to relevant locations, and global spend data is allocated to relevant sectors and locations (e.g. hotels, IT and telecommunications, food, air travel, etc.).

Step 2: Mapping of trade flows within the supply chain

A multi-regional input-output (MRIO) model (see below) is used to estimate the resulting flows of money and resources within and between countries and through all tiers of the supply chain based on the inputs above.

Mapping trade flows through a supply chain



Step 3: Estimation of nature impacts

Environmental intensity data for each sector and location is used to estimate impacts on nature taking into account a wide range of drivers of nature loss.

- Land use
- Water use
- Water pollution
- Air pollution
- Climate change
- Waste

The tool identifies at which point in the value chain an impact arises for each driver of nature loss, direct operations (tier 0) or further into the supply chain (tiers 1 to 4).

Step 4: Application of PwC's valuation coefficients

Valuation coefficients are then used to estimate the social value of impacts allowing their relative significance to be assessed.

Multi-regional input-output models

An input-output model (IO) represents the interdependencies between different sectors of a national economy. MRIO models extend this to include the interdependencies between sectors within multiple national economies. MRIOs can support companies in modelling the estimated monetary and resource flows through their supply chain.

These MRIOs can be extended beyond raw economic results to also estimate a wide range of environmental impacts across supply chains for sector country combinations. Extended IO analysis can be performed on any indicator (e.g. water use) provided an 'extensions' dataset exists, which describes the magnitude of the indicator in each sector and country of the economy, per unit of economic activity generated.

The economic flow and estimated environmental impacts used in our approach are based on a detailed, consistent and comprehensive global economic-environmental database, called EXIOBASE. This database identifies the links between extraction, production and consumption in global trade and its environmental consequences. EXIOBASE (version 3) covers 49 countries and regions (95% of global gross domestic product), and distinguishes over 160 industry sectors and 200 product categories by country.[33]

This is further supported by supplementary datasets developed by PwC to provide a more comprehensive view of a company's impacts.

PwC's valuation coefficients

Country-level valuation coefficients, developed in line with PwC's Total Impact Measurement and Management framework, are used to calculate an estimate of the change in well-being (or in economic terms 'welfare') experienced by people as a result of the activities being undertaken. These values can be either positive or negative in order to reflect an associated benefit or an associated cost to society, and allows the comparison and evaluation of impacts across all indicators.

Each valuation methodology is based around an impact pathway framework, which describes the linkages between impact drivers, environmental outcomes and societal impacts (on people):

1. **Impact driver:** These drivers are expressed in units which can be measured at the corporate level, representing either an emission to air, land, or water; the use of land or water resources; or number of employees or exposure to health and safety issues.

   E.g. for air pollution: The type and quantity of air emissions resulting from different business activities.

2. **Environmental outcomes:** These describe actual changes in the environment or the social impact area which result from the impact driver.

   E.g. for air pollution: Businesses directly affect air quality through emissions of pollutants. These primary pollutants react with other elements in the air to produce secondary pollutants. Both primary and secondary pollutants can lead to specific environmental outcomes such as smog and acid rain.

3. **Societal impacts (on people):** These are the actual impacts on people as a result of changes in the environment (environmental outcomes).

   E.g. for air pollution: The impacts are principally related to health but also include impacts via agriculture and visibility.

Limitations of the methodology

- **Spend-based approach**: Modelled impacts are estimated based on secondary data sources which use geographical and industry averages, so do not reflect our actual supply chain impacts. Any interventions taken to improve supply chain sustainability are therefore not reflected in our results.
- **Country level specificity**: Due to a lack of available data for certain countries, the underlying datasets at times use regional averages to achieve global coverage. This can reduce the accuracy of some of the results.
- **Temporal limitations**: The original EXIOBASE 3 monetary data series ended in 2011. However, EXIOBASE has estimates based on a range of trade and macro-economic data which go up to 2022.

Limitations of the analysis

- **Estimated spend**: A small number of spend categories are not systematically collected at a network level. In these instances, activity data (e.g. number of nights stayed in hotels) were used as a proxy to estimate our aggregate network spend.
- **Additional impacts**: The analysis covers 6 key environmental impacts (see above). Assessing a broader set of impacts e.g. resource extraction or soil pollution, could provide different insights.
- **Dependencies on nature**: This assessment is limited to understanding our impacts on nature. It does not consider the dependencies we have on nature.

[33] EXIOBASE Consortium, EXIOBASE Version 3

Appendix 9 - Net Zero Financial Service Providers Alliance

As auditors, it is our responsibility under professional standards to obtain reasonable assurance that financial statements as a whole are free from material misstatement. To do this, we need to identify and assess risks of material misstatement, including those arising from or related to climate.

We and other financial service providers are members of the Net Zero Financial Service Providers Alliance[33] (NZFSPA), connecting auditors and other financial service providers with the Glasgow Financial Alliance for Net Zero.

NZFSPA seeks to facilitate dialogue across key categories of service providers within the financial system, to enable the whole-economy transition required to meet the goals of the Paris Agreement.

A measurement framework has been developed and designed for the audit firms to measure how they are performing against the commitments of NZFSPA. That framework specifically relates to our audit work and how, consistent with relevant regulatory and professional standards, we must assess climate-related risks as part of the process of planning and execution of audits of financial statements. We began applying these measurement criteria to a selection of our audits last year and have expanded the set of audits this year.

Framework categories

The framework consists of 4 categories that are based on inputs required for delivering high quality audits which comply with necessary standards, including as they relate to climate risk. They are:

1. **Application of audit methodology:** This looks at how the audit methodology around assessing climate-related risks in a financial statement audit is applied.

   Example metric: % of engagement teams including specific audit procedures to determine whether climate risks are material to the audit.

2. **Training:** This looks at how the team members performing an audit have acquired the relevant skills to support their work.

   Example metric: % of engagement team personnel (managers and above) who have received specific training on assessing and responding to climate risks in the audit.

3. **Communications:** This looks at whether communications with those charged with governance have included the topic of climate.

   Example metric: % of engagement teams who discussed the relevance of climate risk to the financial statements and the audit with those charged with governance and management.

4. **Reporting:** This looks at what topics were considered for inclusion in the audit report.

   Example metric: % of engagement teams that specifically considered whether climate risk(s) needed to be explicitly mentioned in the audit report.

Our FY24 activity

PwC selected 50 of its audit clients (FY23: 36 clients), the majority of which are identified by the Climate Action 100+[34] initiative (being businesses in industries critical to the global net zero transition). For the selected clients, we measured the most recently completed audit against the framework to monitor our progress. For the categories of application of audit methodology, training and reporting, we achieved 100% (FY23: 100%). For the communications category, we achieved 98% (FY23: 97%).

We will continue to expand the application of these criteria to an increasing number of audits in future years.

[33] UNPRI, Net Zero Financial Services Providers Alliance (NZFSPA) Commitment
[34] Climate Action 100+

Appendix 10 - Glossary of terms

Term	Definition
ACA	Absolute contraction approach
ACR	American Carbon Registry
AIB	Association of Issuing Bodies
ARR	Afforestation, Reforestation and Revegetation
ART	Architecture for REDD+ Transactions
BVCM	Beyond Value Chain Mitigation
CAR	Climate Action Reserve
CCB	Climate, Community & Biodiversity standards
CDR	Carbon Dioxide Removal
CEO	Chief Executive Officer
CFI	Carbon Farming Initiative
CH_4	Methane
Climate Action 100+	Investor-led initiative to help ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change
Climate Week NYC	Largest annual climate event of its kind, bringing together some 400 events and activities across the City of New York - in person, hybrid and online
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
COP28	28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change
COVID-19	Coronavirus disease
CS	Corporate sustainability

Term	Definition
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DEFRA	Department for Environment, Food & Rural Affairs
DESNZ	Department for Energy Security and Net Zero
EEIO	Environmentally extended input-output
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure
ERF	Emissions Reduction Fund
ERM	Enterprise risk management
ESG	Environmental, Social and Governance
EU	European Union
EV	Electric vehicle
FY	PwC's fiscal year is the 12 months ending 30 June of that year (e.g., FY24 refers to the 12 months ending 30 June 2024)
GCC	Global Carbon Council
GDP	Gross domestic product
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse gas
GLT	Global Leadership Team
GMLT	Global Markets Leadership Team
GS	Gold Standard
GSK	GlaxoSmithKline plc

Term	Definition
GSLT	Global Sustainability Leadership Team
HFCs	Hydrofluorocarbons
IBAT	Integrated Biodiversity Assessment Tool
ICROA	International Carbon Reduction and Offset Accreditation
IEA	International Energy Agency
IFM	Improved forest management
IFRS	International Financial Reporting Standards
IO	Input-output
IPCC	Intergovernmental Panel on Climate Change
IPLCs	Indigenous Peoples and Local Communities
I-RECs	International Renewable Energy Credits
ISSB	International Sustainability Standards Board
JREDD+	Jurisdictional REDD+
KBA	Key Biodiversity Area
KNR	Key Network Risk
KPI	Key performance indicator
kWh	Kilowatt hour
Kyoto Protocol	Adopted on 11 December 1997, this commits industrialised countries and economies in transition to limit and reduce greenhouse gas emissions in accordance with agreed individual targets
LEAF	Lowering Emissions by Accelerating Forest finance Coalition
LED	Light-emitting diode
LEED	Leadership in Energy and Environmental Design
MRIO	Multi-regional input-output
MWh	Megawatt hour
N_2O	Nitrous oxide
NCS	Natural climate solutions
NF_3	Nitrogen trifluoride
NGFS	Network for Greening the Financial System

Term	Definition
NGO	Non-governmental organisation
NLT	Network Leadership Team
NZFSPA	Net Zero Financial Service Providers Alliance
p.a.	Per annum
PAs	Protected areas
Paris Agreement	Legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015
PFCs	Perfluorocarbons
PG&S	Purchased goods and services
PwC	Refers to the PwC network and/or one or more PwC firms, each of which is a separate legal entity
PwCIL	PricewaterhouseCoopers International Limited
RE100	Renewable Energy 100
REDD+	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
RE-DISS	Reliable Disclosure Systems for Europe
RF	Radiative forcing
SAA	Sharm El-Sheikh Adaptation Agenda
SAF	Sustainable Aviation Fuel
SAP	SAP SE (formerly known as System Applications and Products in Data Processing) is a German multinational software company that develops enterprise software
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SBTN	Science Based Targets Network
SBT	Science-based target
SF_6	Sulphur hexafluoride

Term	Definition
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Tonnes (t) of carbon dioxide (CO_2) equivalent (e)
TNFD	Taskforce on Nature-related Financial Disclosures
TPCoC	Third Party Code of Conduct
TREES	The REDD+ Environmental Excellence Standard
TSPs	Territory Senior Partners
UN	United Nations
UNICEF	United Nations Children's Fund
USD	US dollar
VCS	Verified Carbon Standard
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
WTT	Well-to-tank
WWF	World Wide Fund for Nature
YGCs	Young Global Changers

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