

PwC's contribution to the SDGs

Introduction

Last year we linked the United Nations' Sustainable Development Goals (SDGs) to our strategy. The SDGs address the most pressing global issues, such as hunger, inequality and climate change. The goals call for action by all countries poor, rich and middle income and they explicitly call on the business world to contribute. We aim to contribute to these goals by linking the goals most relevant to us into our strategy and operating activities. This is both in line with our purpose to solve important problems and supportive of our ambition to become a purpose-led and values-driven organization.

To determine which of the goals are most relevant to the work we do, we have analyzed all seventeen SDGs and identified nine that are most relevant to our firm, with a current focus on SDG 8, 10, 12 and 16¹. We have linked these nine goals to our long term value creation (see page 24 of our annual report). Activities we already undertake, are set out in this document.

¹ Even though we categorized nine goals as most relevant for our firm, we realize we contribute to all of the 17 goals via various initiatives and through the interconnectivity between the goals.



Our purpose

Building trust in society & solving important problems

Our values



Act with integrity



Make a difference



Care



Work together



Reimagine the possible



Quality education

Working together in sharing knowledge and ideas is one of the values we need to live up to. We are convinced that only by sharing and collaborating we are able to develop innovative solutions for important problems.

- For our own employees we firmly invest in our L&D program. On average every employee participates for 119 hours in trainings on a yearly base (4.4). Besides, we provide some of our people with the opportunity to do a PhD and several of our colleagues lecture at universities.
- Our Chief Economist Office functions as a catalyst for knowledge sharing and thought leadership development. Chief Economist (partner and professor JanWillem Velthuisen) is the champion and coordinator of our research into the effects of global megatrends on markets, industries, sectors and business models. This Office broadcasts its knowledge and insights to colleagues, clients and other stakeholders by conducting research and running workshops. Last year our people spent 10,561 hours on research and support for the Chief Economist Office (4.4).
- Internal training modules are developed and given by our own internal experts, as is the training organised by the PwC Academy, our educational institute for clients and other business associates. We also provide some of our people with the opportunity to do a PhD. Several of our colleagues lecture at universities. 12 of them hold a professorship.
- We are intensively working together with various knowledge institutes, like Nyenrode University (4.4). In our partnership with Nyenrode University we provide specialist knowledge for the social enterprises who participate in the courses conducted by Nyenrode University.
- In cooperation with international student organisation AIESEC we started in our Rotterdam office a project to offer internships to former refugees, to help them to understand the Dutch job market and the business language we speak in the Netherlands. Similarly, we are partnering with Giving Back to support students to get into the Dutch job market by offering them internship opportunities where they can learn and network to build and develop their professional career. These two partnerships also contribute to e.g SDG 8.

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Gender equality

PwC works on building an inclusive culture based on encouragement and collaboration. In recent years we have developed various (coaching) programmes and training sessions to support diversity and inclusion.

- We continue to focus on identifying potential female leaders who can enable us to fully comply, in the future, with the Management and Supervision Act, which requires 30% female representation in both the Supervisory and Management Boards. The Supervisory Board consisted of three women and four men (i.e. 43% female), and The Board of Management consisted of one woman and five men (i.e. 17% female).
- A key indicator in an inclusive culture is the consistency of evaluation between men and women (and therefore also their opportunities for promotion and progression) and the extent of equal pay. Our average fixed salary levels are almost the same for men and women at all staff levels up to senior director level. The average fixed salary of men (compared to the weighted average salary) is 100.2% and for women 99.7%. When we found differences, these are explained by difference in number of years' experience and/ or expert roles that are paid differently. These outcomes are consistent with prior years.
- PwC has signed up and is an active partner for the HeForShe initiative created by the UN Women. Corporate CEOs, Heads of State, and University Presidents around the world are invited in this campaign to take a stand for gender equality by committing to bold, public actions to advance gender parity in their spheres of influence.

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Decent work and economic growth

We contribute directly to economic growth and social development of the society. We create jobs for more than 4.500 people in the Netherlands, and consistently put efforts to provide a decent and attractive place to work for our talents.

- Every year we conduct a Global People Survey where our people express their opinion and feeling about working at PwC. The people engagement index – a measure of how attractive PwC is as an employer – was at 82%. We also achieve high scores for flexibility, opportunities for growth and development, and Learning & Development.
- We help companies enhance financial and operational efficiency and improve their capacity for job creation. The solutions we offer to the complex issues our clients face have significant societal impact.
- We make time for improving our service delivery and offering; our professionals spent 37% of their time on activities such as transformation projects, corporate responsibility, innovation, coaching and training.
- On a yearly basis we present the Young Workers-index. This index compares the economic perspectives of young people between 16 and 24 years old in the 35 OESD countries.
- To enhance social entrepreneurship in the Netherlands, we help starting social enterprises to increase their positive impact on society. By organising, among other things, the Social Impact Lab, extensive brainstorm sessions ('brainshakes', 'pressure cookers'), and pro bono projects, we share our knowledge and experience with the social entrepreneurs.

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Industry, innovation and infrastructure

We have continued the high level of investment in technology and innovation.

- All our Lines of Services are working on the innovation of their service offerings and they are increasingly making use of technologies such as robotics and artificial intelligence and new insights into the use of big data. These innovation investments are aimed at the effectiveness and efficiency of processes within our organization.
- We are introducing “agile” ways of working into our innovation processes. ‘Agile’ means moving innovations forward in small steps (sprints) often in co-creation with the client, in a way that allows us to identify potential successes or failures at an early stage.
- In our Amsterdam office we have developed an Experience Centre, an inspiring place where we bring together all aspects of innovation and where everything is focused on meeting, sharing, learning and innovating (9.1).
- Assurance has a set of tools called ‘HALO’ that allows us to analyze patterns and trends and identify unusual or inconsistent transactions, and ultimately guides us where to focus our audit efforts. Advisory is using data analysis in due diligence engagements and also for the purpose of identifying inconsistencies and deviations, and Tax is using systems for automated tax returns (9.5). The use of technology is having a major and irreversible impact on - in particular - our Tax practice and profession.
- Processes and controls are becoming more and more automated and data analysis makes it easier to identify inconsistencies. So these new tools and techniques are areas in which we continue to invest. Some of these technology investments are aimed at the effectiveness and efficiency of processes within our own organisation.
- We provide support to our employees in becoming ‘digitally-savvy’. This enables our people to understand innovative technologies and its possibilities, and also to be able to engage effectively with clients and colleagues. We have optimised our curriculum in this area and we are in the process of defining learning paths for the different staff levels.
- We have launched a tool for our professionals to assess their own digital fitness and to guide them to appropriate training where necessary.
- We realise we cannot develop and maintain all the required technology on our own and we have therefore contracted with several well-known technology partners, such as Google, Workday, SAP, Oracle and Salesforce. The objective of combining our expertise with these partners is to develop offerings to support businesses in their transformation processes.
- Last April we expanded our partnership with Microsoft, and will be focusing on cloudification and digital trust in big companies and organisations. We are continuously in search of partners with whom we can develop (technological) solutions to meet the needs of our clients and society as a whole.
- We also have alliances with partners who have knowledge that links with specific areas of our service delivery. For example, Arc-net and PwC in the Netherlands signed an alliance agreement to develop blockchain as breakthrough technology for traceability. Arc-net offers a proven solution based on blockchain technology that provides transparency on food safety, quality and integrity. The partnership allows us to introduce Arc-net’s breakthrough solution to our clients, helping them solve the important challenges of bringing high quality, safe and transparent products to market and improve the trust we have in the food we eat.
- We intensified our cooperation with Startupbootcamp. We participate in all Dutch programs of the international growth accelerator. It concerns the programs E-Commerce, Smartcities, Fintech & Cyber Security and a new Startupbootcamp program in Eindhoven. We connect the participating startups and companies and advise them on their growth ambitions. We also assign young talents to each program and organize sessions to introduce clients to the start-up ecosystem.



Reduced inequalities

Living our values will have a major contribution to diversity and appreciation of diversity within our organization. Becoming a more diverse organization is critical to our success. By increasing diversity, we improve our ability to solve important problems, to understand each other's perspectives and to improve our creativity and listening skills. The more diverse we are, the better we will be able to innovate and truly add value to our different stakeholders. Creating an inclusive culture is also critical for recruiting and retaining top talents.

- In recent years we have developed various training sessions to support diversity and inclusion. Our approach to diversity encompasses gender, cultural differences and sexual orientation, and PwC is also committed to attracting talented people with disabilities.
- We have various networks in place, such as PwC Women NL, disAbilities, GLEE (for Gays, Lesbians and Everybody Else) and Connected Cultures, that organize meetings and other activities (10.3, 10.4).
- To reduce inequality, PwC is offering everybody a Multicultural Professionalism training in our regular training programme. This mandatory training encourages our employees to look at things from a different perspective and thereby generate better understanding and appreciation for colleagues of different backgrounds (10.2, 10.3, 10.4).
- Another example is that we increased employment of talented people with disabilities and we contracted specialist agencies to recruit them. Please refer to SDG 8 for examples of partnerships in this field, e.g. with AIESEC.

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Responsible consumption and production

PwC has the ambition to become 100% circular by 2030. By this we mean no emissions, no waste and optimal (re)use. We developed detailed roadmaps for five focus areas in which we believe we can reduce our negative impact and increase our positive impact: air mobility (see SDG 13), car mobility (see SDG 13), energy (see SDG 13), waste and procurement.

Waste

By 2020 we strive to achieve zero waste.

- All our offices have implemented waste segregation and we have invested in our own composting machines in Rotterdam and Amsterdam, resulting in an increase in the recycling rate from 46% to 51%.
- During this past year we have again invested in an annual Act Green campaign to create greater awareness among our employees, and we will continue this next year.

Procurement

Environmental care is a standard requirement in our requests for proposal. We take the view that collaboration in the value chain not only provides opportunities for efficiency but also contributes to a sustainable society. Our procurement terms and conditions include a Supplier Code of Conduct which requires suppliers to provide information regarding their performance in the areas covered by the Code of Conduct. PwC will discuss with suppliers who are not (yet) able to comply with the terms of the code the steps they need to take in order to ensure compliance in the short term.

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Climate action

We address climate change by means of our ambition to be 100% circular by 2030.

- By now, almost third of our operations are circular.
- We have reduced our CO₂ emissions by 10% in 2016/2017 versus baseline year (2015/2016).
- We keep taking measures to reduce our environmental impact in all impact areas (air mobility, car mobility, energy, waste and procurement) and to facilitate sustainable behavioral change among our people. We practice what we preach.
- We focus not only on our internal operations, but also we strive to integrate circular thinking in the society, through our service offerings by helping clients to formulate and implement their circularity business cases.

Sustainable Mobility (air/car)

Mobility schemes form the lion's share of our CO₂ footprint. For this reason, new environmental measures have been launched this past year to make mobility schemes more environmentally sustainable. Our measurements resulted in a 9% reduction in our car mobility carbon footprint and 12% in our air and train mobility footprint. We also increased train travel per FTE by 32% compared to last year.

- We have applied a maximum CO₂ emission level to newly acquired lease cars.
- We further encouraged the use of electric cars through the initiative 'fee-free changing your fossil fuel car to electric car'. This increased our (semi-)electric car fleet to 14% now and will further increase by the end of this year.
- We aim for zero fossil fuel cars in our fleet by 2025.
- We are using electric taxi services and a car sharing app to encourage our employees to carpool with the aim to reduce our CO₂ emissions.
- We encourage train travel to reduce our air travel CO₂ footprint. For example, travels between Amsterdam and Paris are now mandatory by train instead of by air.

Energy

We strive for more circularity in our buildings.

- 86.8% of the entire electricity that we use is generated from wind energy sources in the Netherlands.
- We adjusted our parking garage lighting to circular lighting.
- We participate in the 'Transitiecoalitie'. This is a corporate call to action for the new Dutch government to give priority to speeding up the energy transition (13.2).
- This year we performed a BREEAM self-assessment for our office buildings. We aim for BREEAM certification in 2018 with an energy label "A" or higher.

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Peace, justice and strong institutions

Our stated purpose, as a global PwC network, is to build trust in society and solve important problems. We believe our purpose should be the guiding principle for the decisions we take, decisions regarding the clients we work with, the engagements we pursue and how we define success. Building trust is not just about providing assurance, and solving important problems is not limited to Tax and Advisory; it is the combination of these elements that makes us unique and adds most value. Our staff and partners are committed to acting with integrity on a daily basis.

As tax advisors and experts, we're well placed to help governments understand how the national and global tax system might be reformed for greater equality.

- For the third consecutive year we present the Tax Transparency Benchmark. In this report, the results of the 2017 edition are being presented, in which 76 Dutch multinational companies are ranked on the transparency which they provide regarding their tax strategy and its implementation. The aim of the benchmark is to enhance the existing understanding of corporate tax responsibility, and inspire on how to communicate comprehensively on tax issues in publicly available documentation.
- We publish Paying Taxes. Now in its 12th edition, Paying Taxes is a unique report from PwC and the World Bank Group which uses a medium-sized domestic case study company to measure and assess the ease of paying taxes across 190 economies. This year we explored how the digital revolution is transforming almost every aspect of paying taxes. We considered the methods companies use to pay their taxes, how tax administrations communicate with taxpayers, how they collect and use data and the ways in which they monitor tax compliance.

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Partnerships for the goals

SDG 17 is focussed on partnerships, and functions as an enabler for all the other SDGs we are working on. Working together is one of the core values of PwC to ensure that qualities are connected. The world is getting more complex, and the very large portfolio of competencies that we need to be always well informed, is only getting larger. PwC believes that on your own you might go fast, but together you go further. Furthermore, working together – sharing knowledge and ideas – is one of the values we need to live up to if we are to distinguish ourselves and add value for our clients and society as a whole. We are convinced that only by sharing and collaborating we are able to develop innovative solutions for important (and often complex) problems. Therefore PwC is involved in various partnerships:

- We partnered up with the UN Global Compact and the GRI to create a mechanism to help businesses prioritize and report on the SDGs.
- We are a partner of the Dutch Sustainable Business (DSB) unites over two hundred pioneering companies. DSB is the Dutch Chapter of the *World Business Council for Sustainable Development (WBCSD)*. We actively share knowledge on topics such as sustainable tax, circular economy and the SDGs with this network.

Please refer to the information on our contribution to the other SDGs to learn more about our partnerships.

*PwC believes that on your own you might go fast,
but together you go further.*

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At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 236,000 people. At PwC in the Netherlands over 4,800 people work together. We're committed to delivering quality in assurance, tax and advisory services. Tell us what matters to you and find out more by visiting us at www.pwc.nl.

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