

Corporate Sustainability Policy PwC NL

Policy Document
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Submitted by: Corporate Sustainability team

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Corporate Sustainability Policy

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Revision history

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1. Introduction

Our purpose and values

Our purpose is to build trust in society and solve important problems, which means that our values are at the heart of how we operate. We believe in integrity, making a difference, care, reimagining the possible and working together. Corporate Sustainability plays an important role in becoming a purpose-led and values-driven organisation. It is related to the impact of our services and operations and is about demonstrating responsible social and environmental behaviour through which we aim to create a positive impact with our colleagues, our clients and society.

Objective

This Policy describes the principles and guidelines for Corporate Sustainability with the aims to promote responsible social and environmental behaviour. It applies to all PwC partners and staff in the Netherlands.

This policy is structured around the same pillars used within the Corporate Sustainability department: our Business, our Operations, and our People.

Scope

This Policy applies to all of us and our business processes. When we say “we”, “our” or “us” we are referring to all of us at PwC Netherlands, Partners and staff.

This policy uses the broad scope of ESG (Environmental, Social and Governance) topics. The Sustainable Development Goals (SDGs), set up by the United Nations to address the world’s most pressing problems, are used to delineate our main focus areas. PwC uses an Environmental Management System (in line with ISO 14001, not externally certified) to streamline our internal quality management.

2. Governance, endorsements and reporting

Governance

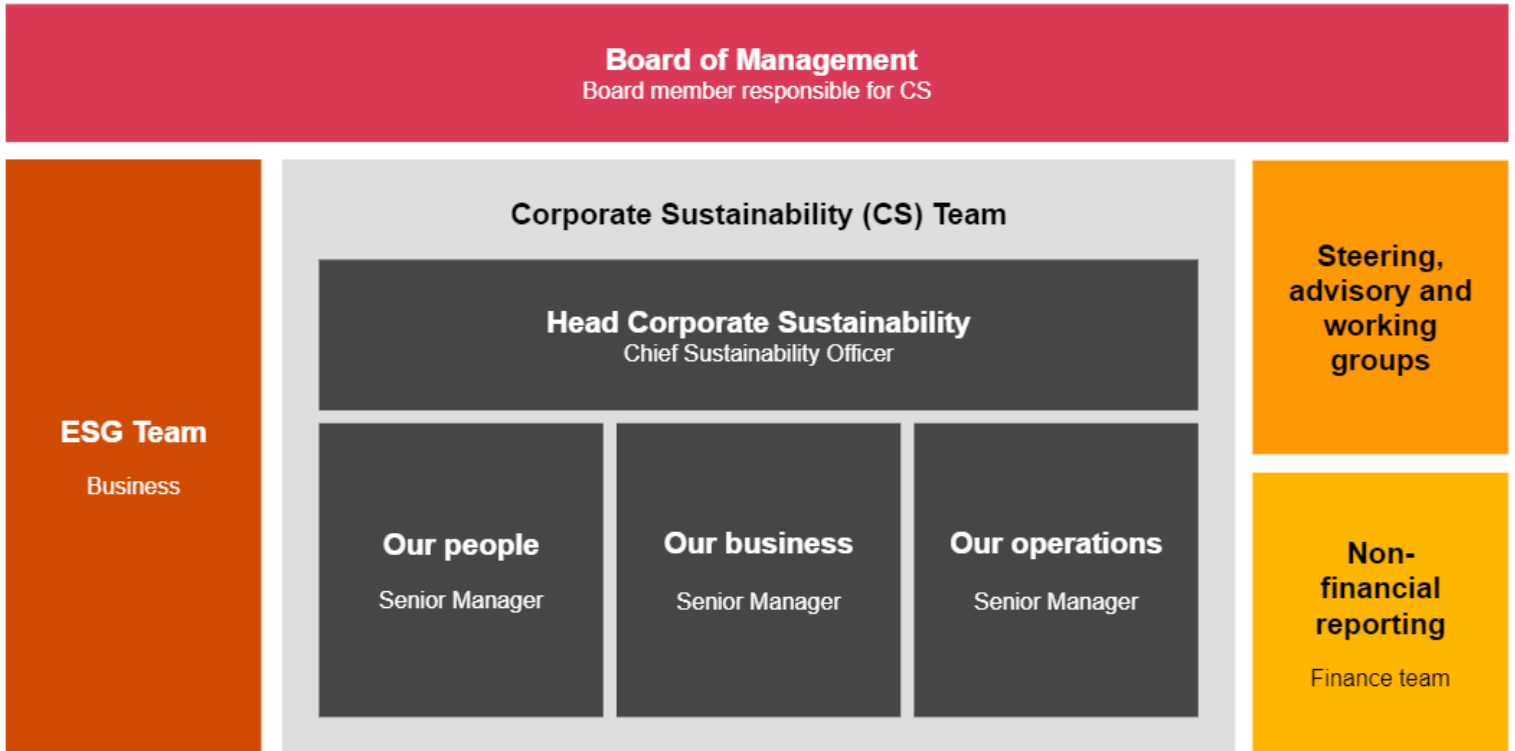
A committed Corporate Sustainability (CS) team coordinates and implements our company-wide sustainability initiatives, and works with the Lines of Service and Business Units to embed these initiatives across the organisation. A member of the Board of Management is responsible for Corporate Sustainability and the Chief Sustainability Officer (CSO), leading the CS team, reports directly to this Board Member.

The Board of Management reviews and monitors Corporate Sustainability initiatives and performance. Performance indicators for key sustainability topics are included in our management information dashboard (Integrated Dashboard) and our Annual Report.

The CS team is part of the Broader Assurance Services (BAS). As such CS is working in close collaboration with the wider ESG team, which also consists of client-facing teams working on sustainability topics.

Working groups and steering committees for specific Corporate Sustainability topics and projects have a dotted-line reporting relationship to the CSO and collaborate on the integration of Corporate Sustainability in the overall strategy

and goals. Individuals in these support structures are the ‘owners’ of priority sustainability topics and are responsible for implementing strategies, tracking performance, and engaging employees.



Stakeholder engagement

Throughout the year, PwC is in [dialogue with its stakeholders](#) to learn what they expect from us, what we can improve and how. A dialogue which allows us to stay in touch. We engage with our people, clients and society at large in one-on-one conversations. The latter group includes, among others, public sector representatives, NGOs, politicians, professional and investor associations, and universities.

Each stakeholder meeting is conducted by a member of the board of management, often assisted by a member of the Supervisory Board, the public policy & regulatory team and/or a subject matter expert. The public policy & regulatory affairs team makes a report of each meeting and uses this as input to extract the common thread and key messages from the stakeholder dialogue for different stakeholder groups.

The themes stakeholders consider most relevant (‘material’) for our organisation are reflected in our materiality matrix. We create this matrix every other year in accordance with the Global Reporting Initiative (GRI), and publish it in our Annual Report. The most material issues are addressed in our strategy and value creation process.

In addition to the one-on-one stakeholder conversations, PwC executives pay working visits to other organisations such as businesses or civil society organisations. This to learn from each other, about social issues that affect both organisations. Finally, in order to find out how people who are not or hardly familiar with PwC, view our social role we also conduct focus group research with indirect stakeholders.

Materiality based on Sustainable Development Goals (SDGs)

The SDGs are both in line with our purpose to solve important problems and with our ambition to be a goal-oriented and values-driven organisation. We regularly assess which SDGs are most material from the perspective of our business, our operations and our value chain and integrate the most material goals in our value creation process. Our most recent reassessment of our SDG prioritisation (2020):

SDG	Country (CBS report)	Country (SDSN / Bertelsmann Stiftung)	Country (SDG navigator)	Sector Impact (SDG Selector)	Sector Opportunity (SDG Selector)	Material theme PwC	Strategy input (Market themes)	SDG Survey	Overall relevance PwC NL
1. No Poverty									Low
2. Zero hunger		●	●						Low
3. Good health and wellbeing								●	Low
4. Quality education				●		●	●	●	Medium
5. Gender equality		●	●	●	●	●	●	●	High
6. Clean water and sanitation									Low
7. Affordable and clean energy	●	●	●		●				Medium
8. Decent work and economic growth			●	●	●	●	●	●	High
9. Industry, innovation and infrastructure									Low
10. Reduced inequalities						●	●	●	Medium
11. Sustainable cities and communities									Low
12. Resp consumption and production		●			●	●	●		Medium
13. Climate Action	●	●		●	●	●	●	●	High
14. Life below water		●							Low
15. Life on land	●		●						Low
16. Peace, justice and strong institutions		●				●	●	●	Medium
17. Partnerships for the goals		●				●	●	●	Medium

We have defined 9 material SDGs (4, 5, 7, 8, 10, 12, 13, 16, 17). These SDGs represent the social, environmental and economic issues to which we can contribute most, from the perspective of our operations, services and our broader role in the value chain.

We believe that we are most effective when we focus. Therefore, we also select focus SDGs where we can make the most difference. We define ambitions and targets for our focus SDGs to minimise our negative impact and maximise positive impact. We set concrete intermediate targets for these ambitions, on which we report our progress yearly in our annual report. When targets are not met, corrective measures are implemented. Currently, our four focus SDGs and corresponding targets are:

SDG Ambition for 2030



Achieve gender balance and equal opportunities



Achieve sustainable growth within the boundaries of social and environmental systems.



Achieve an inclusive and diverse culture and equal opportunities irrespective of age, disability, cultural background, sexual orientation or other status.



Achieve a positive environmental impact across our value chain

Transparency in our reporting

The three most important reports we publish on an annual basis:



The public report reports how we continue our transformation to contribute to a better, more sustainable world.



The annual report reports on what we have achieved that fiscal year.



The transparency report provides information about our quality policy.

The annual report is an integrated report which follows the framework developed by the International Integrated Reporting Council (IIRC). Moreover, we conduct a materiality analysis to identify relevant indicators that measure our sustainability performance and contribution to the SDGs. Our indicators are in line with the Global Reporting Initiative (GRI) standards and verified by an independent third party. We report on our progress against targets and on our contribution to the SDGs on an annual basis.

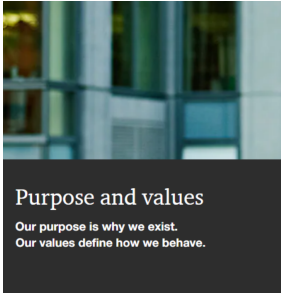
The progress we make on the strategic sustainability objectives is measured with performance indicators that are reported on in our so-called Integrated Dashboard. This dashboard allows us to monitor and evaluate the full spectrum of our strategic agenda and is discussed within the Board of Management on a quarterly basis.

In order to achieve the targets on our material SDGs we focus on our business, our operations and our people.

3. Our Business

Our purpose, to build trust in society and solve important problems, combined with our values, provide the highest level of guidance for our behaviours and actions. Equally important is our infrastructure for good governance, independence, ethics and compliance. This is about *how* we do business.

Read more about how we do business:



Our purpose and our values - Our purpose is why we exist. Our values define who we are, what we stand for, and how we behave.

Global Code of Conduct - sets out a common framework around how we behave, based on our Purpose and Values.

Third party code of conduct - We expect the same level of integrity and business conduct from our Third Parties and their personnel as we do our own people.

PwC's Global Human Rights Statement - We believe it's our responsibility to respect and uphold the human rights of our people and any other individuals we are in contact with

Commitment to the UN Global Compact - We are committed to the Ten Principles of the UNGC and take strategic action in advancing the UN Sustainable Development Goals (SDGs).

[Our approach to Risk and Governance](#) and how it is reflected in our [PwC Global Annual Review](#) and our [PwC NL Annual Review](#).

Working with our clients

We leverage our sustainable development expertise to support our clients in realising a sustainable future. The biggest impact we make comes from the work we do every day, helping clients navigate through many of the complex systems that underpin society. We help these systems function and clients to operate within them effectively and help these systems evolve so that they benefit communities and society more widely.

SDG impact measurement

We have developed a method that provides insight into our contribution to the SDGs, this method includes: determining our material and focus SDGs, defining several indicators per material SDG, defining ambitions and targets for the focus SDGs, collecting data for all indicators and calculating the impact scores, visualising and interpreting outcomes, and identifying and using points of improvement. The results of this six-step [SDG impact measurement](#) show how our impact evolves from year to year and are the basis for dialogue about our next steps and actions.

The results of our most recent impact measurement show our relative impact per SDG. A green bar shows our positive impact on an SDG. Grey and red bars visualise neutral and negative impact.

By repeating our impact measurement annually, we can assess our progress and take additional measures if necessary. The results of our impact measurement are included in our annual report and discussed in the Board of Directors.

Thought leadership pieces

On our website we present our ESG thought leadership pieces to share our expertise and experience with external parties. A few examples are:

- [Green Deal Monitor](#)
- [ESG: van theorie naar actie](#)
- [Op weg naar Net Zero](#)

Besides the above PwC's digital magazine [About](#) focusses on ESG thought leadership on a regular basis. With this magazine we focus primarily on the C-suite of listed companies, public organisations and family businesses. The magazine is published four times a year and discusses current developments and trends that affect your organisation.

Please visit our [website](#) to learn more about our SDG projects.

4. Our Operations

PwC strives to make positive contributions to society and the environment. We do this through our colleagues, in our day to day client-work and by making our own organisation more sustainable. We want to be at the forefront of this. In line with our Global strategy "The New Equation", we realise bold and result-oriented solutions: technology-driven and human-centric. We have committed to the [United Nation's Race to Zero](#) campaign and [Business Ambition for 1.5°C](#), which aims to build momentum around the shift to a decarbonised economy.

Net Zero ambition

A few years ago, PwC the Netherlands embraced the SDGs and established a 100% circular ambition for 2030: no emissions, no waste and optimal reuse of resources. In September 2020, PwC announced its worldwide Science-Based greenhouse gas (GHG) emission reduction targets and the commitment to achieve Net Zero emissions by 2030, which we embraced. PwC's emission reduction targets are validated by the Science Based Targets initiative (SBTi) as in line with limiting global warming to below 1.5 degrees.

In concrete terms, our Net Zero ambition means:

- At least 50% absolute emission reduction in 2030 with the aim of 100%
- Compensate for remaining CO2 with Carbon Removals
- At least 50% of our suppliers (based on emissions) commit to a similar reduction target by 2025

Our Net Zero ambition is in line with the Science Based Targets initiative (SBTi) is the body that tests companies whether the scoping, objectives and progress are in line with the Paris climate agreements. SBTi is a collaboration of the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

We have an Environmental Management System (based on ISO14001, not externally certified) to reduce our environmental impacts and increase our operating efficiency.

Sustainability in our supply chain

One sub-target of our Net Zero commitment, is our supply chain target. This target is to ensure that at least 50% of our purchased goods and services suppliers (by emissions) have set science-based targets by 2025.

The Corporate Sustainability department is involved in the procurement process for tenders larger than €25.000. In the development of request for proposals (RFPs), the monitoring of the process and the selection of suppliers. Environmental, Social and Governance (ESG) criteria are mandatory requirements in the RFPs, and weighted significantly. Questionnaires with ESG criteria are sent to suppliers and they need to substantiate their answers. Suppliers with an existing framework contract or long term contracts have been proactively asked to respond to our ESG criteria as well and are rated accordingly.

PwC's [Third Party Code of Conduct](#), which is shared with all suppliers, addresses the firm's expectations from our suppliers in relation to environmental stewardship, including minimising GHG emissions and engaging in initiatives to promote environmental responsibility. Knowing, understanding, and behaving according to the Third Party Code is a fundamental requirement to working for or with PwC.

The progress on our supply chain target is monitored internally across several KPIs.

Putting a price on carbon

To fund our transition towards positive environmental impact, PwC the Netherlands has set up an environmental budget. This budget is created by applying an Internal Carbon Price of €100 per tCO₂e we emit, meaning that the price of our emissions directly forms the basis of our Net Zero and environmental budget.

This budget is the minimum amount we spend to invest in measures to reduce our negative environmental impact and offset our carbon emissions. We also use this budget for innovations that expedite the sustainability transition.

Offsetting our emissions

PwC the Netherlands offsets all reported emissions with high quality carbon certificates (Gold Standard, VCS) and is therefore 'climate neutral' by definition. Offsetting is done with carbon avoidance and carbon removal credits, purchased through PwC Global. However, to remain compliant with the SBTi we will move further towards carbon removal credits.

Please visit our [website](#) to learn more about our environmental projects.

5. Our People

We share our professional skills to help solve societal challenges in our communities. We have partnerships with several societal organisations in the fields of social entrepreneurship, responsible business, environment and community. What we have in common with these organisations is the ambition to make an impact on society. With our partners we share knowledge, expertise and competencies, and we also learn from them. Some examples of our partners are Social Enterprise NL, MVO Nederland, SkyNRG, and the Johan Cruyff Foundation.

Pro-bono support for societal organisations

We contribute to society by sharing our knowledge and competencies on a pro bono basis. Our focus is on social enterprises. We believe in the power of social enterprises as they combine their ambition for societal impact with a healthy business model. Social enterprises primarily have a social mission, financially self-sustaining, limited or no subsidy or donation dependence, and are managed in a socially responsible way.

On an annual basis we spend over 20.000+ hours on pro bono projects, the majority of them being projects for social enterprises.

We want to maximise our impact on society by aligning our Community Program with our day-to-day work: our business opportunities, our assets and expertise. We do this by linking our pro-bono projects to the focus topics (market themes) we have identified from a business perspective and make sure we fully integrate our CS initiatives into our core business.

Societal organisations part of our supply chain

We take action to drive positive impact through procurement, such as participating in [initiatives](#) to bring social enterprises or minority suppliers into our supply chain. Our aim is to harness the spending power of business to realise greater social and environmental benefits. Buying from social enterprises empowers communities, creates opportunities for vulnerable people and supports our commitment to transition to a Net Zero and circular economy, in line with our Purpose and our values.

Taking care of our people

As previously mentioned we expect all our employees and third parties to comply with our different [code of conducts](#). Furthermore, our [diversity policy](#) aims to create an inclusive workforce where we value differences.

Our Quality, Health, Safety and Environment (QHSE) department ensures that the (working) environment is as safe as possible for all employees, visitors and other people we receive. In the event of an incident or unsafe situation, this can be reported to the QHSE department, who will assess and solve the issue in a timely manner.

Upskilling our people on ESG

ESG - Environmental, Social, Governance - is at the heart of our new strategy: The New Equation. This is why all PwC employees have received training on ESG topics. This training included the explanation of important ESG topics, how and why these topics are important for our business, and how to apply them meaningfully in our day-to-day work.

Financial support to societal organisations

Besides our core strategy to invest through our knowledge and expertise we created the What Matters 2U funds to give financial donations to societal organisations where our people work voluntarily outside of their PwC working hours to stimulate and reward their contribution to society.

Please visit our [website](#) to learn more about our community projects.