

Getting started with SDGs – Our story

While the Sustainable Development Goals (SDGs) of the United Nations (UN) explicitly call upon companies to play a role in the most urgent global issues, companies also need these SDGs to ensure a successful future for themselves. ‘The SDGs relate to the most important public issues of our time’, explains Wineke Haagsma, Chief Sustainability Officer at PwC Netherlands. ‘The “purpose” of PwC is to play a role in resolving important issues and helping to create trust within society. So it was not a question of whether we were going to do something with the SDGs, but exactly what we were going to do with them. This document summarises our journey.’



SDG integration model

More and more organisations are realising that action is needed around ESG-related themes (Environmental, Social and Governance) but are having difficulties identifying exactly what they must do. The SDGs are a useful tool because they contain goals aimed at resolving the biggest ESG-related issues that we are currently facing. Our SDG integration model shows which steps we are taking to integrate the SDGs into our organisation and how we support other organisations when doing so.



The SDG integration model



1 SDG prioritisation

The world around us is changing at an unprecedented rate and our organisation is part of this transformation. That is why we regularly determine which SDGs are most relevant to our business operations, services and value chain. This has helped us to identify so-called focus SDGs for our interventions.

Our analysis evaluates the relevance of all SDGs from a variety of perspectives. We examine the SDGs that are important for the Netherlands, for the sector in which PwC operates and for our strategy. This analysis results in a selection of SDGs where we can make the biggest difference.

Four focus SDGs

Our analysis in 2020 showed that **nine SDGs are relevant to PwC** and have an average or high priority. We can use our business operations and services to make the biggest impact on the four SDGs with the highest priority in the coming years. That is why our interventions specifically target these four areas. Our focus SDGs are as follows:

- SDG 5 Gender equality
- SDG 8 Decent work and economic growth
- SDG 10 Reducing inequality
- SDG 13 Climate action

When it comes to both SDG 5 and SDG 13, the Netherlands is lagging behind from a European perspective. In addition, issues like gender inequality and salary inequality have only increased due to the COVID-19 pandemic. That is why attention to SDG 8 and SDG 10 remains relevant.

Overview of our material and focus SDGs



SDGs in value creation process

The SDGs have been part of our value creation process since 2020. This clearly shows that our contribution to the SDGs is explicitly linked to our strategy. Haagsma: 'Long-term value creation means that we must weigh up the expectations of all our stakeholders, including customers, employees, NGOs and governments. As a result, besides our financial performance, it is also important for us to consider our non-financial performance. After all, the outcomes we realise for the climate, environment and society actually determine our impact: our contribution to the SDGs.'


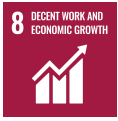




The SDGs are incorporated into our value-creation process



2 SDG strategy and implementation

The next step after SDGs have been prioritised involves determining how we can specifically contribute to the focus SDGs. That is why we have established ambitions for 2030, together with short-term objectives over a period of three years. We incorporate these ambitions and objectives into our policy, processes and initiatives.

SDG	Ambition for 2030	Target 2024	Target 2022
	Achieve gender balance and equal opportunities	Yearly target of 30/40% intake and 30/25% promotion of female directors and partners respectively.	
	Achieve sustainable growth within the boundaries of social and environmental systems	In 2024 we measure and report our contribution to the SDGs through our client work	Development framework to measure our contribution to the SDGs through our client work
	Achieve an inclusive and diverse culture and equal opportunities irrespective of age, disability, cultural background, sexual orientation or other status	Yearly target of 12.5% intake and 12.5% promotion of non-western origin directors and partners.	
	Achieve a positive environmental impact across our value chain	A science-based GHG-emissions reduction from our operations of 40% by 2024 with 2019 as a baseline year	Maintain a minimum of 25% reduction of pre-COVID mobility

We connect our ambitions to concrete targets. A more comprehensive overview of the underlying targets can be found in the [annual report](#).

Our SDG strategy and implementation can be best explained using an example: our ambition and objectives for SDG 13 (Climate action). PwC has a worldwide goal of being 'Net Zero' in 2030 – this means that the net CO₂ emissions we produce will amount to zero and we will reduce our emissions by at least fifty percent. The remaining efforts for achieving zero emissions will be compensated by removing CO₂ from the air ('carbon removal') by, for example, planting new forests. PwC Netherlands would even like to go a step further by being completely circular in 2030. For us, this means: no waste, no CO₂ emissions and effective re-use of materials. As an interim step, we have set ourselves the objective of reducing our CO₂ emissions in 2024 by forty percent compared to 2019. Due to our Net Zero ambition, PwC Netherlands will also be obligating (based on emissions) at least 50% of its suppliers to realise a comparable reduction.

Our sustainability performance and progression is independently reviewed by EcoVadis.



Pricing CO₂ emissions

How do we translate this ambition and objective into policy, processes and initiatives? This starts by making investments and choices, says Haagsma: 'Our climate-related ambition affects all parts of our organisation. A good way to reduce CO₂ emissions is to put a price on emissions. But we have gone a step further: since 2017, the price of our total emissions is equal to our sustainability budget. The price that we use for a tonne of CO₂ is one hundred euros. This amount is higher than the market price for CO₂ compensation. We have based ourselves on a study by the CPB Netherlands Bureau for Economic Policy Analysis into the total public cost of CO₂ emissions, which means social costs are also taken into account.'

Measures and innovations

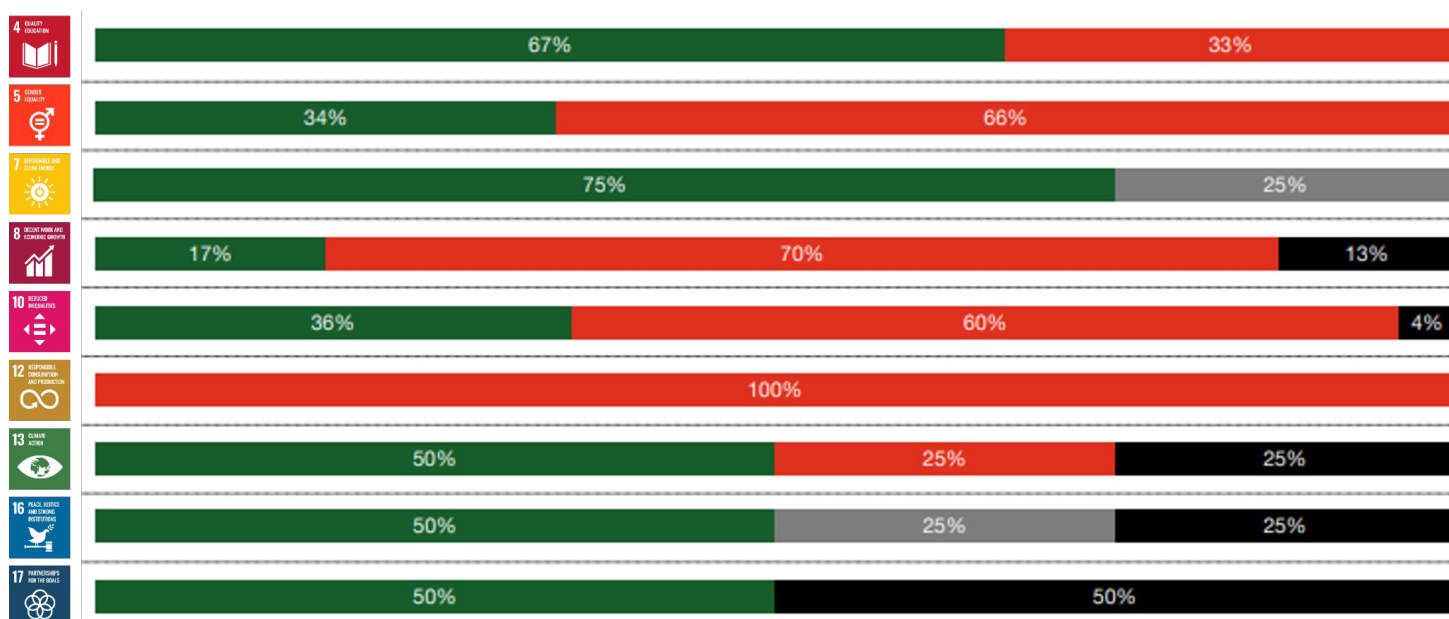
We use the sustainability budget to take measures that reduce and compensate for our CO₂ emissions, for innovations that accelerate the energy transition, and for initiatives aimed at reducing waste and encouraging re-use. Here are a few examples:

- Our air travel has the biggest impact on our CO₂ emissions. Customer contact is essential for us as a global organisation, but we critically examine whether flying is necessary. If we fly, we opt for direct flights wherever possible, because most emissions take place during take-off and landing. We take the train for short trips to, for example, Frankfurt and Paris.
- In 2022, PwC Netherlands fully switched to Sustainable Aviation Fuel (SAF). For all business flights made by PwC employees, PwC purchases sustainable kerosene from partner SkyNRG. The CO₂ emissions of this sustainable kerosene are up to 85 percent lower than those of conventional kerosene. Because our purchases are guaranteed, we are playing a role in building the first biofuel factory for aeroplanes in Europe, near Delfzijl.
- With 2030 in mind, we have set ourselves the target of making our vehicles fleet CO₂-neutral by 2025. For instance, a bonus system is being used to reduce the price of leasing electric cars. It is already no longer possible to lease diesel cars.

3 Measuring and reporting SDG impact

Once specific goals have been set, the next step is to measure progress and report about them in e.g. our annual report. That is why we have developed the [SDG Impact Measurement Framework](#). This offers an insight into how our impact develops from year to year, and forms the starting for dialogue about our next interventions.

The key performance indicators (KPIs) are an important part of our SDG Impact Measurement Framework. We have defined these based on reporting standards and interviews with experts in the field of specific SDGs. We collect data for these KPIs, and incorporate it into our Responsible Business Simulator – this is a sustainable modelling tool which helps us to make strategic decisions based on facts, by quantifying financial as well as non-financial aspects.



SDG IM results: the figure provides insights into our relative performance per SDG in 2021/2022 for our operations.

To demonstrate progress in relation to, for example, our circular ambition, we measure several KPI's for SDG 13. We measure and report about our CO₂ emissions in accordance with the GHG protocol of the World Resource Institute (WRI). In addition, we have defined various KPIs relating to our environmental impact, including:

KPI	Unit	2021/2022	2020/2021
Energy efficiency	kWh/m ²	159	166
Renewable energy use	%	93%	72%
Renewable electricity use*	%	100%	100%
Renewable electricity generation	%	0%	0%
Motorised mobility compared to base year 2018/2019**	%	-66%	-89%
Total GHG emissions intensity ratio	tCO ₂ e/FTE	1.49	0.53
Environmental spend***	%	500%	113%
Carbon reduction compared to base year 2018/2019	%	62%	86%
Carbon offsetting (including carbon removals)	%	100%	100%
Carbon removal offsetting	%	30%	10%
50% science-based targets coverage with suppliers	%	16%	3%

*Definition according to RE100 requirements. The 100% renewable electricity target has been achieved.

** Our mobility remained well below 25% compared to our base year 2018/2019 as stated in our targets.

*** Our environmental spend is compared to last year's carbon emissions (€ 100/tCO₂e), which was especially low due to COVID-19, more details on page 54.

Our KPI's for SDG 13

Environmental Footprint Insights

'The **Environmental Footprint Insights** that we have developed', says Haagsma, 'are a good example of measuring impact and responding accordingly. Business travel is a major source of emissions for us and many other organisations. In order to reduce them, management, employees and teams must have an insight into their emissions.' The Environmental Footprint Insights tool enables us to plan and execute projects in a more sustainable manner, by predicting and monitoring the CO₂ footprint caused by our projects.

The Environmental Footprint Insights Tool forecasts and tracks the carbon footprint directly caused by our mobility



4 SDG awareness

To encourage everyone to play a role in realising the SDGs, we are improving awareness and knowledge about SDGs within and outside our organisation. Internally, we are making sure that employees are familiar with the SDGs and our four focus SDGs in particular. Externally, we are sharing knowledge with our customers and other stakeholders, and are contributing to general awareness about the SDGs via our 'thought leadership' publications.

We create awareness in a variety of ways. For example, we have developed training for colleagues about the relevance of ESG and SDGs for society, our organisation and our customers. Tom Kroes, Senior Manager Corporate Sustainability: 'Over the course of a few years, what initially started as a brief e-learning course has developed into an extensive training programme, where all employees learn about the SDGs both physically and online. We also offer the programme to interested customers.'

We also share our knowledge externally. Kroes: 'For instance, we are a partner of SDG Action Day, which is the leading SDG-related event in the Netherlands and features lectures, discussions and workshops for companies and other interested parties. We will need everyone to do their bit if we are to realise the SDGs. By sharing our insights, we hope to also inspire others to take action.'



The SDG Experience Dome

SDG Experience

Kroes explains that PwC Netherlands started small, 'for example, with an initiative about tyre pressure to make people aware of their CO₂ impact. In 2019, we developed our biggest awareness-related initiative to date: the SDG Experience.'

The **SDG Experience** is a virtual reality film and interactive game. A unique and innovative approach has been adopted to inspire participants to take SDG-related actions. We have developed various versions in the meantime, so that the whole experience can be followed in teams or individually at our office or other sites. Over 3,500 employees and almost three thousand other interested parties from 170 other organisations have followed the SDG Experience and gone on to spread the word about the SDGs. As a result, apart from our employees, we have also been able to reach our customers, representatives of the public sector, NGO's, professional and investment associations, and universities.

Research and publications

To reinforce our knowledge and expertise about the SDGs, we conduct research and write the related publications. An example of this is the **SDG Challenge**: a study into how companies are dealing with the SDGs. This is our way of giving other organisations a foothold in this regard, and inspiring them to get started with the SDGs. Another example is our **COVID-19 SDG Barometer**, where we offer an insight into the effects of the COVID-19 crisis on SDGs being realised in the Netherlands.

Haagsma: 'The process for integrating SDGs is a continuous "journey" featuring various initiatives, ranging from small to large. During this step-by-step development, it is important to share knowledge internally and externally with our people. Our directors explicitly endorse our SDG-related efforts and are fully involved during priority-setting and strategic choices. In the meantime, final responsibility for Corporate Sustainability has been directly assigned to the board of directors.'

Learning from one another: partnerships, memberships and commitments

‘The SDGs are a massive undertaking, where cooperation is crucial’, says Wineke Haagsma. ‘To be a front-runner among Dutch companies, we like learning from others while also sharing our knowledge and skills.’

We have partnerships and cooperation agreements with organisations that are active in the field of social enterprise, the environment or other sustainability-related topics.

- PwC is a partner of network organisation **Maatschappelijk Verantwoord Ondernemen Nederland (MVO NL)**, which unites companies, authorities, knowledge institutions, NGOs and trade unions to develop sustainable business models that lead to stable commercial results.
- SDG Nederland organises the **SDG Action Day** every year: this is a programme featuring lectures, discussions and workshops about realising the SDGs. PwC sponsors this event.
- **Anders Reizen** is a coalition of over sixty major organisations that have the common ambition of halving the CO₂ emissions associated with business travel. PwC is the chairman of the Anders Vliegen working group, which publishes De Vliegwijzer (the flying guide): this is a step-by-step plan that allows employers to achieve a responsible flying policy.
- We encourage innovation in the airline industry via, for example, our financial donation to the **Netherlands Aerospace Centre (NLR)**, which is aimed at purchasing an electric plane that can be used to conduct research. Our donation to **Stichting Duurzaam Vliegen** and the **Nederlandse Vereniging van Luchthavens** is aimed at stimulating the development of charging stations for aeroplanes.
- At the start of 2019, Wineke Haagsma was crowned runner-up SDG Pioneer 2019 by **UN Global Compact NL**. She has become a member of the board in the meantime. This organisation helps companies to understand what responsible enterprise means, and offers guidelines based on the SDGs so that sustainability-related obligations result in concrete actions.
- PwC has endorsed an initiative aimed at accelerating the delivery and supply of sustainable aeroplane fuel. Together with other companies, airline companies and airports, PwC wants - as part of the World Economic Forum’s Clean Skies for Tomorrow Coalition - at least 10% of the global fuel supply for aeroplane fuel to be sustainable by 2030.



Questions about our SDG-‘journey’? Please contact us!



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