



2023 PwC China Environmental, Social and Governance (ESG) Report

Ready for the future



Chairman's letter

China's transition to a low-carbon and technology-driven economy is enabling the country's higher-quality growth. Driving sustainable development through policy, emerging green and high-tech industries, and investment in advanced infrastructure and services will create greater opportunities for China, the region and the world. We remain resolute in supporting China's modernisation goals.



Raymund Chao
PwC Asia Pacific and
China Chairman

In a world that is increasingly shaped by the interplay of climate change, technology disruption, demographic shifts and geopolitical fracturing, PwC China is bringing its purpose to life by focusing on building trust where it matters most, assisting our clients to transform their business models, and responding to climate change. We are harnessing the power of AI, data and emerging technologies to drive this change, bringing our deep industry knowledge and expertise from across our multi-disciplinary global organisation to create powerful outcomes for our clients and for society.

Our 2023 PwC China ESG Report highlights our continuing efforts to address key environmental challenges, promote social responsibility and uphold strong governance principles. By sharing our achievements, challenges and goals, we aim to engage stakeholders and foster a collective understanding of our journey towards a more sustainable and responsible future.

Since we published our last report, the world has encountered its share of challenges, including increasing geopolitical complexities, extreme weather events caused by climate change and a continued expectation from the public for corporates to be accountable and live up to their values. With the economic and societal implications that have arisen as a result, the last few years have truly tested our values. Amidst this landscape, we continue to persevere and adapt, leveraging the power of the PwC network. Our purpose of building trust in society and solving important problems is why we exist. Our five core values – act with integrity, make a difference, care, work together, reimagine the possible - define how we behave.

Today, having a clear purpose and strong values are all the more important. They help our people find ways to reframe challenges as opportunities. They strengthen our resilience as we face an environment that is increasingly complex to navigate. We are proud of our achievements and the impact that has been created for our stakeholders.

2023 has been full of milestones for PwC China. We are very honoured to be ranked number one by the Chinese Institute of Certified Public Accountants' (CICPA) Top 100 Accounting Firms in China for the 20th consecutive year. We are also beyond proud to call Hong Kong, China home for the last 120 years – we look forward to the next 120 years and beyond!

In April 2023, we officially broke ground on our flagship Reimagine Park in Sanya, Hainan Province. Due for completion in 2025, Reimagine Park will bring an immersive learning experience to life through both physical and virtual connectivity, focusing on sustainability, digital innovation, wellness and mobility.

A human-led and tech-powered workforce. We believe it is our duty to nurture, reskill and upskill our community of over 25,000 people – our community of solvers - with cutting-edge capabilities in digital, ESG and leadership. We recently made [a five-year commitment to invest in Responsible AI](#), and so ensure that we remain ready for the future. We empower our people by providing flexible work options so that they can choose where, when and how they work. We have also made significant investments in wellbeing by introducing the Wellness Reimagined App 2.0, which provides personalised health solutions for our people's mental, physical and social wellness.

Action on ESG issues is central to our strategy. PwC's ESG Academy is instrumental in equipping our people to integrate ESG into every aspect of their work. Knowing that what gets measured gets done, we are a leader in promoting a standard approach to ESG metrics and transforming business models towards net zero. In FY23, we achieved a 35% reduction in scope 3 business travel emissions compared to a FY19 baseline. We are also working towards having 50% of our suppliers by emissions setting

their own science-based emission reduction targets by FY25. We are reporting our climate-related disclosures specific to PwC China for the first time this year, in line with climate-related disclosures published by our global network since 2021.

We help companies manage ESG risk and build resilience. PwC China is helping build resilience and create greater value in our clients' supply chains by incorporating new audit standards, digitising operations and transitioning to a lower carbon future. Our multi-disciplinary model is a competitive strength that allows us to deliver the broadest set of capabilities to build trust and drive sustained outcomes. We work with our clients and stakeholders through our [Climate and Sustainability practice](#) to support their efforts to make a net zero future a reality for all.

We help communities develop the skills they need to thrive. Businesses need societies to flourish. To this end, PwC China works with our people, NGOs and social enterprises to drive sustainable outcomes in our communities. We do this through donations to philanthropic projects, building the capacity and skills of NGOs and supporting our people to participate in volunteering activities. In FY23, we reached 208,991 individuals, NGOs and social enterprises through our community programmes. We also launched the Beijing PwC Zhong Tian Charitable Foundation, following the approval of the Beijing Municipal Civil Affairs Bureau.



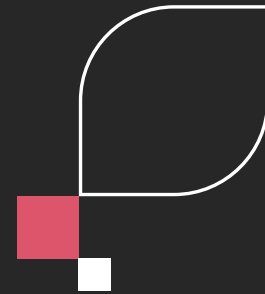
At PwC China, we are getting ready for the future. We are investing in our people and cutting-edge digital capabilities. Powered by our New Equation strategy, we are focused on continuing to build trust and delivering sustained outcomes to some of the world's biggest problems, underpinned by the highest standards of quality. In particular, we are committed to the following key themes, which will define the future:

- **Trust in what matters.** Accountability is our top priority. We are focused on helping our clients build trust in the most important areas on their strategic agenda, giving them and their stakeholders the confidence to move forward.
- **Climate.** We help our clients to reconfigure their businesses and ecosystems to balance or eliminate their greenhouse gas emissions, report with confidence and focus on value-creation while managing risk. We are also dedicated to transforming our own business to support our climate goals.
- **Business model transformation.** We are committed to helping our clients to achieve an end-to-end transformation of their business models, powered by digitalisation and with sustainability as a key outcome.

The coming years will demand all-out efforts to ensure sustained outcomes are delivered for the economy, environment and society. We stand ready to play our part, working together with our clients, stakeholders and communities to be ready for a more sustainable and equitable future.



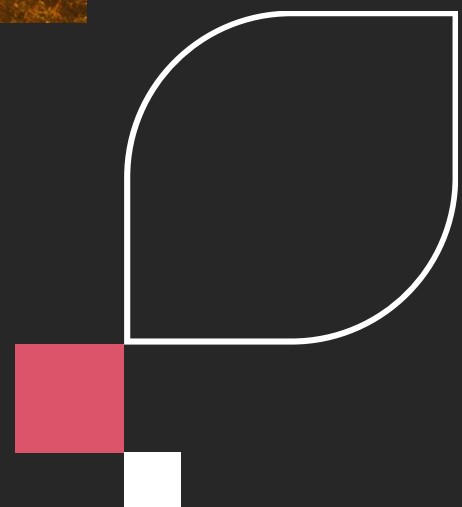
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02

FY23
highlights



Performance highlights

Empowering our people to support their current and future success



Future-fit skills for our people

PwC China is committed to upskilling our people continually, including in Digital and AI, ESG and Leadership competencies. Our ESG GO campaign equips our people with future-fit skills. It was recognised by the Xinhua Media Group Training Magazine in its 2022 Innovative Programme of Talent Development.


[Read more](#)




Amplifying wellness and learning through tech

We introduced the revamped and custom-built Wellness Reimagined App 2.0 to offer our people a range of wellness-related products and services. We also award PwC Badges, including the Inclusive Mindset and Climate Impact Badges, providing tech-enabled recognition for ongoing professional growth and development.

[Read more](#)



25,651
total people
(▲ 21% since FY21)



82% are proud to work at PwC China. **74%** would recommend PwC China as a great place to work.

77
training hours per person



Adopted PwC's Disability Inclusion Strategy

Ratio of females:

63% of staff promotions **64%** of new hires **46%** of partner admissions **39%** of partners (FY21: 35%)

Re-imagining our business for a low-carbon future



Climate-related disclosures

We have aligned our climate reporting with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) Framework for the first time, including details of our climate governance, strategy, risk management and metrics and targets.

[Read more](#)



Reducing travel emissions

We joined Asia's first major corporate Sustainable Aviation Fuel (SAF) programme to reduce carbon emissions, and expanded coverage of our high-speed rail initiative to 15 routes, supporting our people to make lower-carbon travel choices.

[Read more](#)



Sourcing
100%
Renewable electricity

95%

of our office space is LEED/BEAM certified and/or located in LEED/BEAM certified buildings (FY21: ~70%)

10%

of suppliers with validated Science Based Targets (by emissions)

52,304 tCO₂e

emission offset through carbon credits

-29%

in electricity consumption per capita (vs FY19 baseline)



35% reduction in scope 3 business travel emissions (vs FY19 baseline)

87% reduction in scope 1 & 2 emissions (vs FY19 baseline)

Cultivating a flourishing society: creating positive impact



Contributing to sustainable development in China

We leverage our expertise to support key national strategic initiatives, contributing to China's economic and social development. Aside from serving on national and provincial committees, we are also directly supporting rural communities, including Yongshen County, to promote sustainable revitalisation.

[Read more](#)



Serving our local communities

We work with several NGOs to create meaningful social change through donations, pro bono or discounted projects and volunteering. This includes engaging our people as mentors for underprivileged students through the Hong Kong SAR Government's "Strive and Rise" programme. We also sponsor charitable and public welfare initiatives, and launched the Beijing PwC Zhong Tian Charitable Foundation in 2023.

[Read more](#)



2,748 Volunteers
(▲ 27% since FY21)

86,057

skilled volunteer and professional participant hours



21

PwC China professionals served 33 national, provincial, municipal and district level organisations

37 report submissions made by PwC China professionals on national matters

RMB 12,152,262

in community investment donations, including RMB 8 million funding to establish Beijing PwC Zhong Tian Charitable Foundation



Igniting innovations: fuelling prosperous growth



Fuelling prosperous growth

For 20 consecutive years, we have been ranked as the Number 1 Accounting Firm by the Chinese Institute of Certified Public Accountants (CICPA). We also invest in research and innovation in our services to address major priorities, including climate and sustainability, digital and data governance.

[Read more](#)



Responsible AI

Over the next five years, we plan to inject RMB 3 billion into AI development and engage our 25,000-strong workforce in a strategic process to integrate Responsible AI into helping clients build trust and achieve sustained outcomes.

[Read more](#)

Best Service provider of STAR 2022

recognised by Shanghai Stock Exchange Science and Technology Innovation Board

Top Employer in China

ranked by Top Employer Institute



Most Innovative Deals Advisor for Automotive Award 2022

recognised by "Automobile & Parts" Magazine

Celebrating **120th** anniversary of PwC Hong Kong



3 M&A Service awards

recognised by the CMAA (China Mergers & Acquisitions Association) in the categories of Management, Financial Service and Advisory





Awards highlights

Global Green Finance Award

Third International Financial Forum (IFF)

Among the 20 domestic and international award recipients, we were acknowledged with this award as the only accounting firm. This award underscores our contribution to promoting green finance and sustainable development, as well as our commitments to innovation in the field of green investment and financing.

Green Development Service Demonstration Case Award

China International Fair for Trade in Services (CIFTIS) 2022

Our digital solution, the "Emissions Tracker", received the Green Development Demonstration Case award by CIFTIS for its ability to automate the tracking, reporting and management of corporate greenhouse gas emissions. By incorporating RPA (Robotic Process Automation) technology, this tool enables real-time tracking and calculation of emissions, further supporting organisations to enhance their carbon management capabilities.

Best Supporting Institution Award

Green Investment principles (GIP)

For two consecutive years we have received the "Best Supporting Institution Award" for our contributions to the field of environmental and climate risk management. As the secretary of the GIP Environmental and Climate Risk Assessment Working Group, we remain committed to advancing and fostering climate risk management practices for regions involved in the Belt and Road Initiative.

Leader in International Data Corporation (IDC) MarketScape's Assessment of Global ESG/Sustainability Strategy Consulting Services

IDC

We have received recognition from IDC, a renowned analysis firm, for our expertise in enhancing our clients' sustainability frameworks. The evaluation assessed our approach to ESG transformation, net-zero strategy products, assurance services and ability to deliver high-quality services to clients with varying levels of ESG maturity.

Top Employer of China 2022

Top Employer China 2022

Top Employer Hong Kong, China 2022

This award highlights our commitment to creating a positive and engaging work environment for our employees. This achievement attests to the firm's high performance and achievements in Mainland China and Hong Kong SAR towards building a workforce that is agile and fit for the future, creating an environment that enables growth and development.

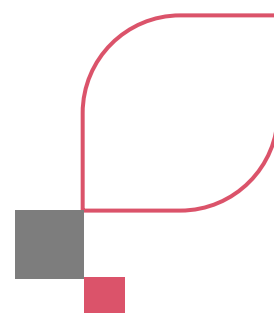
Digital Innovation of the Year

International Accounting Forum & Awards, London

PwC China was awarded "2023 Digital Innovation of the Year" at the International Accounting Forum & Awards in London. The award recognises PwC China's AI capabilities as 'a new initiative or innovation in audit which made a major change in improving audit quality, efficiency or added value to clients.'

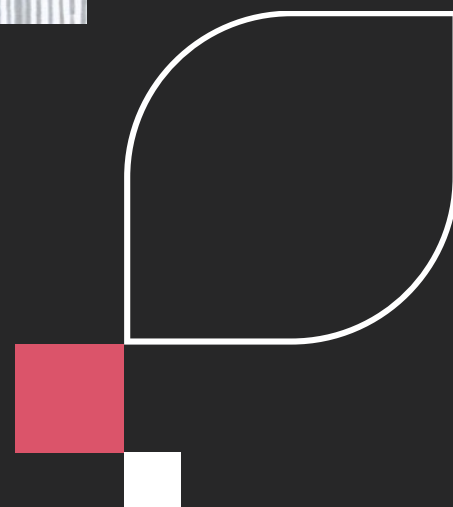
WEPs (Women's Empowerment Principles) Transparency & Reporting Award

This award is a recognition of our support for women's empowerment and transparent gender data reporting. We have established accountability frameworks, set targets, consistently reported, and taken appropriate steps to improve our performance in gender indicators.



03

About PwC China



Who we are

PwC Mainland China, Hong Kong SAR and Macau SAR work together to create value for our clients and our people across the region. We provide organisations with the professional services they need, wherever they may be located.

Collectively, we have over 800 partners and more than 25,000 people. We are located in these cities: Beijing, Shanghai, Hong Kong, Shenyang, Tianjin, Dalian, Jinan, Qingdao, Zhengzhou, Xi'an, Nanjing, Hefei, Suzhou, Wuxi, Wuhan, Chengdu, Hangzhou, Ningbo, Chongqing, Changsha, Kunming, Xiamen, Guangzhou, Shenzhen, Macau, Haikou, Zhuhai and Guiyang.

At PwC China, we are committed to delivering high quality, innovative solutions that help our clients build trust and deliver sustained outcomes. We work with the world's leading organisations on their most challenging strategic problems, helping them build enduring success while keeping abreast of fast-changing market trends. We unite experts in tax, law, finance, strategy, assurance, ESG, policy, infrastructure, data analytics, technology and many other areas – enabling us to address overarching challenges effectively. We also combine our people's expertise with cutting-edge technology.

Our Purpose and Values

We are purpose-led and values-driven. Our purpose is to build trust in society and solve important problems.

Our values define who we are, what we stand for and how we behave. In all our interactions with clients, our people and other stakeholders, we work together, act with integrity, reimagine the possible, care and make a difference.



We embrace The New Equation, harnessing the power of our people to collaborate with our clients in creating innovative solutions rooted in digital transformation and sustainability. By doing so, we foster prosperity not only across China but also for our clients, paving the way for a future where trust and lasting outcomes are achieved.”



Elton Yeung
Vice Chairman, PwC China



The New Equation and our strategic investments for the future

The New Equation is PwC's global strategy to deliver on our Purpose.

The New Equation focuses on two interconnected needs that our clients face:

- **Trust** has never been more important. To address the evolving demands of customers, employees and society, businesses need to implement changes that all stakeholders can trust.
- Our clients seek **sustained outcomes** that will enable them to achieve their objectives. We help clients deliver these outcomes by bringing together a broad range of capabilities.

Originally launched in FY21, The New Equation responds to what clients and other stakeholders tell us they need most help in dealing with. As the pace of change continues to accelerate, and the world experiences paradigm shifts from these unfolding trends, our clients need help more than ever to address them.

In order to deliver on these needs, we focus on the following key themes:

- **Trust in what matters.** Ours is a business built on trust. Our clients rely on us to maintain independence, conduct high-quality audits and protect their confidential information. We are focused on helping our clients build trust through our sustainability, AI, data validation, digital transformation, privacy and cyber security services.
- **Climate.** The call for immediate action is becoming more urgent. Our aim is to lead our clients' transition to a lower-carbon future. Leveraging our experience, we advise clients on sustainability and net zero transformation. We provide expertise in areas such as risk and resilience, reporting and assurance, sustainable capital and energy transitions for our clients.





- **Business model transformation.** Over the past year, we have continued to support our clients as they shape their digital transformation plans. We have helped redefine business strategies to incorporate ESG, to embed sustainability into operations, and to ensure that our clients meet taxation, disclosure and regulatory requirements.

We make meaningful contributions to China's economy and foster thriving communities. In line with China's 14th Five-Year-Plan and the objectives set forth in the 20th National Congress of the Communist Party of China (CPC), we support China's major national strategies to drive continued growth and development through our priorities and investments.

To build the trust and achieve the sustained outcomes our clients need, we will invest in five strategic areas:

Digital redesign

Digital products and solutions

Environmental, Social and Governance (ESG)

Regional Economic Clusters

Workforce of the future

Digital redesign

To stand out in today's intensely competitive market, businesses need new operating models that enable the digital transformation of their entire organisation. PwC China combines market insights, digital capabilities and strategic partnerships with its own deep experience to help businesses to achieve their strategic goals. By incorporating ESG considerations into digital redesign strategies, we align our technological advances with strong governance, fostering a more resilient digital future.

Digital products and solutions

To create cutting-edge digital products, PwC China integrates our unparalleled insights, leading technology, and human-centred design with specialised digital expertise. We successfully navigate China's regulatory, technological, data, and cloud environments to confidently present our digital products to our clients. Acknowledging the importance of ESG factors in the development of our digital products, we incorporate stakeholder-centred design principles and ethical data management to contribute to a more sustainable future.

ESG

PwC China has invested in deep subject matter expertise, digital tools, firm-wide upskilling and external alliances to accelerate the integration of ESG perspectives across all our business services, and to enable our clients to deliver high-quality ESG reporting and ESG-led strategic transformations.

Regional Economic Clusters

Regional Economic Clusters are a key component of China's 14th Five Year Plan. The strategy helps to drive coordinated city growth with adjacent city clusters, and advance shared prosperity. PwC China promotes this strategy by offering a full suite of services for the planning, development and upgrading of Regional Economic Clusters. This includes improving infrastructure and contributing to a sustainable environment for current and future generations, strengthening public services and industrial development for long-term prosperity.

Workforce of the future



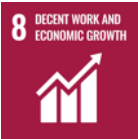

We are redesigning our workforce strategy by offering training programmes and upskilling opportunities to create a foundation for our people to grow both personally and professionally. To ensure our strategy aligns with the individual needs of our employees, we actively respond to their feedback and perspectives.



Our support for the UN SDGs

At PwC China, we support several of the United Nations Sustainable Development Goals (UN SDGs), which were established in 2015 as a global call for a more sustainable future. The following table summarises our initiatives in

support of UN SDGs. We have also undertaken an internal mapping exercise to identify the specific targets under each goal where we can make the most significant impact.

| UN SDGs | Most-relevant SDG targets | PwC China operations |
|---|---------------------------|--|
|  | 4.3, 4.4 | Our commitment to education is broad and focuses on equipping our people with the skills to succeed in the future. Our upskilling and education initiatives also aim to address the digital skills gap in communities where we operate. |
|  | 5.5 | Gender equality is at the forefront of our inclusion strategy. We are committed to promoting the leadership development and economic empowerment of female employees in the workplace. |
|  | 8.2, 8.3 | Our strategy – The New Equation – addresses two interconnected needs that every organisation faces: building trust and delivering sustained outcomes for stakeholders. Delivering this strategy means creating jobs and boosting productivity through innovation, creativity and technology. |
|  | 13.2, 13.3 | We are taking proactive measures to reduce our climate impact, and have committed to reaching net zero emissions with 2030 goals. We are also working with our clients, suppliers and others to support climate change and ESG transformation in the broader economy. |

Collaborations for greater impact

PwC China is engaged in a wide range of partnerships to deliver greater impact and to advance progress on ESG issues.

World Economic Forum (WEF)

As a strategic partner of WEF, we deliver sustained outcomes through active collaboration between business, government and other key stakeholders.

PwC China collaborated with WEF on [The Post-2020 Global Biodiversity Framework and What it Means for Business](#), a white paper focusing on business-relevant targets of the post-2020 Global Biodiversity Framework (GBF).

CDP

PwC China signed a strategic cooperation agreement with CDP as a gold partner of CDP's Carbon Disclosure Project and Science-based Targets Initiatives. This agreement aims to advance carbon disclosure efforts and help organisations to accelerate their low-carbon strategies and their transition to green and low-carbon business models. We will work alongside CDP to provide professional services in low carbon transition for clients in markets in Mainland China, Hong Kong SAR, Macau SAR, and Taiwan.

Enterprise Financial Management Association of China (EFMAC)

Our membership in the EFMAC as a vice president unit member underscores our dedication to promoting sustainable business practices, while also assisting in the establishment of the ESG Sub-Committee within the association. Together with EFMAC and its ESG group members, we have engaged in ESG events including establishment of the Pollinator Protectors Alliance and the Rural Capacity Upgrading: Sustainable Development of Agriculture Industry International Forum.

Global Joint Initiative on the Partnership of Biodiversity and Finance (PBF)

Organised by the World Resources Institute (WRI), International Finance Forum (IFF) and other international stakeholders, PwC China attended PBF as one of the first member institutions. PBF aims to address biodiversity conservation funding shortages, and to encourage the active participation of financial institutions in global biodiversity and governance, improve capital investments on nature conservation and efforts in addressing climate change. We continue to take action on corporate sustainability and knowledge sharing to accelerate the achievement of the UN's biodiversity conservation goals.

ISSB Transition Implementation Group (TIG) and IFRS Taxonomy Consultative Group (ITCG)

As the only professional service organisation representatives in China, we support the International Sustainability Standards Board (ISSB) in advancing the implementation of international sustainability disclosure standards. We also serve on the expert advisory group to provide our expertise to the International Accounting Standards Board (IASB) and the ISSB on digital taxonomies and related activities.

International Capital Market Association (ICMA) and Climate Bonds Initiative (CBI)

Our partnership with the ICMA and CBI signifies PwC China's commitment to the sustainable finance domain. By acquiring the observer qualification for the Green Bond Principles (GBP), we play a crucial role in monitoring and evaluating green bond activities. Together with other institutions, we promote best practices in international finance markets and drive advances in green finance.

Institute of Finance and Sustainability (IFS)

PwC China collaborated with IFS on the Financial Support Green Technology Forum 2022. This event facilitated discussions on net zero transitions for Chinese energy technology companies and ESG practises for listed companies.

UNI INCLUSIVE

In late 2022, PwC China signed a strategic co-operation agreement with UNI INCLUSIVE to leverage the respective strengths of both parties to provide commercial bank clients with one-stop integrated solutions of consulting services and digital systems in sustainable finance.

WWD China

A strategic alliance has been formed between PwC China and WWD China with the aim of leveraging the expertise and resources of both parties to promote sustainability and enhance their influence in the fashion industry and consumer sector.

China Impact Investing Network (CIIN)

In FY23, the [Chinese Impact Measurement and Management \(IMM\) Guide 1.0](#) was released with the help of PwC China and a network of support organisations. With the core themes of sustainable agriculture and rural development, life sciences and healthcare, green economy and inclusive development, the guide provides investors with impactful ESG solutions, improving their decision making in investment, and adding value to businesses with ESG practices.

Cathay Pacific

In FY23, PwC China joined Asia's first major Corporate Sustainable Aviation Fuel (SAF) Programme with Cathay Pacific. As one of the first eight corporate launch customers, we are committed to reducing carbon emissions by purchasing SAF through this first major programme of its kind in Asia. The programme provides us with the opportunity to reduce our carbon footprint from business travel by contributing to the use of SAF from Hong Kong International Airport (HKIA) on Cathay Pacific flights.

Hong Kong Green Finance Association (HKGFA)

PwC China was once again a platinum sponsor in the Hong Kong Green Finance Association (HKGFA) Annual Forum 2023. The theme for the Forum was "Transition to Net Zero: From Ambition to Action" and we shared insights on Achieving Credible Science-based Transition Pathways.

Asian Corporate Coalition for Climate Change Resilience (A4CR)

In collaboration with the World Green Organisation (WGO) and Arup, PwC China is the technical advisor to the Asian Corporate Coalition for Climate Change Resilience (A4CR). This is a first-of-its-kind climate-focused business community in Asia, which aims to accelerate climate action and know-how for businesses.

Hong Kong Council of Social Service (HKCSS)

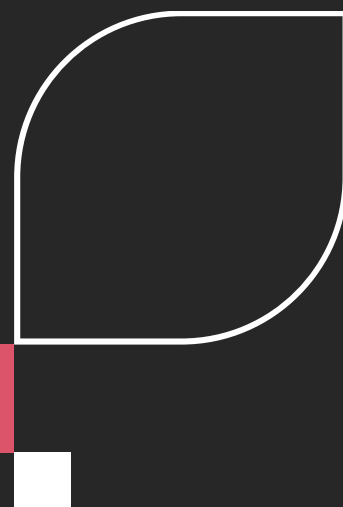
PwC China empowers NGOs to improve governance and build trust through the use of our expertise and resources. Together with the Hong Kong Council of Social Service (HKCSS) we support NGOs through channels such as targeted knowledge-sharing sessions and toolkits. Topics range from transparency checks to internal governance and risk controls, data management and ESG.

World Business Council for Sustainable Development (WBCSD)

We hosted a series of Net Zero Delivery masterclasses to improve the knowledge of member companies in the 'Accelerate Climate Action - SOS 1.5' initiative. This was part of our ongoing commitment to delivering climate-related education, supporting the World Business Council for Sustainable Development (WBCSD).

04

Our sustainability approach



Our sustainability approach

Our sustainability approach focuses on three key areas – Environment, People, and Community. We believe these are essential to achieving a sustainable future that is human-led and tech-powered. Our approach focuses on empowering our people to embrace sustainable work practices, transforming to net zero in our operations, and making meaningful contributions to our communities through a wide range of impactful initiatives. Our approach is upheld by an effective governance framework that demonstrates leadership commitment and accountability for sustainability at PwC China.

We also place great importance on driving digital and sustainable transformation to support our clients' efforts in adjusting to a "new normal". This includes the business transformation necessary to achieve growth, resilience and adaptability, and is underpinned by strengthening the trust and governance that is needed to protect businesses from climate, data, cybersecurity and other risks.

| Focus area | Description |
|-------------|---|
| Environment | With a major focus on responding to climate change, we embed environmental considerations into existing systems and processes to ensure our efforts are sustained over the longer term. We use our expertise, knowledge and networks to raise awareness of environmental issues within the business community, bringing stakeholders together to collaborate on relevant topics. |
| People | Our people are the foundation of our firm's success. To meet our clients' evolving business demands and achieve our strategic goals, we reimagine every step of the workforce strategy and reinvent our working approach. A variety of measures are put in place to upskill and build talent with future-proof competencies, fostering a culture of wellness and flexibility in which our people can live healthily, work effectively, and be socially connected. |
| Community | Our strategies on community engagement focus on solving social issues and driving social development. We support the development of comprehensive education for everyone, fostering educational and digital equity, through our collaborative efforts with our people, NGOs, and social entrepreneurs. |

Stakeholder engagement

Our stakeholders include our people, businesses, government and regulators, NGOs and non-profits, future talent, and society.

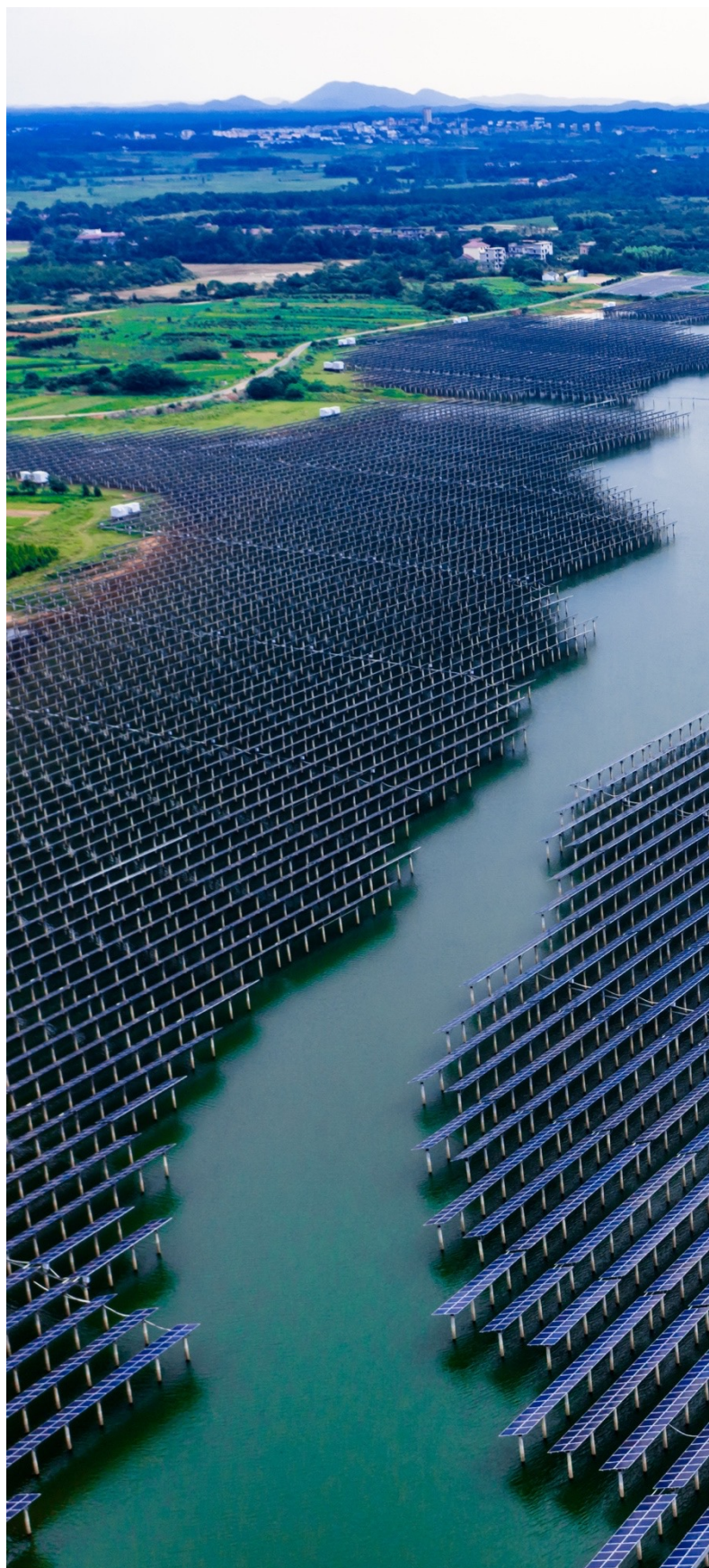
As part of our stakeholder engagement process, we have established diversified channels to facilitate exchange and understanding. We conduct this through both internal and external communication channels. We carefully design the nature and mode of our communication to enable continuous and impactful dialogue with stakeholders on relevant ESG topics.

Our people

Our staff and partners are at the core of who we are. They drive our success by demonstrating the strategic direction of the firm and by delivering exceptional services to our clients. We actively listen to our people through various channels, including real-time dialogue with the firm's leaders, focus groups with our staff and regular feedback and follow-up communications.

Businesses

Our clients, suppliers and business partners are foundational to our work and operations. We engage through active day-to-day communication with our clients and on-going supplier screening, as well as regular business events and forums.





Government and regulators

Adhering to current regulations and gaining insight from the broader business community is fundamental to meet government and regulatory expectations. We continue to work with regulatory bodies through active dialogue and joint projects, working committees and consultations, and community events.

NGOs and non-profits

Enhancing capacity and fostering exchange with NGOs is important in unlocking their full potential and creating social impact that benefits the wider community. We regularly engage our NGO partners with corporate sustainability initiatives and collaboration programmes to spur positive impact.

Future talent

We strive to attract and retain top talent who are equipped with future-fit and diverse skills to join our workforce and continue our standing as an employer of choice. We reach out to young talent via campus talks and recruitment events, and engage with experienced professionals through channels such as job fairs and social media channels.

Society

We advance PwC's purpose of building trust and solving important problems in the wider community by creating meaningful impact with our clients and communities. Through media interviews, publications, our websites and social media channels, we deliver our insights and receive feedback from the public.

Materiality assessment

We conduct periodic assessments to refresh our latest material topics and effectively act upon our ESG priorities. Several updates were made during the FY23 exercise, including adding “Environmental Stewardship” as a material topic. This reflects our focus on not only managing our own environmental footprint, but also actively engaging with our people and external stakeholders on climate actions, such as supporting our clients to reduce their emissions and engaging our suppliers to tackle their climate impact.

As part of our stakeholder engagement and review, we have also made reference to sources including the following:

- The Annual Government Work Report
- The Outline of the 14th Five-Year Plan
- China Securities Regulatory Commission Annual Report
- PwC 26th Annual Global CEO Survey China Report
- Global Crisis and Resilience Survey 2023 China Report
- Hopes and Fears 2022 Mainland China & Global Report
- Universum Talent Research 2022
- Global People Survey PwC China results
- PwC China Pulse Survey
- Private Sector Awareness of the Sustainable Development Goals
- Global standards, including SASB and MSCI





| Level of significance | Critical | Very Important | Important |
|-----------------------|--|--|---|
| Environment | <ul style="list-style-type: none"> Climate change Environmental stewardship | <ul style="list-style-type: none"> Biodiversity and natural resource conservation | <ul style="list-style-type: none"> Waste management |
| People | <ul style="list-style-type: none"> Employee well-being, safety and security Skills for the future Talent attraction, retention and engagement | <ul style="list-style-type: none"> Diversity and inclusion | |
| Community | | <ul style="list-style-type: none"> Community engagement and investment | |
| Transformation | <ul style="list-style-type: none"> Data privacy and security Risk and crisis management Quality of work Digital Redesign | <ul style="list-style-type: none"> Economic performance | |
| Governance | <ul style="list-style-type: none"> Ethics and integrity | <ul style="list-style-type: none"> Public policy engagement | <ul style="list-style-type: none"> Transparency and accountability |

Our materiality assessment process

Research

Conduct desk research and benchmarking analysis

1

Identification

Identify updated list of material topics

2

Prioritisation

Prioritise material topics through stakeholder engagement

3

Validation

Senior management revision and validation of material topics

4

Integration

Integrate results and findings into our sustainability reporting and ESG strategy

5



FY23 material topics

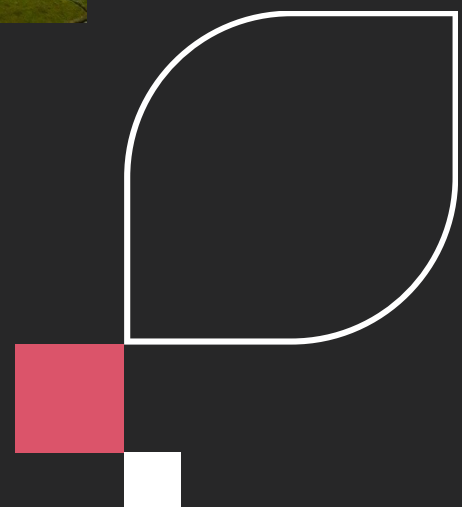
We identified the following list of material topics. Clicking on each of the focus areas below will bring you to the relevant section in this report, where we elaborate on our actions regarding our material topics.

| Area of focus | Material topic | Impacted stakeholders |
|-----------------------|--|---|
| <u>Environment</u> | Climate change | All stakeholders across our value chain |
| | Biodiversity and natural resource conservation | All stakeholders across our value chain |
| | Environmental stewardship | Our people, Businesses, NGOs and non-profits, Society |
| <u>People</u> | Employee well-being, safety and security | Our people, Future talent |
| | Diversity and inclusion | Our people, Businesses, Future talent, Society |
| | Skills for the future | Our people, Businesses, Future talent |
| | Talent attraction, retention and engagement | Our people, Businesses, Future talent |
| <u>Community</u> | Community engagement and investment | NGOs and non-profits, Society |
| <u>Transformation</u> | Data privacy and security | Businesses, Our people, Government and regulators |
| | Economic performance | Businesses, Our people, Government and regulators |
| | Risk and crisis management | Businesses, Government and regulators, Our people |
| | Quality of work | All stakeholders across our value chain |
| | Digital redesign | All stakeholders across our value chain |
| <u>Governance</u> | Ethics and integrity | All stakeholders across our value chain |
| | Public policy engagement | Government and regulators, Businesses, Society |
| | Transparency and accountability | All stakeholders across our value chain |

05

Environment

Re-imagining our business
for a low-carbon future



Our strategic approach

We are improving our own operations and working with our clients and suppliers to solve common challenges. We are also collaborating with a network of local and global alliances to support decarbonisation beyond our own value chain. Our strategic approach to deliver on our net zero commitments ensures comprehensive and methodical measures are adopted in a way that enhances collaborative action and drives real performance.



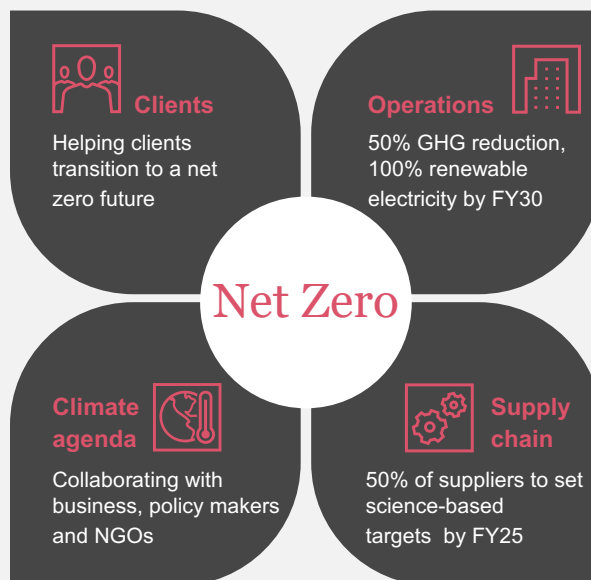
Clients

PwC will work with its clients to support their efforts to make a net zero future a reality for all. Building on existing client work in sustainability and net zero transformation.

Climate agenda

PwC will continue its long-standing programme of research and collaboration with business, policy makers, and NGOs to accelerate the transition to a net zero economy.

PwC's commitment



Operations

PwC will reduce its emissions in line with a 1.5 degree climate scenario, including a 50% absolute reduction in scope 1 and 2 emissions and a 50% absolute reduction in business travel emissions from a FY19 baseline by FY30. In addition, PwC will accelerate its transition to 100% renewable electricity and, to mitigate its impacts today, PwC will continue to offset its emissions through high-quality carbon credits.

Supply chain

PwC will engage with key suppliers, encouraging and supporting them to achieve net zero. We commit that 50% of our global purchased goods and services suppliers by emissions will have set their own science-based targets to reduce their own climate impact by FY25.

Using FY19 as a base year, we will regularly and transparently report on progress against our commitment and targets.

Our commitment covers our entire network of member firms.

Net zero transformation

The impacts of climate change are being felt like never before. Many places are experiencing the most severe flooding, the most sustained heatwaves and longest droughts recorded in recent history – severely disrupting lives, livelihoods and economies. These are now the stories in our daily news.

Governments, businesses and societies need to understand the climate risks that we are facing, and adapt to the impacts of a changing climate. For this reason, we need to work together to accelerate the decarbonisation of our economies.

As part of The New Equation, our global strategy to build trust and deliver sustained outcomes, PwC is committed to addressing the root causes of climate change and to leading by example.

China is transforming from an industrial economy to one driven by leadership in innovation and technology. Sustainability is at the core of this transformation. PwC China is taking bold steps to contribute to China's ambitious 30-60 decarbonisation goals.

As part of these efforts to fight climate change, we have made a global commitment to achieve net zero with 2030 goals. In order to achieve our net zero commitments, we will bring our people on a journey to make low carbon choices in our operations and in our supply chain. We will enable a tech revolution to continue redesigning our operations and client service delivery model with a strong digital focus. We will also continue to maximise our positive impact by sharing our skills, knowledge and impact in collaboration with others, including business, policy makers and NGOs.



At PwC China, we believe the business community has a key role to make a net zero future happen. We're committed to leading by example. We are starting to unpack the vast transformation that is needed to reduce the climate impact of our own operational footprint and – crucially – of our supply chain. It's not about a single magic bullet, but the biggest collective action the firm has ever undertaken. "



Douglas Johnson
Net Zero Leader, PwC China



This section of the report includes information on our commitments, progress and emission reduction actions in our own operations and supply chain, as we transition our business in line with a net zero future.

For more information about our climate strategy, governance and risk management, please refer to the [Climate-related disclosures section](#).

For examples of how we are working with clients to support their net zero transformation, and using our voice to support climate advocacy, please refer to the [Transformation - Sustainability services section](#).

Our net zero metrics and targets

In September 2020, PwC announced a worldwide commitment to net zero GHG emissions with 2030 goals. Our commitment is underpinned by

near-term science-based targets set for 2030 in line with a 1.5 degree scenario to prevent the worst impacts of climate change, as set out in the Paris Agreement. In July 2021, our near-term emission reduction targets were independently validated by the Science Based Targets initiative (SBTi). We have committed 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.
- 50% of our purchased goods and services suppliers (by emissions) setting science-based targets to reduce their own climate impact by FY25.

PwC China’s Net Zero SBT scorecard

| KPI | Target | FY19 baseline* | FY23 | Progress against target |
|---|--------------------------------|----------------|--------|------------------------------|
| Scope 1 & 2 (tCO ₂ e) | 50% absolute reduction by FY30 | 19,790 | 2,526 | 87% reduction |
| % renewable electricity | 100% by FY30 | 37% | 100% | 67 percentage point increase |
| Scope 3 business travel (tCO ₂ e) | 50% absolute reduction by FY30 | 77,013 | 49,777 | 35% reduction |
| % of suppliers of purchased goods and services with SBTs (by emissions) | 50% by FY25 | N/A | 10% | 10 percentage point increase |

'Percent (%)' is used when calculating the relative change between two numbers. 'Percentage point' is used to compare the arithmetical difference between two percentages.

*Restated due to improved data.

Our key net zero actions in FY23

Decarbonising our operations



- Expanded our incentivised high-speed train travel policy to 14 additional routes in Mainland China.
- 95% of office space is LEED/BEAM certified or situated in LEED/BEAM certified buildings.
- Updated our air travel policy to restrict business class flights.
- Expanded coverage of carbon offsetting to include all emissions from scope 3 business travel.
- Introduced an internal business travel emissions dashboard.

Engaging our supply chain



- In FY23 10% of our purchased goods and services suppliers (by emissions) have a validated SBT, and a further 5% have committed to setting a SBT.
- We have implemented internal upskilling programmes, analysed supplier spend to identify vendors and categories with a material emissions impact to support further supplier engagement, and undertaken a review of our procurement policies and processes.
- Partnered with one of our key airline providers to support the adoption of Sustainable Aviation Fuel to mitigate emissions from air travel.

Adapting our client services



- We have continued to invest heavily in developing and scaling new climate-related services, in line with our global strategy and the strong emphasis it places on the Environmental, Social and Governance (ESG) agenda.
- We are committed to delivering high quality services to our clients' challenges, including their sustainability-related pain points and ambitions. For details, please refer to the [Transformation section](#).

Collaborating on the climate agenda




- In FY23 we joined eight strategic alliances, including CDP Gold Partner and official knowledge partner of the Yicai ESG media channel.
- We also received six ESG awards, including the Green Practice Performance Award of Chinese Enterprises' Carbon Neutral Performance 2022, and the CIFTIS Green Development Demonstration Cases Award for our digital Emissions Tracker tool.
- Showcased leading practices of low carbon transformation in eight industries at the 1st Shanghai Carbon Expo.


Decarbonising our operations and supply chain

At PwC China, we are working to decarbonise our business and adapt to the impacts of climate change. This means setting clear targets, creating practical plans that achieve real results, and collaborating with other organisations in the broader ecosystem to support the net zero transition.

Our approach

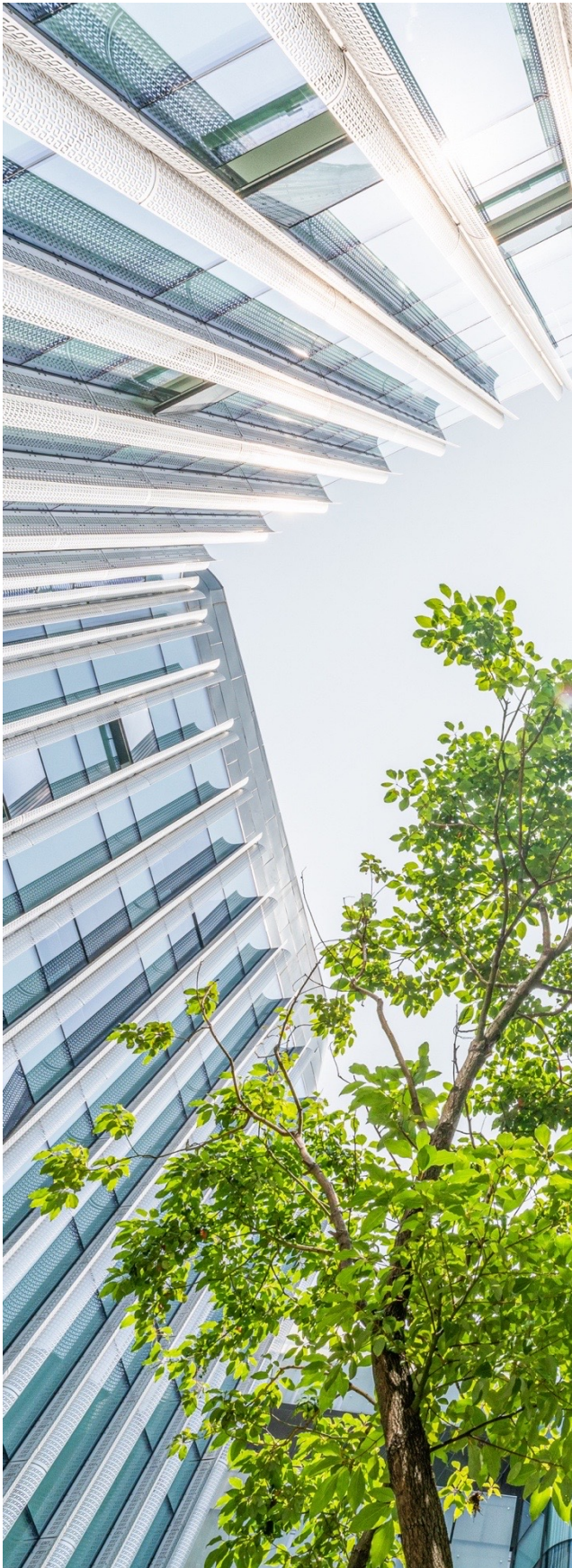
Our approach to delivering on net zero in our operations and supply chain is based on the carbon mitigation hierarchy:

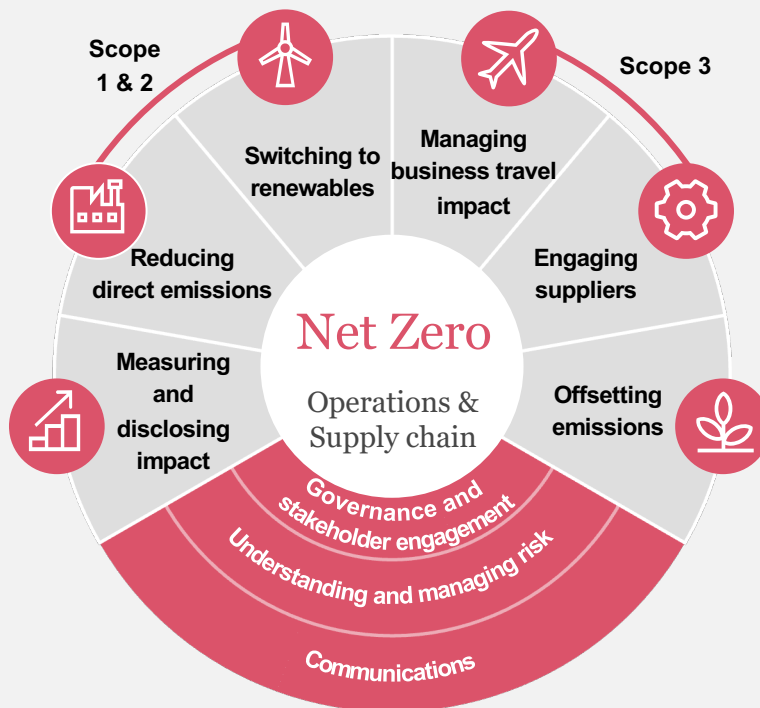
 **1. Avoid**
eliminate our impact through design (evolve business strategy and operating model)

 **2. Minimise**
reduce impacts that cannot be avoided through doing what we do more efficiently and replacing high carbon energy sources with low carbon ones

 **3. Compensate**
offset emissions that are not eliminated by the above to mitigate our impact today

To put this into practice across our business, we use the following framework and measurable, actionable objectives that guide our actions.





Measuring and disclosing impact

We will regularly and transparently report on progress against targets, enhancing our Greenhouse Gas (GHG) emissions measurement and reporting to align with our worldwide commitment to net zero with 2030 goals.



Managing business travel impact

Reduce absolute business travel emissions by 50% from a FY19 baseline by FY30.



Reducing direct emissions

Reduce absolute scope 1 and 2 emissions by 50% from a FY19 baseline by FY30.



Engaging suppliers

Commit that 50% of our purchased goods and services suppliers (by emissions) have set science-based targets to reduce their own climate impact by FY25.



Switching to renewables

To accelerate our transition to 100% renewable electricity by FY30.



Offsetting emissions

Continue to offset our emissions through high-quality carbon credits, transitioning our carbon offset portfolio to 100% carbon removals by FY30.

We are also exploring innovative ideas that can play a supplementary role to help us reach our 2030 goals. For example, an internal carbon price can help to ensure accountability for the carbon impact of our business activities, while creating a central funding mechanism for a range of

initiatives that support decarbonisation. And by investing in Sustainable Aviation Fuel together with other organisations, we are supporting the development of more sustainable travel options in our value chain.

Our climate actions

During the first year of our FY23 – FY25 Net Zero transition plan, we have taken a number of specific actions and introduced new measures to help stay on track to reach our 2030 goals across four areas:

Energy
scope 2
emissions

Business travel
scope 3
emissions

**Supplier
engagement**
scope 3 purchased
goods & services
emissions

**Beyond value
chain mitigation**
carbon offsetting

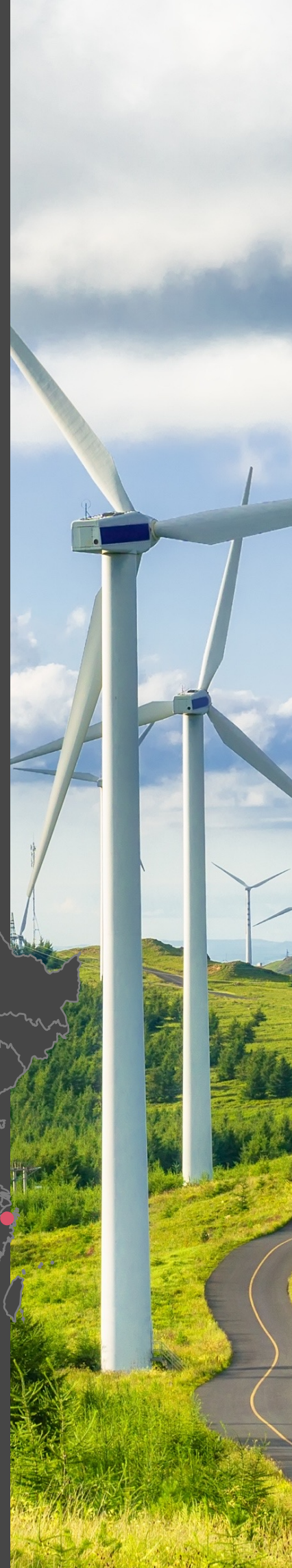
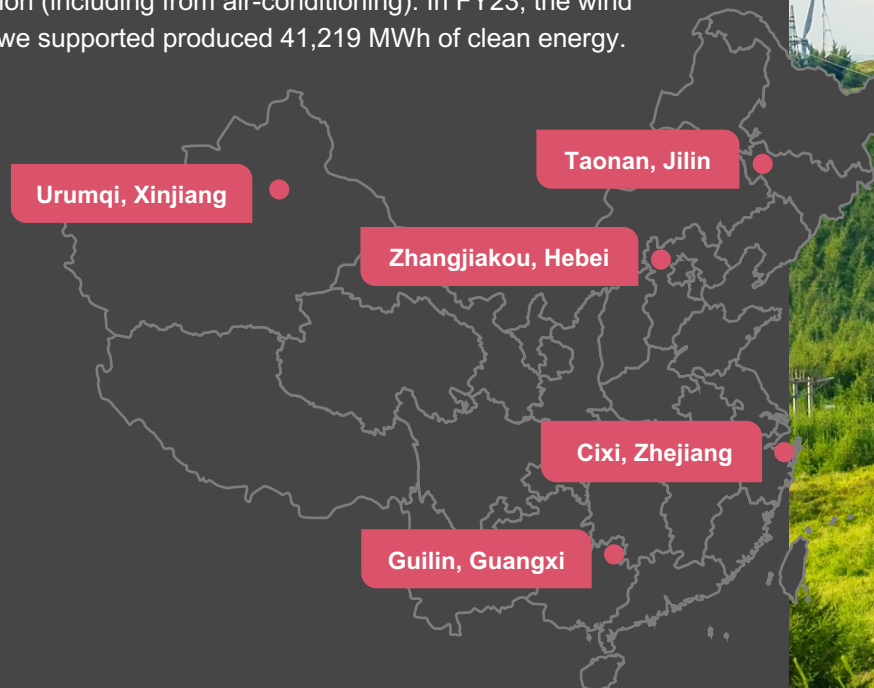


Energy scope 2 emissions

We improve energy efficiency in our offices

As an office-based business, energy use in our operations is a core component of our total carbon footprint. Taking actions to drive energy efficiency is one of our top priorities in reducing the environmental impact of our business. In FY23, despite increases to our total headcount and leased office space, our absolute electricity consumption continued to decrease by 6% compared to our FY19 baseline. Our electricity efficiency has improved by 29% per capita over the same period. We are using innovation to improve power efficiency in our offices in multiple ways, which are aligned with our commitment to measure and manage our environmental impacts. For example, in recent years we have expanded the application of smart energy-saving measures, like motion-detected lighting in some LEED certified offices, and moved to cloud-based and virtual servers.

We also continue to source I-REC Energy Attribute Certificates (EACs) from accredited wind-power sources in China to cover all our scope 2 electricity consumption (including from air-conditioning). In FY23, the wind power projects that we supported produced 41,219 MWh of clean energy.



Business travel

scope 3 emissions

Business travel is a part of life at PwC China. Whether it's travelling to the office to meet clients, or to different cities for business trips, it's important for building relationships, which is at the core of our brand. However, business travel is also one of our largest sources of carbon emissions. Air travel and overnight accommodation account for most of our travel emissions, making it a high sustainability priority. It is about finding a new balance and continuing to challenge ourselves on the need, frequency and mode of travel.

We have implemented the following programmes to ensure we remain on track to meet our net zero commitments.

We encourage high-speed rail as a low-carbon behaviour

PwC China has started an initiative called "Go green. Get on track." to encourage more of our people to choose high-speed rail as a low-carbon alternative to flying. In FY23 we expanded coverage to 15 eligible routes, building on the success of the pilot Beijing-Shanghai initiative that has provided an upgraded and lower-carbon travel experience since 2022. All PwC China people regardless of their grade are now eligible for first class tickets when taking a high-speed train on the 15 eligible routes, and receive additional wellness benefits for each trip. This is a "thank you" to every one of our people making a sustainable travel choice to support a net zero future.

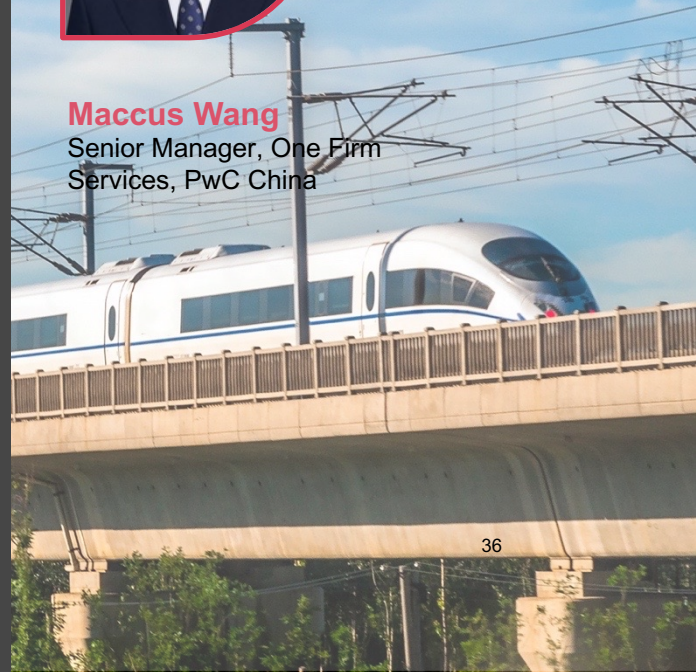
In FY23 over 2,600 employees took more than 7,000 trips on the 15 routes, increasing the proportion of train trips on these routes to 30%, compared to 17% in FY19.



After PwC China launched 'Go green. Get on track.', I began to choose high-speed rail more frequently. Although high-speed rail sometimes takes longer than planes for long-distance journeys, it is more punctual and comfortable. When taking high-speed rail, I can also send and receive emails and handle official business online, making it more efficient and cost-effective. In terms of environmental protection, the electricity-powered high-speed rail is cleaner than planes, which heavily rely on fossil fuels for energy. Therefore, high-speed rail is one of the best ways to travel. "



Maccus Wang
Senior Manager, One Firm
Services, PwC China



We restrict the booking of business and first-class flights

Effective from FY23, all staff up to director level are required to take economy class for domestic and international flights on all business travel bookings. In our FY19 baseline year, business and first-class trips contributed more than 50% of our total travel emissions from air travel, but accounted for less than 25% of the total number of trips. This creates an opportunity to cut emissions by switching to economy class travel, without impacting on our ability to serve clients. This new travel policy is just the beginning, as we continue working together to find new ways to make a meaningful impact on the environment.

We contribute to the future of sustainable aviation fuel

It is important to us, as a global network, to think about the future of aviation and to contribute to making it more sustainable. In FY23, PwC China joined Asia's first major Corporate Sustainable Aviation Fuel (SAF) Programme with Cathay Pacific. As one of the first eight corporate launch customers, we are committed to reducing carbon emissions by purchasing SAF through this first major programme of its kind in Asia.

The SAF used for the launch of this programme is made from used cooking oil and animal fat waste. It is made available to Cathay Pacific by its pilot Corporate SAF Programme fuel suppliers. The very first uplift of SAF at Hong Kong International Airport (HKIA) was made possible through a collaborative effort with many stakeholders along the supply chain and various government departments. The SAF used in this programme goes through the normal aviation fuelling infrastructure. This provides important learning points in order to develop an ongoing and regular SAF supply from HKIA in the future.



As part of PwC's commitment to Net Zero, we have made supporting the development of sustainable air travel a priority. Despite its benefits, sustainable aviation fuel only accounts for a very small percentage of global jet fuel used today. Accelerating its adoption over the next decade can help to reduce emissions caused by air travel. Therefore, we are collaborating with the aviation industry to increase investment in SAF. We look forward to collaborating with airlines and other corporates towards transitioning to a Net Zero future and delivering a sustainable tomorrow. "



Raymund Chao
PwC Asia Pacific and
China Chairman

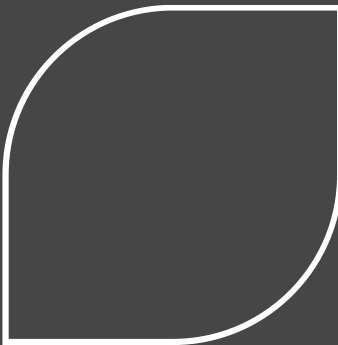




We started internal carbon pricing

With an eye toward identifying and incentivising a range of measures to reduce carbon emissions, PwC China started a pilot internal carbon pricing programme in FY23. The mechanism of internal carbon pricing allows key decision-makers to have appropriate information to quantify, in financial terms, the GHG emissions from our operations. This is principally from business travel (including air travel, taxi travel, train travel and accommodation), which is one of our highest sources of GHG emissions.

This mechanism will come into effect from FY24. The funds generated can be used for investing in renewable electricity and carbon offsetting, supporting emission reduction initiatives, engaging our people, and rewarding low-carbon behaviours.



Supplier engagement

scope 3
(purchased goods
and services)

Beyond business travel, the largest source of emissions is within the rest of our supply chain – purchased goods and services. By engaging with our key suppliers and encouraging them to take action too, we aim to amplify our impact in the market to accelerate the broader transition to a net zero economy.

Each year we measure supply chain emissions associated with our operations. These emissions vary each year, but three areas – construction, facilities management and real estate services, and professional services – usually make up to around half of our spend and emissions. We have collected financial data across all procurement categories to understand the size and nature of our supply chain.





A spend-based approach is taken to calculate the emissions associated with our supply chain, in line with the GHG Protocol Scope 3 guidance. In this way, environmentally enhanced input-output modelling is used to calculate the emissions associated with each unit of currency spent within a given category, based on the typical supply chain of that product or service.

In FY23 10% of our purchased goods and services suppliers (by emissions) have a validated SBT, and a further 5% have committed to setting a SBT.

We will continue to encourage our suppliers to set their own science-based targets, particularly those suppliers that materially contribute to our total supply chain emissions. We will also keep upskilling our own procurement managers and suppliers, and identify opportunities to decarbonise and embed climate considerations into our procurement processes. We will keep enhancing our data collection and measurement to demonstrate progress towards our supplier engagement target.

Beyond value chain mitigation carbon offsetting

We counterbalance our emissions with high quality carbon offsetting projects




As we work towards reducing our near-term science-based targets, we continue to support high quality carbon offset projects. This gives us an opportunity to address climate impacts, and the interlinked threats of biodiversity and nature loss. In FY23, PwC China offset energy and mobility emissions, including scope 1, 2 and scope 3 business travel.

Considering the rapid evolution in the voluntary carbon market, we have put in place quality criteria when purchasing carbon credits. We want to make sure our carbon offset projects deliver real and verified outcomes, and even go beyond climate mitigation – bringing positive impact for nature and local communities. Carbon credits are purchased through PwC's global procurement process, which offers a range of credits in terms of project type and location which meet minimum quality criteria. For details of our commitment and approach to carbon offsetting, please refer to the [2023 PwC Network Environment Report](#), including quality criteria and a full list of projects supported.

PwC China selects specific projects to support from the global portfolio, with reference to location and technology type. In FY23, the majority of purchased carbon credits were located in China and over 65% came from natural climate solutions.

We will continue to counterbalance our annual emissions through high-quality carbon credits, transitioning our carbon offset portfolio to 100% carbon removals by 2030.



| Project | Location | Project details | Key impacts for local communities |
|---|----------|---|--|
| <p>Name: Sichuan Household Biogas</p> <p>Certifications: GS & CER</p> <p>Methodology: Biogas Heat</p> <p>Carbon Reduction, Technology Based Solution</p> | China | <p>This project helps to restore the region and has implemented more than 400,000 rural biogas units that are used to fuel clean gas cookstoves and produce organic fertiliser for farmers.</p> <p>Aligning with the SDGs:</p>  | <ul style="list-style-type: none"> Approximately 10,000 permanent and temporary jobs in construction and maintenance of digesters have been created. 2,000 people have been trained as biogas technicians. The smoke-free biogas cookstoves reduce respiratory diseases and eye ailments. Beneficiaries find that they have increased self-reliance due to the availability of clean, convenient, and inexpensive biogas from their own supply. The annual coal consumption per household has fallen from 970kg to 27kg with the new digesters. |
| <p>Name: Yunnan IFM</p> <p>Certification: VCS</p> <p>Methodology: Improved Forest Management</p> <p>Carbon Reduction, Natural Climate Solution</p> | China | <p>This project aims to improve the forest coverage rate, protect local ecological environment, reduce carbon emissions and carbon sequestration by the conversion of logged to protected forests.</p> <p>The project will convert 6,879 hectares of forest and is expected to generate 821,000 tCO₂e emission reductions for 20 years. Beyond the positive impacts on the climate, the project will have several social and environmental benefits.</p> <p>Aligning with the SDGs:</p>  | <ul style="list-style-type: none"> The project reduces more than 821,000 tCO₂e during the project lifetime. Protects 6,879 hectares of forest cover. The project provides 35 job opportunities for local community inhabitants. It will provide training and workshops for locals and employees who want to improve their skills in forest protection and management activities. Enhancement of biodiversity conservation by increasing the connectivity of forests. Improvement of soil and water conservation in the project area. The protection of local forests will enrich the biodiversity and provide more opportunities for adaptive responses to natural challenges and economic development (e.g. climate change and new medical discoveries). |
| <p>Name: TIST Afforestation and Reforestation</p> <p>Certification: VCS</p> <p>Methodology: Afforestation and Reforestation</p> <p>Carbon Reduction, Natural Climate Solution (ARR – R)</p> | Uganda | <p>This project is a combined tree planting, development and carbon programme. Smallholder and subsistence farmers organise themselves into community groups to plant trees on their degraded land to improve their livelihoods and address local, regional and global environmental issues, such as deforestation, biodiversity loss, adaptation and vulnerability to climate change. In addition to raising awareness about deforestation and climate change, the project also aims to inform communities about health issues such as HIV, malaria and other diseases.</p> <p>Aligning with the SDGs:</p>  | <ul style="list-style-type: none"> Deforestation is a major cause of poverty and climate change. This project works with local smallholder groups to reverse deforestation. Kitalu Forest provides hard-working farmers, women and men, an annual stipend for each live tree, plus access to future long-term profits from the global market for greenhouse gas credits. Smallholders join community groups where they share and receive support and education. The programme also contains a health component, educating communities on HIV, malaria and other health matters. |

We are playing our part in addressing nature-related challenges

Biodiversity is essential for the processes that support all life on Earth. The term "nature-positive" has become a call to action across society and business. As well as supporting our clients with nature matters, we are taking steps to better understand and manage our own impacts on nature as a business. We are embedding nature considerations into our office operations, while collaborating with NGOs, business and governments to help to build the systems and frameworks that will deliver the trusted information needed to underpin a nature-positive transition.

We bring a nature-based solution to abandoned farmland in Hong Kong

While PwC China is making its transition to a low carbon future, we cannot ignore the potential impacts to communities as we transition. PwC China has collaborated with A Plastic Ocean Foundation on the first bamboo afforestation initiative – Project Prosperity – in Hong Kong, sponsored by the PricewaterhouseCoopers Foundation. This initiative aims to conserve the ocean by preventing pollution through the rehabilitation of abandoned and water-adjacent farmland at Ha Pak Nai, on the Northwestern Coast of Hong Kong. At the same time, it initiates a circular economy by planting native species of bamboo, and creates green job opportunities for the underemployed young adult workforce in the village.

In FY23 the project launched phase 1, with planting completed and promising growth underway at two sites. The conservation area in Ha Pak Nai is an important biodiversity hot spot, home to one of the largest seagrass beds (4 hectares) in Hong Kong. As well as being home to many different species, the biodiverse area plays an important role as a nursery and feeding ground for the horseshoe crab, which is currently under environmental threat. The environment of Ha Pak Nai is being impacted by pollution, soil erosion and contamination caused by onshore human activities entering into nearby waterways and making their way into mudflats and the ocean. Another cause of damage in the area is abandoned farm operations, which have also led to erosion and neglected contaminants leaking into streams and the sea.

Since the project was launched in June 2022 and phase 1 completed, the project has:

- Planted a total of 460 bamboo plants across two sites.
- 190 of those 460 plants are mature Moso bamboo, capable of capturing 102kg of carbon per year, an estimated total of 19.38 metric tonnes of carbon captured in a year.
- The other 270 plants are of three different local bamboo species and were planted to showcase this unique bamboo afforestation initiative to schools.
- Four local farmers and fifteen underemployed youth were hired for bamboo maintenance and site operations.



We support restoration of ecologically degraded areas

Since FY20, PwC China has been supporting 'The Million Tree Project' initiated by Shanghai Roots & Shoots. 'The Million Tree Project' aims to raise public awareness of desertification, while focusing on steps individuals can take to lessen their negative impact on the natural world. The project is designed to improve both ecological and humanitarian conditions by planting trees. It also encompasses true capacity building, as the local community is intimately involved with, and benefits from, every step of planting, maintaining and monitoring the trees.

Together with other partners, by FY23 over 2.7 million trees have been planted on 40 forest plots, covering an area of 2,501 hectares in Tongliao and Ordos, Inner Mongolia; 413 hectares of sandy land has been covered with straw grids and more than 1,240,000 shrubs have been planted to revitalize the ecosystem. Each tree planting session is more than just getting trees in the ground: engagement with corporate volunteers and involvement with the local community are built into the process to increase environmental awareness and socio-economic and environmental outcomes for these spaces.

We assess our own operational impact on nature

While we are helping to build the system and framework that will deliver the trusted information needed to underpin a nature-positive transition, we are committed to playing our part as a business. We take steps to better understand and address our own nature footprint where we operate.

We have conducted an assessment to identify which of our office locations are in or adjacent to key biodiversity areas (KBA) and/or protected areas. These are designated areas that have been recognised as contributing significantly to the long-term conservation of nature. Similarly for freshwater, we have assessed the extent to which our offices are located in water-stressed regions.

Our leased offices in Hong Kong, Kunming, Qingdao, Shenzhen and Zhuhai are in or adjacent to a KBA. These office premises are situated in existing built-up urban areas of major cities, with relatively small land footprints, equivalent to a total of approximately 1,970 sqm.

We help build frameworks in delivering a nature-positive world

The Global Biodiversity Framework (GBF) aims to halt and reverse biodiversity loss, restore ecosystems and protect indigenous rights. In supporting business to develop the innovation, investment and business models that will be needed to achieve the goals of the GBF, The World Economic Forum in collaboration with PwC China published a white paper – [The Post-2020 Global Biodiversity Framework and What it Means for Business](#). It introduces the most business-relevant aspects of the draft post-2020 Global Biodiversity Framework (GBF) and key business- and regulatory-driven approaches that will need to be scaled up to achieve its targets. The white paper presents case studies of companies that are already taking action to mitigate nature-related risks in their operations, while investing in new business opportunities that contribute positively to the targets of the GBF.

We use resources efficiently and minimise the generation of waste

Across our operations, PwC China is working to send less material to landfill and more back into the circular economy loop by developing waste prevention and waste re-use programmes within our offices. We collaborate with our stakeholders, such as contractors, suppliers, employees and NGOs, to raise awareness, to enhance the effectiveness of our waste facilities, and to drive waste reduction and recycling initiatives.

Beyond our ongoing initiatives with paper, coffee grounds and clothing, we have also been focusing on the following areas to minimise our waste:





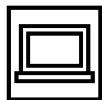
Resources Our activities



Plastic, metal & glass

Collaborating with V Cycle, a social enterprise in Hong Kong, we recycle office plastics, metals and glass through a trackable system that gives assurance through transparency and data. The programme also provides extra income for elderly cardboard collectors and work experience for adults with disabilities. We also engaged our staff on a visit to V Cycle headquarters to deepen our understanding of how its work supports us in becoming more sustainable.

In FY23, 426 kg of plastic, metal and glass have been recycled.



Laptops and PCs

100% of our used laptops and PCs are donated, resold for reuse or recycled. We collaborate with Netspring to set up PwC Green IT Classrooms and work with education-focused NGOs to donate computers to primary and secondary schools, providing underprivileged students with access to digital literacy and learning opportunities.

In FY23, 274 laptops have been donated. In PwC Green IT Classrooms, 19,200 hours of IT lessons have been delivered to 800 students.



Office furniture

Old furniture from our recent Hong Kong office building renovation was donated to local NGOs and social enterprises, including Christian Action, V Cycle and A Plastic Ocean Foundation. Furniture will be reused or sold at community outlets that promote recycling and the environment, with the proceeds from the sales going towards the development of Green Collection Programme and benefiting the less fortunate in Hong Kong.

In FY23, 706 pieces of used office furniture were donated.

We engage our people on climate change

We see our climate journey as a chance to mobilise our people to take action. As we make progress on our climate actions, we share, inspire and encourage everyone to take responsibility to act. We are seeing our people take action in many ways – through sustainable behaviour campaigns, upskilling on climate-related issues, supporting the work of PwC Green Team, and joining environmental volunteering events.

PwC Green Team

The PwC China Green Team is a network of 377 partners and staff who are committed to creating a sustainability culture and making PwC China a more eco-friendly place to work. Our Green Team members raise awareness of environmental sustainability issues and drive positive behaviour changes across the firm. The Green Team gets together periodically to identify opportunities to enhance sustainability.

Green Week

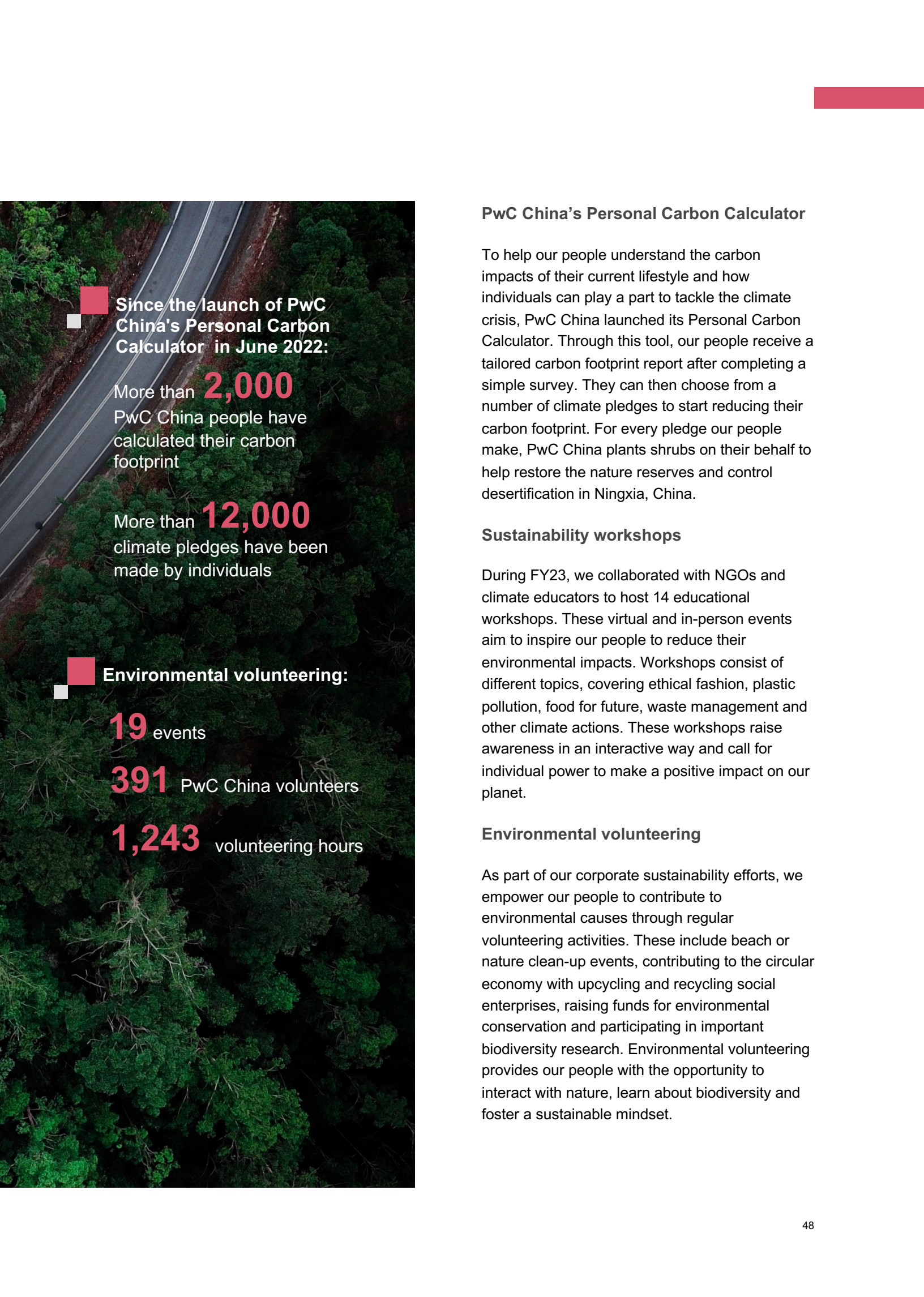
Each year PwC China delivers Green Week, a firmwide campaign to raise awareness and engage its people in sustainability issues. In FY23, we collaborated with an artist, a social entrepreneur, a landscape architect and a material designer to show how builders and creators are finding visionary solutions for a greener future. This was achieved through the release of a series of digital assets, including videos and daily online communications, featuring sustainable solutions in the market. Six nature events were also hosted for our people in Shanghai, Beijing, Guangzhou, Shenzhen, Chengdu and Hong Kong, bringing them the unique experience of getting outdoors and connecting with nature.



After joining Green Team, I have more channels to learn about environmental protection and more opportunities to do my part in the firm's sustainability. In the Hong Kong office, we collaborate with an environmental social enterprise to promote a recycling project, encouraging colleagues to actively engage in recycling. I also had a chance to visit a factory run by a local social enterprise, gaining a deep understanding of the recycling situation in Hong Kong and the challenges it faces, as well as how to upcycle plastics into other products. Let's continue to work together for a sustainable future! "



Euphenia Cheng
Manager, Advisory, PwC China



Since the launch of PwC China's Personal Carbon Calculator in June 2022:

More than **2,000** PwC China people have calculated their carbon footprint

More than **12,000** climate pledges have been made by individuals

Environmental volunteering:

19 events

391 PwC China volunteers

1,243 volunteering hours

PwC China's Personal Carbon Calculator

To help our people understand the carbon impacts of their current lifestyle and how individuals can play a part to tackle the climate crisis, PwC China launched its Personal Carbon Calculator. Through this tool, our people receive a tailored carbon footprint report after completing a simple survey. They can then choose from a number of climate pledges to start reducing their carbon footprint. For every pledge our people make, PwC China plants shrubs on their behalf to help restore the nature reserves and control desertification in Ningxia, China.

Sustainability workshops

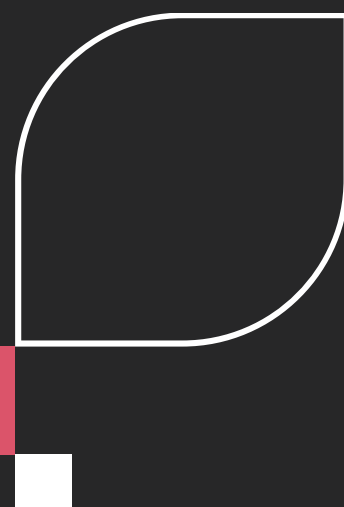
During FY23, we collaborated with NGOs and climate educators to host 14 educational workshops. These virtual and in-person events aim to inspire our people to reduce their environmental impacts. Workshops consist of different topics, covering ethical fashion, plastic pollution, food for future, waste management and other climate actions. These workshops raise awareness in an interactive way and call for individual power to make a positive impact on our planet.

Environmental volunteering

As part of our corporate sustainability efforts, we empower our people to contribute to environmental causes through regular volunteering activities. These include beach or nature clean-up events, contributing to the circular economy with upcycling and recycling social enterprises, raising funds for environmental conservation and participating in important biodiversity research. Environmental volunteering provides our people with the opportunity to interact with nature, learn about biodiversity and foster a sustainable mindset.

06

Climate-related disclosures



As the impacts of climate change become more severe, our clients and other stakeholders want to know how we are preparing for and managing the risks and opportunities associated with climate change. PwC China supports the adoption of the Taskforce on Climate-Related Financial Disclosures (TCFD)'s recommendations and the International Sustainability Standards Board (ISSB)'s IFRS Sustainability Disclosure Standards. This section consolidates PwC China's climate disclosures to present a holistic picture.

Climate governance

Management and oversight of our environment agenda, including our net zero programme and how we are transitioning our business to be sustainable in a low carbon economy, is provided by the Network Leadership Team (NLT). This ensures business ownership and accountability.

Our Global Sustainability Leadership Team (GSLT) is the primary management body of our corporate sustainability agenda. It is led by our

Global Corporate Sustainability Leader and brings together leaders from our largest territories, representatives of our regions and subject matter experts to review our corporate sustainability objectives and their 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 to the risks and opportunities that climate change will bring for our business. The GSLT reports to the NLT and Global Board (or one or more of its committees) periodically.

In the last 12 months, our Global Corporate Sustainability Leader has reported to a number of key leadership groups within our business to discuss our approach to decarbonising, 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.

In addition, the Global Corporate Sustainability Leader meets regularly with the Global Chair, and with the Global Markets Leader at least monthly, as well as on an ad hoc basis as needed.

PwC China's climate governance stems from the foundations of the global network, and cascades into our internal structure. Raymund Chao, Asia Pacific and China Chairman, represents PwC China as Territory Senior Partner (TSP) on the NLT, and is ultimately responsible for the environmental performance of PwC China and adherence to the PwC Network Environmental Statement, as well as being accountable for our commitment to reach net zero with 2030 goals.

Climate-related risk and opportunities within PwC China are overseen by the Board of Partners. The Chairman and CEO has responsibility for the strategic direction and overall management of the Firm. The Chairman and CEO is further supported by the Management Board (MB), which has responsibility for management of the Firm.

With this governance set-up, the TSP and MB have ultimate oversight of our approach to sustainability through a coordinated governance and management approach. Our MB is regularly kept informed of the latest developments within Sustainability and Climate Change, and the impacts on our business. This is driven by Amy Cai, a member of the MB and the Managing Partner of Sustainability in PwC China, who leads our efforts to support our clients in their sustainability and climate change journey. Operationally, Xing Zhou, also a MB member and our Corporate Sustainability Leader, who represents PwC China on the GSLT, provides quarterly updates on our own net zero progress to the Chairman and MB.

PwC China's Corporate Sustainability Team is responsible for developing, implementing and monitoring sustainability initiatives within PwC China. PwC China's Net Zero Business Leader and Climate Risk Leader, Douglas Johnson, is responsible for defining and implementing our net zero plans by working with key stakeholders across the firm, providing relevant updates to the Corporate Sustainability Leader and MB, and regular reporting and updates to the Global Corporate Sustainability Team.



PwC China's climate strategy

As part of The New Equation, addressing climate change is at the heart of PwC China's strategy, aligning with the decarbonisation efforts and management of the physical impacts of climate on our operations. The Chinese government has set targets to reach peak carbon emissions by 2030 and to achieve carbon neutrality by 2060. As a non energy-intensive business, we aim to accelerate our own journey to support the government's ambition, by aiming to achieve net zero GHG emissions with 2030 goals.

FY23 has been a challenging year for PwC China, exacerbated by tough economic conditions globally. There have been several major extreme weather events in China over this period, from one of the worst recorded heatwaves and droughts, to heavy floods in multiple regions. While we have remained resilient throughout these events, they reinforce our commitment to be at the forefront in tackling the challenges and impact of climate change on the economy, society and environment, and to enable the

transition towards a net zero economy. For example, in our Hong Kong office, we have deployed adverse weather work arrangements for our staff twice in the past year – when staff were asked not to travel due to tropical storms hitting the city.

Climate risks and opportunities

We have identified three distinct categories of climate-related information: physical risks, transition risks, and opportunities, in line with the TCFD recommendations. We further categorise these risks and opportunities by how they affect our operations, services or people. Some types of risk can cascade through the value chain and economy. For example, while our people may experience discomfort or require additional cooling in our offices during heatwaves as a direct impact, other extreme weather events – such as droughts which affect agricultural production levels – have less direct impacts on our business, but affect the broader market that we operate in.

| Risk impact level | Impact description |
|-----------------------|---|
| Direct | Climate-related outcomes that directly affect our people, operations, and services; and would require direct mitigation responses from PwC China. |
| Portfolio | Climate-related outcomes impacting PwC China clients or our key suppliers, leading to indirect impacts on PwC China. |
| Broader market | Climate-related outcomes which create regional economic and social disruption triggered by acute and chronic climate events, for example large scale supply chain disruption and adaptation. These lead to change in broader market conditions beyond our direct control. |

We have leveraged our global network’s approach to climate scenario analysis and tailored it to the Mainland China and Hong Kong SAR context to identify and assess the most relevant risks and impacts for PwC China. These risks and opportunities are compared under two climate scenarios that represent significantly distinct outcomes in terms of the potential impact of climate change on the economy, society and environment. We look at multiple time horizons that enable us to plan for effective responses over the short, medium and long term.

Relative to these scenarios, we have identified and assessed key climate-related risks and opportunities and their potential business impacts on PwC China as presented below. Against each of those risks, we have developed appropriate responses to mitigate them. We will continue to enhance these responses and monitor how these risks and our overall resilience evolve.



| Scenario | Paris-aligned scenario (well below 2° C) | No mitigation scenario (>4° C) |
|-----------------------------|--|--|
| Underlying model | International Energy Agency's Sustainable Development Scenario | IPCC Shared Socioeconomic Pathways 5-8.5 |
| Key risks considered | Transition risks | Physical risks |
| Time horizon | Short term: 0-5 years Medium term: 5-10 years Long term: 10+ years | |

Risks of extreme weather events for PwC China office locations

We conducted a physical climate risk exposure analysis of all our PwC China offices and evaluated the potential impacts from eight types of extreme weather hazards: cold, drought, wildfire, flood, hail, wind, precipitation and heat.

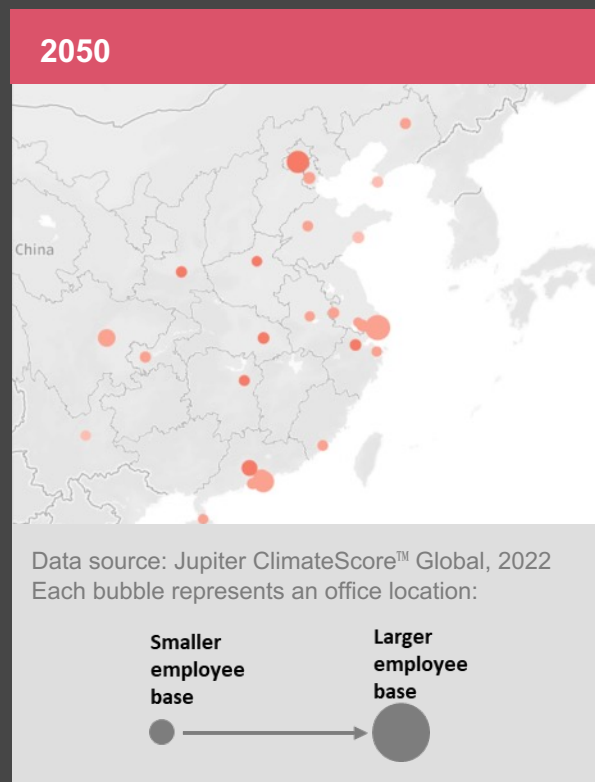
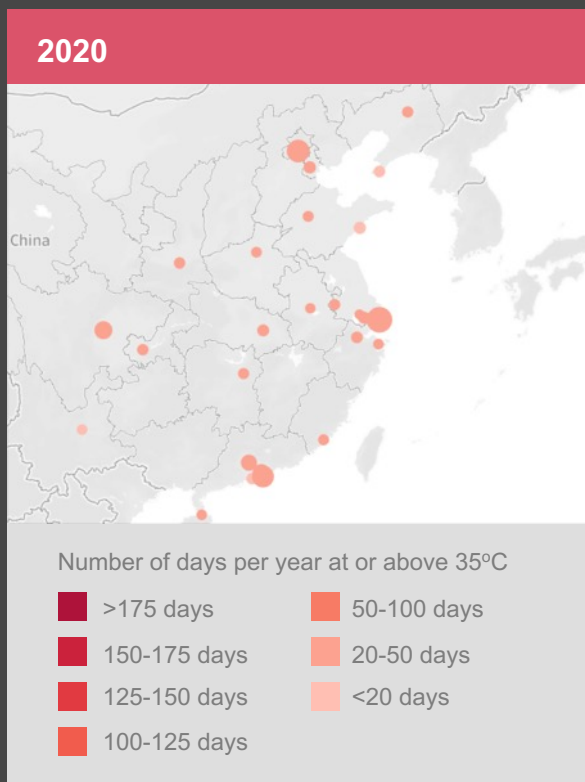
Across these hazards, projections show that over the period to 2050, heat-related risks could increase most significantly, followed by flood.

By 2050, under a "no mitigation" scenario (>4° C), heat stress is projected to increase in many regions in China. Our largest offices, including in Beijing, Hong Kong and Shanghai, may experience an increase of 29% more hot days by 2050, relative to 2020 (see diagram below). This could increase risk of heat-stress on individuals when travelling to or from offices and

our client sites, as well as increase the demand for office cooling, leading to higher energy consumption, costs and associated emissions.

Additionally, flood risks are also projected to change significantly by 2050 under the "no mitigation" scenario. Higher potential flood risks are projected for our Shanghai, Guangzhou and Shenzhen office locations, which may lead to physical damage to our office infrastructure and equipment. This may also lead to disruption to our normal business operations during repair or relocation, affecting our ability to deliver client services and thus our reputation.

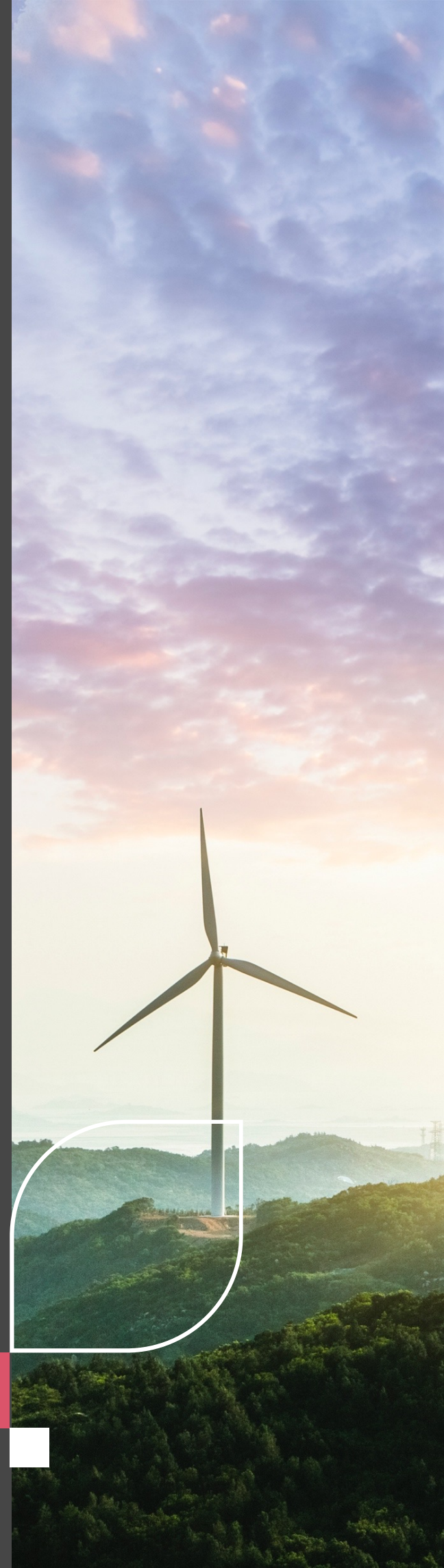
For further information on the hazard profiles of other risks at locations across the PwC global network, please visit our [physical risk map](#).





Key risks and opportunities for PwC China

We have identified and assessed the following key climate-related risks and opportunities and the potential business impacts to PwC China. Against each of those risks, we have formulated suitable business responses to mitigate them. Going forward, we will continue to enhance our disclosure on our key climate risks, as well as our response actions and progress. These efforts underpin our broader climate change resilience strategy.



| Risk / opportunity | Impact level | Business impacts | Time horizon | Our business response (see corresponding sections below) |
|--------------------|--------------|------------------|--------------|--|
|--------------------|--------------|------------------|--------------|--|

Physical risks

| | | | | |
|---|--------|--|-----------------------------|--|
| Physical risks to office infrastructure arising from acute and chronic climate events | Direct | <ul style="list-style-type: none"> Extreme events can affect our business operations, including office locations, data centres, employee homes, employee health and demand for services. These are projected to change most significantly in the “no mitigation” scenario. Several of our larger offices are located in coastal regions (e.g. Hong Kong and Shanghai) and are exposed to typhoons and coastal flooding, which may threaten our office infrastructure, disrupt our delivery of client services, and negatively affect our people. | Short, medium and long term | <ul style="list-style-type: none"> Physical resilience in our real estate management Physical resilience in our flexible work arrangement and technology platforms Physical resilience in our Business Continuity Management system |
|---|--------|--|-----------------------------|--|

| | | | | |
|---|--------|---|---------------------|---|
| Business travel disruptions due to extreme weather events | Direct | <ul style="list-style-type: none"> Our people, suppliers and clients are exposed to increased disruption to business travel as extreme events increase in frequency and severity, especially under a “no mitigation” scenario. | Medium to long term | <ul style="list-style-type: none"> Physical resilience in our flexible work arrangement and technology platforms Physical resilience in our Business Continuity Management system |
|---|--------|---|---------------------|---|

Transition risks

| | | | | |
|---------------------------------|--------|--|-----------------------------|--|
| Attracting and retaining talent | Direct | <ul style="list-style-type: none"> Our 26th PwC Annual Global CEO Survey – Asia Pacific highlights climate change as one of the major concerns among CEOs. As a professional services firm, we need to continue to provide high-quality services to our clients, in both climate scenarios. We will need to continually attract and retain talent to serve our clients in their climate journey. As young people place increasing importance on the climate agenda, our commitments and actions on decarbonisation will impact our attractiveness as an employer. | Short, medium and long term | <ul style="list-style-type: none"> Upskilling our staff on climate change |
|---------------------------------|--------|--|-----------------------------|--|

| | | | | |
|--|--------|--|-------------|--|
| Brand / reputational risk arising from failure to contribute in a meaningful way to the climate agenda, including failure to meet our public net zero commitment | Direct | <ul style="list-style-type: none"> PwC China faces the potential risk of reputational damage if we fail to meet our committed targets or if we are accused of engaging in “greenwashing”. This risk is present in both climate scenarios. | Medium term | <ul style="list-style-type: none"> Decarbonising operations: Our transition plan Supporting a just and transformative climate transition |
|--|--------|--|-------------|--|

| | | | | |
|--|----------------------|---|-----------------------------|--|
| Adapting our core services to embed consideration of climate risk in line with regulatory and legislative changes, and market expectations | Portfolio and direct | <ul style="list-style-type: none"> In both climate scenarios, a failure to adapt core services to account for climate risks in accordance with legislative changes and market expectations may result in reputational damage, as well as potential losses in revenue and market share. | Short, medium and long term | |
|--|----------------------|---|-----------------------------|--|

Opportunities

| | | | | |
|--|-----------|--|-----------------------------|--|
| Increased demand in supporting clients’ specific climate-related needs | Portfolio | <ul style="list-style-type: none"> Potential increase in revenue and market share in sustainability services field can be captured due to increased demand for sustainability services. | Short, medium and long term | <ul style="list-style-type: none"> Enhancing our service offering |
|--|-----------|--|-----------------------------|--|

Physical resilience

In our real estate management

PwC China's real estate team assesses potential climate-related physical risks in each location in our strategic processes, including the ability to withstand increased levels of acute and chronic climate events.

We actively engage with the building management offices at our office locations, requesting relevant green building certifications (such as LEED/BEAM certifications that incorporate requirements on climate change adaptation) as evidence that our offices meet a high level of environmental performance standards.

In our flexible working arrangement and technology platforms

We have a firm commitment to prioritise safety for all of our staff members, and we integrate safety considerations within our overall approach and policies on staff health and wellbeing. Our WeFlex policy provides guidelines on flexible hours and flexible location which are applicable in times of adverse weather conditions, such as a Tropical Cyclone Warning. These help minimise the impacts of short-term disruptions to our service delivery.



Our WeFlex working arrangements, strong technology platforms to support virtual working and our hybrid service delivery model will continue to provide the benefits of increased flexibility for our people while maintaining the importance of in-person collaboration with our clients.

In our Business Continuity Management system

PwC China maintains a robust Business Continuity Management (BCM) system, which provides effective responses to crisis scenarios. In the event of extreme weather events, our standard protocol includes measures such as stay-home arrangements and office facility protection protocol.

Our PwC China Travel Security Guide provides guidelines to safeguard the health and safety of our people against extreme weather conditions.

We provide a "safety net" for our people during business travel disruptions through our International SOS Assistance programme. In emergency situations caused by severe weather events, the International SOS Assistance services can provide a range of emergency medical, personal and travel assistance to our people, including dispatching physicians and initiating emergency medical evacuation, lost document assistance, embassy and consular information provision, as well as other emergency travel arrangements.

PwC China's appointed travel management companies are also equipped to rapidly arrange alternative travel options, and to provide our travellers with sufficient assistance to return by safe means and safeguard their health, safety and well-being during disruptions.



Decarbonising our operations: Our transition plan

PwC China aligns with the PwC global network's worldwide commitment to reach net zero GHG emissions with 2030 goals. Our net zero commitment is underpinned by near-term science-based targets in line with a 1.5° C scenario, which were independently validated by the Science Based Targets initiative (SBTi) in July 2021.

Building on an initial mobilisation plan put in place in FY21, we have modelled an emissions pathway to FY30 and identified a preliminary set of activities to be delivered over three years (FY23 to FY25) to support emissions reductions in line with our targets. The completion of this transition plan is a PwC network key performance indicator for TSPs in order to ensure accountability at the most senior levels of our business.

Our emissions reduction plan includes encouraging low emission alternatives for business travel, engaging our suppliers to address emissions in our value chain, sourcing 100% renewable electricity, as well as implementing energy efficiency improvements in our offices and supporting natural climate solutions. Many of the activities identified in our action plan have been implemented in FY23. For more details, please refer to the [Environment – Our climate actions section](#).

Enhancing our service offering

PwC China places high importance on developing and scaling up the capabilities in climate and broader ESG services so that we can respond to market demand and our clients' needs. Our Sustainability team, with a network of climate specialists, has matured substantially during FY23.

We continue to adapt and expand our services to offer consistent tools and methodologies to address the challenges posed by climate change. These services not only help solve current challenges but also enable our clients to better understand the impact of climate change on their business and how they can transition towards low carbon business models. Additionally, our services assist clients in reporting and providing transparency to stakeholders and meeting emerging regulatory standards and requirements in Mainland China and Hong Kong SAR.

Supporting a just and transformative climate transition

A fundamental part of our net zero commitment is contributing our expertise to support wider national and sector-based policies and initiatives in order to accelerate the net zero transition. We are committed to dedicating our time and expertise to find solutions to these complex and challenging problems, in line with our purpose.

We engage with policymakers, industry and market groups to stay at the forefront of legislative change in adapting our core services. Our participation in net zero and climate-related initiatives and coalitions, including the Net Zero National Action Alliance in China, and the MSCI ESG and Climate Academy Project, demonstrates our engagement with the value chain, industry, public and society on the climate agenda.

We participate in a range of international forums, conferences and other communication platforms as keynote speakers on climate change topics. Our involvement in high-profile events, such as the Asian Financial Forum and the Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements, speaks to our firm's deep commitment to driving progress. Our ESG Star Talk is another example of our commitment to sharing our knowledge and our clients' journey on the climate and sustainability agenda. It is an integrated online platform that facilitates productive discussions on practical experience and promotes forward-looking insights related to businesses in the ESG field.





Case study

PwC China at the Asian Financial Forum and the Asia-Pacific Financial Forum 2023

We were honoured to present at the Asian Financial Forum, organised by the Hong Kong Trade and Development Council (HKTDC). PwC Asia Pacific and China Chairman, Raymund Chao, shared insights on our research which we jointly conducted with HKTDC on "Financing the Corporate Transition to a Sustainable Future".



The research shed light on various ESG and climate change-related topics, including how Hong Kong businesses are progressing on their ESG transformation and sustainability efforts, how they are funding the transition, and the expectations for Hong Kong's future role in green finance and achieving sustainability overall.



In addition, we joined the Asia-Pacific Financial Forum 2023 as a keynote speaker. Over 500 politicians, scholars, and financial professionals from around the world attended the APFF. Our "Global Trends in Sustainable Finance" provided valuable insights on the latest developments in this area.



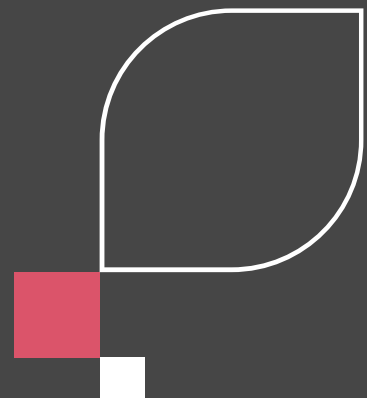


Case study

PwC China as the primary advisor to the Asian Corporate Coalition for Climate Change Resilience (A4CR)

A4CR is a coalition of companies that aims to accelerate climate action and build a first-of-its-kind, climate-resilient community in Asia by advising and supporting businesses and investors in tackling the current and future impacts of climate change. PwC China was proud to be

invited as the primary technical advisor on ESG reporting. In this role, we provide A4CR members with insights into climate and ESG-related matters and advise on integrating climate- and nature-related risks into business risk management structures.



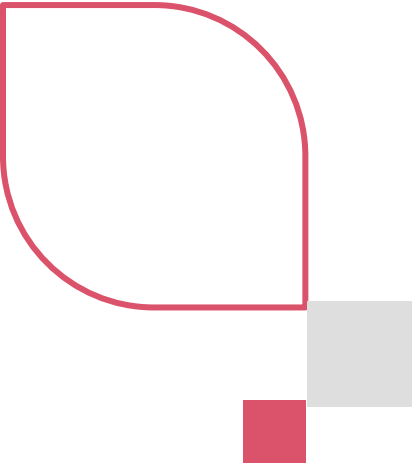
Upskilling our staff on climate change

We have a strong commitment to the continuous development of our people, including enabling them to acquire the skills and knowledge necessary to support both our clients and our firm in tackling the complex challenges posed by climate change. The PwC China ESG Academy works alongside the Global Sustainability Academy and drives our key initiatives to promote climate and sustainability-related learning and knowledge sharing among our employees.

Our Academy provides tailored learning for all grades and specialists, covering areas such as carbon neutrality, climate science and the impacts of climate change on businesses.

Vantage is our online learning platform dedicated to upskilling all staff in PwC China on ESG issues. The platform offers a comprehensive suite of learning modules for our staff. Our learning infrastructure, including sustainability and climate change topics, continues to be a key element in attracting and retaining talent.

For more details on our ESG upskilling programmes, please refer to the [People section](#).





Risk management

Our Enterprise Risk Management (ERM) framework

Climate related risks are embedded within our PwC China ERM Programme. This comprehensive ERM programme is in compliance with the PwC guidelines and requirements.

Our climate-related risks are embedded within the following:

- **Black and green swan events:** Failure to prepare for environmental events with network-wide implications in terms of immediate/disaster response, reputational damage and potential macroeconomic impact, such as regulatory change, environmental events or macroeconomic disruption created by events such as a pandemic.
- **Climate:** Failure to review and consider the impact of climate change on the network and to prepare for its implications, including (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 climate.

For further details of the ERM approach in PwC China, including a full list of our FY23 Top Risks, please refer to the [Governance section](#).

Metrics and targets

Key climate-related metrics and targets are used to provide a clear framework for PwC China to measure and manage our environmental impact, regularly monitor our progress towards our goals and ensure the effectiveness of our strategy and risk management approach. These indicators also demonstrate our commitment to sustainability and to staying competitive in this rapidly changing business landscape.

Our net zero commitment is underpinned by near-term science-based targets, as validated by the Science Based Targets initiative (SBTi).

Our near-term targets are:

- 50% absolute reduction in scope 1 & 2 greenhouse gas emissions by FY30 vs FY19.
- Cut indirect scope 3 emissions from business travel by 50% by FY30 vs FY19.
- 50% of our purchased goods and services suppliers (by emissions) to set science-based emission reduction targets by FY25.
- Use 100% renewable electricity.

For details of the specific emission reduction actions we have taken in FY23, please refer to the [Environment section](#).

| KPI | Target | FY19 baseline* | FY23 | Progress against target |
|---|--------------------------------|----------------|--------|------------------------------|
| Scope 1 & 2 (tCO ₂ e) | 50% absolute reduction by FY30 | 19,790 | 2,526 | 87% reduction |
| % renewable electricity | 100% by FY30 | 37% | 100% | 67 percentage point increase |
| Scope 3 business travel (tCO ₂ e) | 50% absolute reduction by FY30 | 77,013 | 49,777 | 35% reduction |
| % of suppliers of purchased goods and services with SBTs (by emissions) | 50% by FY25 | N/A | 10% | 10 percentage point increase |

'Percent (%)' is used when calculating the relative change between two numbers. 'Percentage point' is used to compare the arithmetical difference between two percentages.

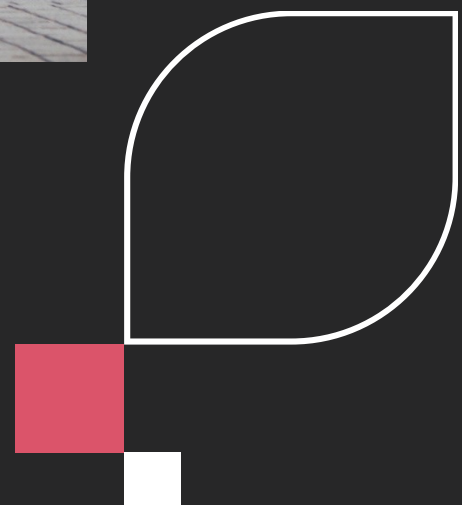
*Restated due to improved data.



07

People

Empowering our people to support their current and future success



We strive to build a workforce of the future that is human-led and tech-powered. By meeting present demands and anticipating future needs, we are able to deliver differentiated value for our clients and society more broadly. In line with our strategy, The New Equation, we seek to create a future-ready workforce through supporting our people and building future-fit skills, which in turn drive our business growth. This also entails defining new ways of working for our people, so that we can thrive personally and professionally in a sustainable way.

To bring this vision to life and to build our workforce of the future, our people strategy prioritises the following areas:



Human ingenuity and skills such as authenticity, empathy and creativity will become more critical in an age of technological advancement and disruption. Our role as people leaders is to deliver a future where people and technology can thrive better together, deliver faster, more intelligent and better outcomes, building trust with each other, our clients, and broader stakeholders.”



Ewan Clarkson
Chief People Officer, PwC China

A future-fit workforce

Our workforce strategy focuses on future-proofing the skills, career and work experience of our people. Given the evolving macro environment, it is vital that our people can thrive in dynamic settings.

We strive to create an environment where our peoples' values are aligned with those of PwC – to act with integrity, make a difference, care, work together and reimagine the possible. Beyond celebrating milestone moments and translating our peoples' views into action and impact, we continue to adapt our value proposition to align with the shifting needs and expectations of our people. Recognising the importance of wellbeing, we support our people through personalised wellness offerings and our flexibility and wellness culture. As technology continues to reshape the future, we offer a variety of training focused on digital upskilling, and embrace new ways of working through digital enablement.

Many organisations are facing a shortage of candidates with in-demand skills, such as ESG, AI, cybersecurity and creativity. With additional challenges posed by rapid automation, strategic workforce planning is crucial for our adaptability and organisational agility. We need to plan for the future to ensure we have the right capabilities in the right places and at the right time to support our people development, business strategy and sustainable growth.

At PwC China, we have clearly defined our people models to support our business model transformation. Leveraging our Strategic Workforce Planning tool, we focus on delivering a comprehensive talent solution to mitigate capability gaps, so that our workforce is fit for the future. Our workforce strategy and interventions are informed by real-time data, forecasting and planning, providing insights into our talent acquisition, retention, development and recognition, as well as mobility activities.

As a proactive talent developer, we have made significant impact through creating employment and investing in our workforce, with the market also

recognising this. Over the last year we have received a number of awards in recognition of our efforts to deliver a distinctive career experience. Among them is the Top Employer award for 2022 and 2023 for Mainland China and Hong Kong SAR, awarded by the Top Employer Institute. For a more comprehensive list, please refer to the [FY23 highlights - Awards highlights section](#).

Enabling global and agile experiences

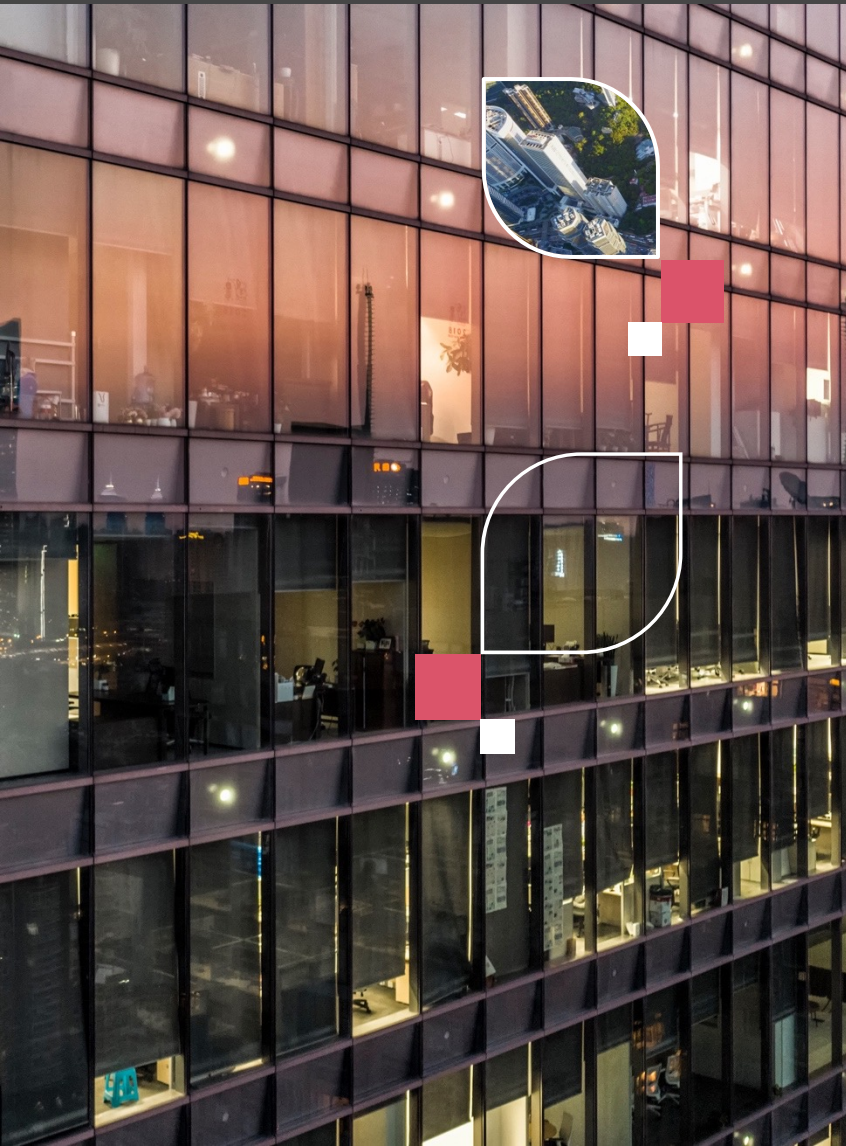
To equip our employees with a global mindset and to drive agile opportunities – both domestically and internationally – we leverage the power of One Firm across Mainland China and Hong Kong SAR, as well as our global PwC network. Our people are encouraged to explore wider experiences and different career paths within PwC according to their interests.

We promote talent mobility by implementing initiatives such as awareness-building programmes and upgrades to our agility policies and processes:

- An Internal Career Fair in 2022 helped our people explore the diverse career opportunities available at PwC China.
- We have promoted employment and career development opportunities for young people in the Greater Bay Area (GBA) to introduce wider prospects and broaden their horizons through the Hong Kong GBA Youth Employment Scheme, and received the Active participation award from the Hong Kong SAR Government.
- Our X-Venturer Innovative Leadership Programme is a two-year graduate programme which provides extensive experience to participants by giving them the opportunity to work on projects across multiple business units. This programme allows individuals to further develop their leadership and relationship-building skills, while nurturing an innovative mindset.

International mobility programme experience

PingPing Zhang, Advisory Partner, took up a secondment opportunity when he was a Senior Manager on PwC Thailand's China Business Desk (CBD), the China-related deals hub for Southeast Asia. Through his work helping Chinese companies diversify their supply chains and production in Southeast Asia and helping Southeast Asian businesses enter the China market, PingPing acted as a PwC China ambassador – driving growth and drawing upon his experience working in China.



“

Being an ambassador from PwC China in the Thailand firm, I had the opportunity to be invited by a number of local Chinese business associations and government business agencies in Thailand to share the China experience. We were invited to speak at a prior China International Import Expo in Shanghai to share the business landscape of Southeast Asia, with a particular focus on Thailand. In addition, we have been working closely with Hong Kong's Trade Development Council and Productivity Council in organising seminars about Southeast Asia's business environment for Hong Kong entrepreneurs. All these eye-opening experiences have been very valuable in developing my future career.”



PingPing Zhang
Partner, Advisory, PwC China

X-Venturer programme experience



The XV programme has been supporting me to experience different departments and teams. Throughout the rotation, I have acquired different skill sets and knowledge and met numerous teammates, coaches, and advisors, which provided me with a wider network in this field."



Kathy Tang
Major: Risk Management and Finance

Every rotation is a chance to know ourselves better. Through a comprehensive assessment of our skills, specialities and strengths, we could align our capabilities with the lines of service's requirements and discover what interests us the most."



Angela Gao
Major: Business Analytics



Upskill to become future-fit

At PwC China, we are committed to upskilling our workforce with future-fit skills in the areas of Digital, ESG and Leadership, with solid technical knowledge at the core, to support the delivery of our strategic priorities under The New Equation, as well as to facilitate the personal growth and development of our people. Our multi-pronged upskilling approach ranges from content creation to learning experiences, culture and effectiveness. We focus on curating future-fit and market-leading learning content, offering innovative and engaging learning experiences, fostering a self-driven and collaborative learning culture, while upholding learning quality and effectiveness.

We leverage the latest technologies in our learning ecosystem, the most recent one being the Metaverse. This is an interactive and real-time virtual experience, where our staff can learn while engaging with over 3,000 other participants. In the Metaverse, our people can access this virtual learning hub anytime and anywhere. They can create avatars to interact and engage across different zones that cover a spectrum of activities, ranging from learning events to fireside discussions and team-building activities, as if they were interacting face-to-face in person.

Digital

Developing our people's digital skills is crucial in leveraging new technologies and staying relevant, while significantly enhancing their personal development journey. We offer three digital upskilling programmes to accelerate technological capabilities at all levels, including: Digital Academy, Digital Accelerator, and Digital Lab. We were named the winner of the 2022 Best Innovative L&D Initiative Award from CTGoodJobs and our digital upskilling programmes have been widely recognised as market-leading.



Digital Academy offers an application-based approach for our people to learn selected data analytics and data visualisation tools. A blended learning approach, covering online self-directed learning and experience-sharing sessions with hands-on exercises, inspires our people to explore and apply these digital skills in their day-to-day work.



Digital Accelerator offers an immersive digital upskilling programme that exposes our people to a wide range of digital skill frameworks and tools, as well as business and leadership skills relevant to the digital world. A personalised learning approach, including online and project-based assignments, inspires and develops our digital accelerators with solid foundational skills.



Digital Lab is a technology sharing platform that allows our people to share data workflows and technology applications with one another, providing opportunities for them to build and co-create innovative solutions based on PwC China's digital assets.

We are leading the way by driving awareness and upskilling our people in Generative Artificial Intelligence (GenAI). We aim to equip our people with the necessary GenAI knowledge and skills, as well as an understanding of its limitations and potential risks, to ensure effective and responsible use of this evolving technology to serve the needs of our clients.

ESG

We provide ongoing training and guidance on sustainability-related matters so that our people can stay up to date on the ever-changing ESG landscape. ESG GO is our ESG upskilling campaign, enabling our people to acquire relevant ESG knowledge and skills through a personalised learning path.

To incentivise and recognise learning achievement in ESG, a Climate Change Badge is awarded to those who complete the required learning content. ESG GO was recognised by the Xinhua Media Group Training Magazine in its 2022 Innovative Programme of Talent Development, reflecting our effort and commitment in nurturing sustainability within PwC China.

Leadership

The building and enhancement of leadership at all levels in the workplace is a strategic focus. One way we do this is through our LEAD portal. By leveraging the "leadership skill-finder", our people are guided through personalised learning solutions for the essential leadership skills which suit their unique development needs. By using a game-based social learning platform, our people can learn leadership skills through social and collaborative activities in a fun and engaging way.

Maximising learning experiences

A culture of self-directed learning is promoted through the following platforms:

Development Playbook

We provide a comprehensive range of learning and development opportunities across Digital, ESG, Leadership and Technical through curriculums that are tailored for different lines of service and management levels. These include training programmes, workshops, mentoring and coaching – reflecting our commitment to building a future-fit and sustainable workforce.

Development Miles

This programme rewards our people with miles for completing designated development milestones. By tracking their progress and providing incentives, we aim to motivate our people to continue their learning and development journey.

PwC Badges

Through Knowledge and Badges, we recognise and showcase the unique value and accomplishments of our people. These badges can be shared and highlighted through social platforms such as Workday and LinkedIn, enabling our team members to showcase their expertise and achievements to a wider audience.

Learning space in the Metaverse

A locally designed learning space which offers our people an immersive, 3D, real-time learning experience.

Wellness and flexibility

A healthy and engaged workforce is critical to achieving our collective goals and delivering sustained value for our clients. By investing in our people's wellbeing, we are building a strong and sustainable workforce that can adapt to the changing needs of our clients and stakeholders.

Wellness Reimagined 2.0

We offer a diverse range of customised wellness-related products and services that cater to our

people's needs. Based on our people's feedback, we introduced the revamped Wellness Reimagined App 2.0 to offer our people an all-in-one wellness experience. Through a variety of products and services, the new app provides personalised health solutions for the mental and social wellbeing of our people. As of the end of FY23, the App had a 94% firm adoption rate.

Key features of Wellness Reimagined 2.0 include:

Life Store

We provide a comprehensive and high-quality selection of wellness products, including mental health support and health management solutions, designed to meet our people's individual needs and enhance the psychological and social dimensions of our wellness ecosystem.

Life Awards

Life Awards is a recognition programme which awards digital Reward Points. Rewards are given to our people who have participated in various wellness initiatives and who demonstrated behaviours aligned to the PwC Values.

Life Club

Our people can create and join social groups based on their interests and hobbies to interact with like-minded peers.

We Friends

We strengthen connection among employees in both professional and social settings through events and chat rooms.

Life Tournament

We support PwCers in their health and exercise routine and performance. We regularly organise team-building activities and different firmwide fitness challenges to motivate our people to stay physically fit and healthy.

Life Talk

We organise firm-wide webinars covering major themes, including physical, social, mental and financial well-being.

Life Coach

We offer wellness tips and events, as well as one-on-one counselling services with wellness professionals to further support our people's mental health needs to become the best version of themselves.

My Health

We encourage our people to build and sustain healthy habits by allowing them to track progress, benchmark with peers and earn rewards.

WeFlex

Our people are provided with flexible work options, including the ability to choose where, when and how they work. By empowering our people to work in a way that suits their needs, as well as those of their team and clients, we build a more agile, inclusive, collaborative and productive workforce of the future.

Supporting working parents at PwC China



PwC China's inclusive work environment allows me to embrace my identity as a new mum without losing myself. I have used our WeFlex policy to balance my work and life, and fulfill my self-needs."



Cheryl Jiang
Senior Associate

Companionship is the best gift for a kid's growth. PwC China's flexible working conditions give me a lot of freedom, allowing me to flexibly choose where to work according to my own situation and giving me more time to accompany my kids."



Justin Wan
Senior Associate





Empowering sustainable ways of working

We recognise that healthy and energised teams led by effective leaders are essential for delivering sustained outcomes. To facilitate this, we empower our people through engagement initiatives and by implementing changes to foster healthy, high-performing teams.

China Reset & Recharge firmwide webcast

Our business leaders and Chief People Officer shared their personal routines to encourage our people to build healthy working habits.

Firmwide weekly e-postcard

We shared a series of weekly e-postcards with practical tips ranging from topics such as kickstarting an effective morning routine and warming down, to supporting people's professional development.

Wellness App community

A community group in our Wellness App enables our people to stay connected and support each other in sustaining high-performance routines.

Team leader discussion guide

Team leaders are equipped with tailor-made resources about high-performance routines to encourage sustainable working habits and create effective team dynamics that promote growth.

Interest-free housing loan

At PwC China, we are dedicated to supporting our staff to secure housing, providing the stability that is needed to attract and retain top talent. We established the interest-free housing loan scheme to help our people and their families to achieve the milestone of purchasing their first property.

Workplace redesign

We aim to create a dynamic workspace that facilitates seamless virtual and hybrid working through workplace design, digital collaboration tools and people-centred work models. We also incorporate the WELL Building Standard (WELL) principles in our efforts to operate premises that support the health and wellbeing of our people.

Activity-Based Working

We are actively transforming traditional ways of working by embracing Activity-Based Working (ABW). We provide quiet workstations for uninterrupted and concentrated work, collaborative spaces for teamwork, and activity-based areas for large-scale meetings. Through this model, our people are able to forge meaningful relationships, work flexibly, and create value. To further support our staff's work productivity, we have pioneered Playbox, an innovative solution that encourages our people to customise their desired workplace. We provide portable, ergonomic furniture and advanced technologies to help our people achieve work efficiency. We will continue investing in our day-to-day work flexibility to spark collaboration with others inside and outside the firm.





Inclusion and Diversity (I&D)

Women in China exhibit a significantly higher labour market participation rate when compared to the global average, even exceeding that of certain developed economies. Women play a crucial role in China's economic development. In 2023, the newly revised "Law of the People's Republic of China on the Protection of Women's Rights and Interests" was officially implemented in China, further safeguarding women's legitimate rights and interests in areas such as career development, personal safety, marriage, childbirth and property. In addition to gender equality, promoting the integration of people with disabilities has also been a focus in China. In 2023, the "Barrier-free Environment Creation Law of the People's Republic of China" came into effect and seeks to advance the creation of barrier-free environments, which is valuable in promoting social integration and holistic social development.

We are focused on fostering a culture of belonging and equality, where people from diverse backgrounds feel at home and appreciated as part of our community of solvers. Inclusion and Diversity (I&D) at PwC China enables our people to unleash their full potential and thrive in the workplace. We establish I&D targets for various time horizons, while deploying resources to equip our staff with essential leadership and inclusion skills. We strive to ensure that our processes, policies, systems and benefits are designed to support all of our people, regardless of gender, age, race, disability, sexual orientation or other backgrounds and characteristics.

Our Inclusion-First strategy is centred on action that drives change, accountability and advocacy.

- Gender pay equality
- Equal career opportunities for women
- Women's empowerment principles
- People with disabilities
- LGBT+ Inclusion

Goal setting

We are committed to fostering I&D through setting robust short-, medium- and long-term goals. Specifically, we have developed one-year, five-year and ten-year plans focusing on seven key criteria. Of these, five pertain to gender equality across all management levels, one to disability inclusion and one to fostering an inclusive environment.

To help us achieve our goals, these criteria are embedded into our Chairman's KPIs. We have also established an I&D Committee, comprised of business partners, where regular meetings are held to review KPIs and set future actions.

Promoting an inclusive culture

In order to increase our people's awareness of I&D and to build an inclusive workplace, we developed and launched the Inclusive Mindset Learning Journey. This consists of a self-paced learning experience designed to engage our people to learn about I&D, with a tailored focus on PwC China's diversity practices. Over 4,100 colleagues have taken this course, with more than 150 colleagues becoming Inclusive Mindset Ambassadors by inviting others to join them.

In the FY23 Global People Survey, 84% of our colleagues agreed that PwC China builds a diverse and inclusive work environment for all.

Equal career opportunities for women

Pay equality is one of the fundamental components for creating a diverse and inclusive workplace, attracting talent and driving long-term competitiveness. PwC China is committed to

providing equal remuneration, regardless of gender. We conduct regular analysis of average pay levels for male and female employees across different businesses and functions to ensure the data is equitable. In FY23, we maintained regular hiring and annual pay review practices to ensure gender equality.



Gender equality is at the core of PwC's The New Equation, supporting leadership development and the economic empowerment of women in the workplace. In FY23, our female staff members received the same level of promotion opportunities and performance ratings as their male counterparts.

63% female staff promotion

Promoting women's empowerment

As a signatory to the CEO Statement of Support for the Women's Empowerment Principles (WEPs), jointly curated and promulgated by the United Nations (UN) Global Compact and UN Women, we promise to provide equal career development opportunities for all employees of PwC China.

In 2022, PwC China received the Transparency and Reporting Award at the Asia-Pacific WEPs Awards ceremony. In June 2023, PwC China donated US\$10,000 to UN Women to support activities promoting gender equality and women's empowerment in the workplace, marketplace and community around the globe.

To celebrate 2023's International Women's Day, we hosted two webinars focusing on women's health and one addressing transition to an inclusive workplace. These webinars featured our senior leaders, who shared their valuable insights and personal experiences with over 1,000 participants.

Disability inclusion

PwC China is committed to providing equal employment opportunities and a workplace culture that is inclusive for people with disabilities. Further, we adopted PwC's global Disability Inclusion Strategy, focused on improving the wellbeing of society as a whole, including individuals with disabilities or caregiving responsibilities. We also launched an Inclusive Career Discovery Programme to support the career development of people with disabilities within the firm and in wider society.



This year, four of our staff members won eight medals (three gold, three silver and two bronze) at the 2023 UCI Paracycling Road World Cups in Italy.

We continue to provide internship and work opportunities, scholarships and one-on-one mentoring programmes to give everyone equal opportunities to learn and grow. In June 2023, we paired 30 mentors from PwC China with mentees in the first batch of a one-on-one mentoring programme aimed particularly at students with disabilities, to support career planning and development. The programme is run by PwC China and supported by a third party, which also provides participants with training on disability inclusion.

In addition, our Supported Employment Base provides job opportunities to individuals with physical and intellectual disabilities. In collaboration with the Beijing Chaoyang Disabled Persons' Federation Volunteer Service Centre (DPFVSC), we have developed a number of social initiatives for our staff to contribute to a socially inclusive community.

Together with the Chaoyang DPFVSC, we organised a Reading Sharing Event on World Book Day 2023. During the event, we donated 100 copies of Liu Liangcheng's book "One Man's Village" to the Chaoyang DPFVSC and offered a PwC China Inclusion Art Class to help people with disabilities enrich their wellbeing and feel more connected with society.

LGBT+ inclusion

In FY23, PwC launched the Global LGBT+ Inclusion Strategy to build awareness of LGBT+ inclusion and to drive meaningful change. PwC China is committed to building a culture of belonging, where everyone can bring their true selves to work. Through different resources to educate and raise awareness, we mobilise our people to develop an inclusive mindset, bringing them along the journey and making them agents of active change.

One of our key initiatives to build an inclusive workplace is Shine, our internal employee network. The aim of the platform is to raise awareness of LGBT+ issues and provide an open educational space for all PwC China people, while addressing questions or concerns in a safe and confidential way. Through our Shine network, we have launched a series of volunteering and fundraising activities for our local community to encourage a culture of inclusion.





Engaging current and future talent

Engaging our staff

Employee engagement is essential to creating a thriving work environment and supporting continuous improvement. We regularly seek and obtain feedback from our people to gain insights into their individual needs and perspectives. In response, we have enhanced employees' access to opportunities through a wide variety of initiatives. From enabling diversified career paths to offering flexible development programmes, we strive to equip our people with future-proof capabilities.

Workforce of the Future design thinking workshops

We initiated design thinking sessions around the topic of the Workforce of the Future to encourage dialogue with our people and provide a forum for them to shape initiatives that meet their needs. Through discussions about meaningful work, sustainability, flexibility and leadership, we aim to build a work environment that stimulates a sense of purpose. During the workshop, solvers at all levels of seniority across our lines of service shared their views on the firm's Workforce of the Future strategy, contributing over 200 ideas.

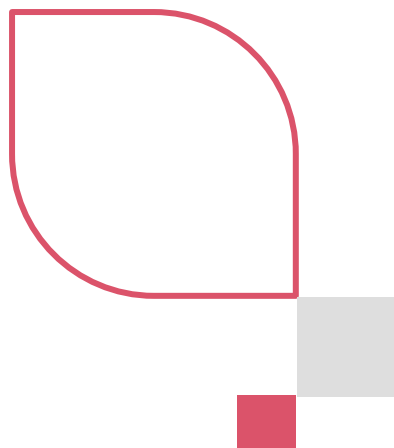
Fostering leadership and team engagement

Team leaders at PwC China are our People Champions, and play an integral connecting role between the firm's leadership and our people. They drive a culture that embraces the five PwC values: act with integrity; care; reimagine the possible; work together; and make a difference. We have organised interactive drop-in workshops and briefings to equip our team leaders to manage team engagement and development. Session topics include sustainable workload, high-performance routines and engaging our people, so as to equip team leaders to adopt these principles in their own teams.

To support our career coaches, we have refreshed existing support material and launched new programmes to increase their coaching effectiveness. Over 2,000 career coaches participated in each session to refine their coaching skills and assist our employees in achieving their career aspirations.

The Game Changer Awards

Our Game Changer Awards are an initiative for PwC China to recognise intrapreneurial behaviour and innovation by incentivising our people to come up with innovative solutions that contribute to the firm's strategy. We select the most innovative solutions developed by people at all levels and provide financial recognition – motivating our people to collaborate and continue to innovate.



Engaging our future talent

We are also committed to nurturing the next generation of leaders. The LEAP programme is designed to develop leadership potential in undergraduate and first-year master's students. It provides training, workshops and opportunities to participate in campus recruitment activities, empowering students to become "future talent" and "game changers". The LEAP programme aims to cultivate creativity, problem-solving skills, adaptability and leadership capabilities, in support of a diverse and inclusive workspace culture.

Upgrading the candidate experience with innovative recruitment strategies

We hire thousands of fresh graduates and experienced professionals each year. Innovation is embedded in our talent acquisition strategy, enhancing our new hires' career experience from the start of their journey at PwC China.

We also hosted our "PwC Day", a signature campus recruitment event held on a gamified Metaverse platform, offering an immersive learning experience for our prospective new hires to understand more about PwC China.

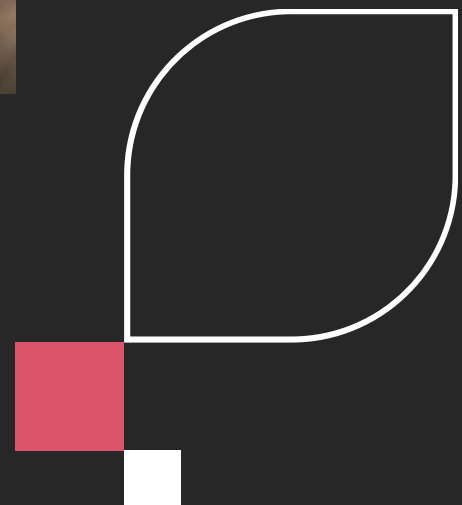
Separately, we designed and developed a "Workforce of the Future" zone on our Sandbox Metaverse platform, which involved a case study competition aimed at attracting talented individuals passionate about advanced technology.



08

Community

Cultivating a flourishing society: creating positive impact



Serving Chinese society with professionalism

We have always upheld the principle of serving Chinese society with professionalism. At PwC China, a total of 21 professionals serve as deputies to the National People's Congress, Chinese People's Political Consultative Conference (CPPCC) members, advisors, committee members, counselors, special prosecutors, chairpersons, vice chairpersons and board members in 33 national, provincial, municipal and district level People's Congresses, CPPCC committees, government and procuratorial organisations, and united front work, social and mass organisations. In the past year, a total of 37 submissions have been made in the form of proposals, resolutions, special reports, internal references and suggestions, while 152 professionals served as technical committee experts in 171 professional associations in the fields of accounting, finance, ESG, and regional economics.



37

report submissions made by PwC China professionals on national matters.

152 professionals served as technical committee experts in 171 professional associations in the fields of accounting, finance, ESG, and regional economics.

152

21

PwC China professionals served 33 national, provincial, municipal and district level organisations.

These representatives serve with loyalty and uphold the welfare of China. They engage in political discussions and use their professional expertise to assist in the deployment of major national strategic initiatives, facilitating China's economic and social development. Our people have shared advice and suggestions on areas including improving people's quality of life, accelerating the green transformation, promoting modernisation of the national governance system, achieving sustainable development, driving digital transformation, optimising the business environment, expanding high-level opening to the outside world, accelerating free trade zones and promoting coordinated regional development. As we embark on the great journey of creating modernisation with distinct Chinese characteristics, we will harness newfound advantages, showcase innovative achievements and forge ahead with additional contributions.

Our strategy and approach

We are committed to participating in the economy and in wider society by using our capabilities to support community development. China has made significant progress in reducing poverty, and is now focussed on revitalising rural areas and promoting shared prosperity. We work with several NGOs to create meaningful social change through donations, through pro bono or discounted projects and through volunteering. Digital upskilling has been a key focus for PwC China in recent years. We allocate resources to community engagement programmes that enable young people and NGOs to access study and work opportunities, and to get involved in the new digital age.

Number of volunteers

2,748

Number of volunteer hours

91,364

Donations* (in RMB)

12,152,262

Pro bono projects

22

*Including RMB 8 million funding to establish Beijing PwC Zhong Tian Charitable Foundation



Supporting children and youth development

We support children and young people in rural China to access a better education

In 2018 we established a partnership with the Shanghai Adream Charitable Foundation (Adream) to help reduce the disparity in skills and opportunities for children and young people in rural and under-served communities in China. Our collaboration also seeks to improve digital literacy among broader groups. With our financial support and the participation of our employees as volunteers, we have enabled more young people to access age-appropriate, quality education and state-of-the-art teaching equipment.

- **Developing financial literacy**

Encouraging awareness of financial management can help students develop good financial habits at an early age and make wise financial decisions. With this goal in mind, we have funded the development of financial literacy courses with Adream since 2018.

By FY23,

1,200 teachers delivered this course

500+ schools across

29 provinces in China

100,000+ students benefitted



- **Building multi-media classrooms**

We have sponsored seven "Adream Center" classrooms in schools in Yunnan and Hebei provinces, benefitting over 6,000 students. The classrooms are equipped with multimedia teaching facilities, and tablet PCs, books for students and training materials for teachers are also provided. Multimedia tools and interactive teaching techniques give students the opportunity to learn more and to narrow the digital skills gap. In FY23, nearly 80 teachers and more than 4,500 students benefitted.

- **Running digital upskilling campaigns**

In FY23, we sponsored Adream to hold the "Digital Future" science lecture in Shanghai. This lecture gave the public insights into technology and stimulated the audience's curiosity.

We have also supported eight community "Tech Carnivals" in different Shanghai neighbourhoods. These focused on gamified technology literacy and critical thinking, engaging more than 140 children.

450

primary and secondary students and their parents participated

4,400+

livestream viewers tuned in to watch the lecture



We engage our people as mentors to help students "Strive and Rise"

We aim to solve problems in communities and to create sustainable social impact. For this reason, we are committed to supporting the "Strive and Rise" programme launched by the Hong Kong SAR Government in 2022. This targets Secondary One to Secondary Three students from underprivileged families – particularly those living in subdivided units.

Strive and Rise aims to broaden students' horizons and reinforce their self-confidence. It encourages a positive outlook on life and helps students to set goals and strive for upward mobility, breaking the cycle of inter-generational poverty. Visits to businesses and job-shadowing opportunities give students a wider range of learning, as well as exposure to different job types, with the aim of inspiring them in their future career planning. To support the programme, we have matched over 90 PwC volunteers with student mentees. These mentors provide guidance and support throughout the mentorship journey, supporting students in their personal and academic development.



Upskilling university students

We equip college students with digital skills to ready them for the future

We hosted "Digital Skills Enhancement Bootcamps" with the Shanghai Yiyou Youth Center for college students about to graduate. The programme equips students with digital skills such as data analysis and user journey design, in order to help them adapt to the demand for digital skills in today's workplace.

From FY21 to FY23,

- nearly 300 PwC China volunteers helped with teaching, tutoring and judging
- volunteering more than 1,300 hours, and
- benefitting 1,500 students

We cultivate design thinking skills among young people

We launched the Young Educator Incubation Programme 2022-2023 with La Violet Education. This aims to help young people be future-ready by providing design thinking and facilitation skills. Encouraging students to develop their soft skills opens up a wider range of career paths, while making a positive impact on education with diversified learning opportunities. 23 university students received 12 hours of intensive training to be design thinking facilitators, followed by 30 sessions of "on the job" training to further develop real-world practical facilitation skills and experience.

We encourage university students to improve their consulting skills

Consulting skills are expected to be in greater demand among employers, and are applicable to a vast range of occupations. PwC China Service Delivery Centre encourages university students to learn and improve their consulting skills. It was the exclusive sponsor of the 2nd Sichuan University Student Management Consulting Challenge, which was held in 2023. 280 students from more than 30 universities took part.



As volunteers at the Bootcamp, we interacted and brainstormed with college students from different regions online during the whole programme. By sharing PwC's professional and technical expertise and understanding of ESG, we helped the students to improve their problem-solving skills by integrating technical theories with real-world experience. I also felt my own abilities improving as a result."



Laurie Diao
Manager, Assurance,
PwC China



Building capacity for NGOs

We support the development of evaluation in the NGO sector

Since 2018, we have contributed annual funding to the Evaluation Support Platform for Philanthropy. This platform aims to develop the theory and practice of evaluating the impact of philanthropy. It also aims to improve the skills and professional standards of evaluation practitioners and to establish a learning platform for NGO professionals. In FY23, we extended our sponsorship to help establish an evaluation knowledge database. This gathers cutting-edge theories, methodologies and case studies regarding the evaluation of charitable programmes, with the intention of sharing this valuable knowledge with NGO professionals.

We provide guidance on data governance

Given the growing importance of the governance of data, PwC China has continued to provide guidance to NGOs with the support of the Hong Kong Council of Social Service (HKCSS). In FY23, we conducted a workshop on data governance for NGOs, where we discussed implementation challenges and provided hands-on assistance in developing a data governance strategy.

Based on an initial assessment of the maturity of their data governance, the workshop helped sixteen NGO leaders to formulate a data governance plan and a preliminary road map for execution. The workshop also looked at how NGOs can make the best use of technology to set strategic data priorities: from governance and long-term planning, through to implementation, evaluation and reporting.

We share insights on how ESG is applicable for the NGO world

The positive environmental and social impacts of NGOs make them important building blocks of ESG. At the same time, the increasing attention being paid to ESG represents a valuable opportunity for NGOs to further their missions together with their key stakeholders.

NGOs can benefit from understanding how ESG impacts corporates and philanthropic foundations. They can then integrate ESG into their own strategy and operations. PwC China's ESG team organised a webinar for more than 70 NGO leaders in Hong Kong on ESG compliance and reporting. The team has also prepared an ESG reporting toolkit, to be published at the end of 2023.



As the Chairman of the Board of Directors of the Shanghai Pu Hui Charitable Foundation, I am pleased to use my expertise to participate in the Foundation's governance and fundraising, and to provide a brighter future for rural left-behind children through the Foundation. I hope more of my colleagues will also join the volunteer team and contribute their time and skills."



Stella Fu
Partner, Tax, PwC China

We join hands by participating in NGOs as board members

By participating in NGOs as board members, supervisors or committee members, PwC China's people contribute to the development of charities and their work in the community. In FY23, 65 volunteers supported 76 charities.

FY23 volunteering impact

PwC China is committed to supporting communities through volunteering. We encourage our people to share their skills, knowledge and experience to make the maximum impact. We facilitate volunteering by providing funding, policy support and other resources and opportunities. PwC China offers 20 hours of volunteer leave at all levels of the firm. Volunteer hours are not limited where our people use their professional skills.

2,748

Total number of volunteers

91,364

Total number of volunteer hours

1,587

Number of skilled volunteers + professional participants

86,057

Number of skilled volunteer hours + professional hours

208,991

Number of beneficiaries reached

A Better Community

To better help NGOs succeed in their strategic planning, marketing, fundraising, stakeholder engagement and other areas, PwC China has been collaborating with A Better Community (ABC) since 2013 by offering volunteering services. For ten years, our volunteers have contributed their time, expertise and skills to facilitate the sustainable, effective and healthy growth of NGOs in China.

We share our work experiences with students in remote China

The Rural School Volunteer Week Programme (RSVP) is one of the main volunteering activities in education organised by PwC China. During this programme, our volunteers teach and share their work experience with students in remote areas of China. In FY23, we collaborated with the Shanghai Stepping Stones Youth Development Center, Adream Foundation and Beijing Yao Foundation to host RSVP programmes in Henan, Hebei and Sichuan Provinces.

We engage university students in ESG

PwC China sponsored the ESG Challenge 2023, organised by the Hong Kong Federation of Business Students (HKFBS). The Challenge aimed to unleash the potential of university students by raising their awareness of ESG. Our partners and staff volunteered as speakers and workshop facilitators, inspiring 258 students to find innovative ESG solutions throughout the challenge.



I was honoured to have the opportunity to deliver a guest lecture to undergraduate students and serve as a judge for the ESG Challenge 2023. Nowadays, students have more opportunities than ever to learn about and participate in ESG. This is critical for their future endeavours, regardless of the industry or position they pursue. It was a pleasure to converse with our younger generation at these events."



Cyrus LK Cheung
Partner, One Firm Services,
PwC China

We take part in charity walks to support a range of causes

In FY23, our people participated in 20 charity walks and runs, raising funds for a range of causes, such as donating learning materials to remote primary school students, supporting NGOs to provide family and children welfare services, and distributing food and necessities to the homeless.

Corporate Sustainability Champion Engagement and Awards

Over the past decade, we have established and developed the Corporate Sustainability Champions Network. This brings together people who are passionate about exploring solutions to sustainability issues and influencing more people in the process. The Corporate Sustainability Ambassador Award recognises and rewards outstanding representatives of this network, and encourages them to promote sustainability and bring more positive impact to the community. Around 500 employees have become Corporate Sustainability Champions, playing an important role in initiating activities with social and environmental impact.



Sponsoring charitable and public welfare initiatives

To align with the central Government's call to support enterprises that have the desire and ability to actively participate in charitable and public interest initiatives, we have established a charitable foundation in Mainland China. Together with our long-established PwC Foundation (Hong Kong SAR), PwC China is committed to sponsoring charitable and public welfare initiatives and enhancing societal impacts.



The launch of the Foundation aligns with the central Government's call to support enterprises that have the desire and ability to actively participate in charitable and public interest initiatives. It's also a response to the Government's appeal to value the role of the third distribution and develop public welfare undertakings such as charity. The Foundation further demonstrates PwC China's ongoing commitment to invest in charitable and public welfare initiatives."



Xing Zhou
Chair of the Board

We launched the Beijing PwC Zhong Tian Charitable Foundation

The Beijing PwC Zhong Tian Charitable Foundation was launched in March 2023, following the approval of the Beijing Municipal Civil Affairs Bureau.

The Foundation's scope of services includes:

- Improving living conditions for underprivileged families.
- Funding education for underprivileged students and improving infrastructure in disadvantaged schools.
- Supporting disaster relief, including natural disasters, accidents and other emergencies.

By establishing the Foundation, we hope to provide more standardised, systematic and effective support, including disaster relief efforts and rural revitalisation, thus further contributing to the development of a more harmonious society.

We continue to support causes through the PricewaterhouseCoopers Foundation (Hong Kong)

Established in 2006 as a trust fund, PricewaterhouseCoopers Foundation offers PwC and our people a medium to support communities, mainly in Hong Kong SAR. In FY23, the Foundation made over HK\$ 1.6 million in donations towards PwC China's strategic charity partners, supporting staff-initiated volunteering programmes and providing a channel for staff and partners to make donations to their preferred charities.

Supporting and funding emergency responses

Donation to Sichuan earthquake

In September 2022, PwC China donated RMB 300,000 to the Sichuan Provincial Charity Federation to support emergency rescue and rehabilitation in Luding County, Sichuan Province.

Donation to Türkiye disaster

In February 2023, a devastating earthquake struck Türkiye and Syria, causing a huge humanitarian crisis in need of funding support. PwC China immediately made donations totalling more than HK\$ 780,000 to provide urgent aid through UNICEF Hong Kong and to support the rebuilding of a permanent school in the affected regions, helping students regain normality in life.



Providing support through pro bono discounts and subsidies

We supported Adream Foundation on its strategic Border School Expansion programme

In FY23, our Strategy & Education Team supported the Adream Foundation in expanding their reach to border schools in need. The programme involved conducting comprehensive research and gaining valuable insights into the digital advancement of education in county-level schools, specifically across six provinces and 24 border schools.

We carried out in-depth research and interviews to gather information and understand the unique circumstances of border schools. By identifying trends and best practices across the county-level school systems, we created a sustainable operation model for the future evolution of the education sector.

The project deepened Adream Foundation's understanding of border school conditions, providing forward-looking insights into digital education in the counties. This enabled them to have a clearer vision and to implement a sustainable operation plan for their "Border School" initiative. Our collaboration has fortified our enduring partnership with the Adream Foundation, supporting the execution of their long-term development strategy for the programme.





Robotic Process Automation

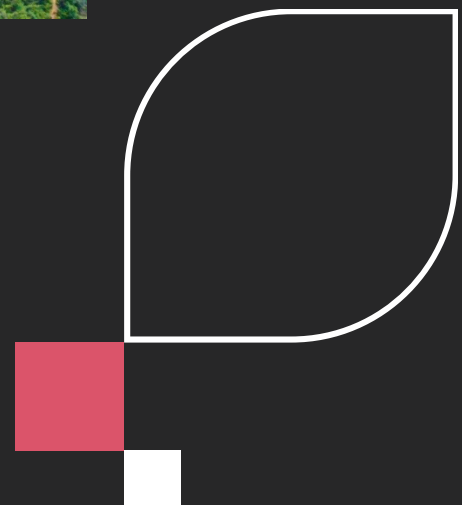
Many non-profit organisations have a mission to deliver the best and the most for those in need, as efficiently as possible. The adoption of technology and innovative solutions is key to capacity building in NGOs, as well as to supporting them to deliver sustained outcomes to their beneficiaries.

In FY23 our Digital Redesign (DRD) Team provided pro bono consultancy support on Robotic Process Automation (RPA) to two NGOs in Hong Kong. This enabled the NGOs to automate manual accounts and finance processes. The RPA service helped both NGOs to significantly minimise the time required on these processes, allowing them to redeploy the valuable time and efforts of their people to more critical financial functions.

09

Transformation

Igniting innovations: fuelling
prosperous growth





Quality as our cornerstone

Delivering quality service that consistently meets the expectations of our stakeholders is at the core of our work to foster trust and drive sustainable results. Our efforts and investment have led to our services being recognised as first among the top 100 accounting firms for 20 consecutive years by the Chinese Institute of Certified Public Accountants (CICPA). Our expertise in audit, tax, compliance, cybersecurity, legal, deals, digital transformation and sustainability provides a comprehensive system of quality management, tailored to our clients' needs and objectives. Our network's Global Assurance Quality (GAQ) organisation supports us in promoting, enabling and continuously evolving assurance quality through effective policies, tools and guidance.

By combining our multi-disciplinary competencies across our businesses and global network, we provide clients with integrated solutions that address their complex challenges. From enhancing tax advice on optimising supply chains with our sustainability strategy expertise, to leveraging our responsible AI and people and organisation skills to complement digital transformation, our cross-functional knowledge base provides a unique ability to meet clients' needs.

Our professionals are at the forefront of emerging areas. They are shaping the market landscape, building strategic alliances that foster collaboration and innovation, and developing proprietary tools that enable us and our stakeholders to thrive in the digital era.



Building a prosperous China

Driving sustainable development and economic growth

Echoing China's 14th Five-Year Plan, our business practices have a strong focus on sustainable development, digital transformation and the modernisation of agriculture. We work with Government authorities on initiatives such as rural revitalisation, thus helping to set the course for the nation's development. Through extensive field research and discussions, we provide key insights to businesses in line with national priorities. We also explore pathways for industrial development and optimisation of natural resources, as well as research in areas applicable to the Chinese context.

Our professional knowledge, resources and network enable us to offer services that help organisations achieve their goals – including those related to sustainability. In response to the Five-Year Plan, we are addressing national challenges by prioritising digital innovation, ESG, regional economic clusters and the workforce of the future. With our New Equation strategy, we are driving economic growth, fostering collaboration and serving the real economy.



Economic growth



Our investment in digital transformation and AI enhances operational efficiency for businesses. This leads to increased productivity and competitiveness, which are essential factors for economic prosperity.

Risk management



By incorporating climate risk management into operations, we mitigate potential disruptions, protect assets and ensure long-term sustainability of operations for businesses. This leads to improved resilience and stability in the economy.

Access to capital



We work with strategic and financial investors to raise capital and complete acquisitions, divestitures, strategic alliances and joint ventures through our Initial Public Offerings and Mergers & Acquisitions work. We support businesses to set targets, generate and evaluate key initiatives and identify options to fill gaps, thus fostering capital flows and supporting economic growth.

Regulatory compliance



By supporting organisations to comply with regulatory requirements suitable to their activities, we create a more transparent and accountable business environment. We establish effective compliance systems to enhance the level of risk control and mitigate compliance-related risks. This creates trust between businesses and key stakeholders, contributing to a sustainable economy.

Reputation enhancement



We build and enhance businesses' reputation with our professional services, which deliver lasting value across audit and assurance, consulting, deals and tax. We develop tailored solutions that help clients overcome business challenges specific to their industries. This creates competitive advantages for companies in China for long-term success and prosperity.

Thought leadership



We release regular insights and research reports, including reports that help stakeholders keep informed of the latest trends across China. This leads to a more accurate understanding of China, contributing to a positive long-term impact on China's economy. For more Thought Leadership content, please refer to the [Transformation – Research highlights section](#).

Yongsheng County rural revitalisation

In February 2023, we established a strategic cooperation agreement with the People's Government of Yongsheng County, Yunnan Province. This agreement aims to revitalise the County by providing professional support, training, charitable donations and connections to resources.

Our promotion of rural revitalisation underlines our commitment to the country's major strategic goals, thus helping China's economy develop sustainably. Over the next three years, we will provide resources to establish long-term support for Yongsheng County's revitalisation. This will include talent development, supporting youth education and promoting agricultural produce. PwC China has set up a joint working group, which consists of audit, tax, consulting, ESG, sustainable development and other departments, to implement specific assistance plans.

In June 2023, our booth at the Shanghai International Carbon Neutrality Expo promoted YongSheng's flagship product – mushrooms. PwC China's leadership promoted the mushroom industry and our Yongsheng County support programme.



Rural revitalisation is a major national strategy. Adhering to the concept of 'Serving the Nation with Professionalism', PwC China hopes to make use of our professional advantages in talent cultivation, strategy setting, connections to resources and brand empowerment. In this way we can help Yongsheng County make good use of its unique natural resources and geographic advantages, and contribute to the construction of a more prosperous Yongsheng County."



Daniel Li
Assurance Managing Partner,
PwC China



A selection of our social impact case studies

Rural revitalisation through sports and health care



Rural revitalisation contributes to inclusive and sustainable development. It also complements China's poverty alleviation and dual-carbon strategies.

Our Consulting Team provided advisory support to a Chinese County that is engaged in a process of rural revitalisation and building a comprehensive cultural project, integrating sports, agriculture and tourism. Our role encompassed offering guidance on project positioning, construction plans, feasibility studies, and operation management plans.

This project's primary focus lies in establishing a national-level sports injury rehabilitation, youth training, and sports education precinct. The project will create a one-of-a-kind, sports-themed health care area, serving as a rural revitalisation demonstration area and a natural ecological landscape tourist destination. We also collaborated with two other organisations specialising in the areas of Sports and Architectural Planning to provide planning and design services to the project.



Creatively using spatial data to address challenges

Easily accessible, high quality and up-to-date spatial data and services are essential for a smart city. To propel Hong Kong's development into a liveable, smart and innovative city, Common Spatial Data Infrastructure (CSDI) was launched in December 2022 to facilitate searching, viewing and downloading of various kinds of spatial data for free by the general public.

To promote CSDI and to raise the public's interest in spatial data, Geospatial Lab, established by the Development Bureau, has commissioned PwC China's Sustainable Urban Team to organise the CSDI Awards 2023 – Propel Our City with Spatial Data. The goal of these awards is to encourage students and members of the public to make creative use of spatial data to address challenges faced by the city. The theme of the 2023 Awards is ESG. By incorporating ESG principles into the development process, innovative solutions can be generated to address key ESG issues bearing a spatial dimension, such as environmental protection, social inclusion, conservation, wellbeing and access to resources.

Besides organising and conducting the award ceremony, we led design thinking workshops to help contestants to generate ideas for the competition and arranged roadshows to demonstrate winning entries.

In total, we received over 100 entries and shortlisted about half for the final competition and presentation. Contestants included secondary students from a wide range of schools and a mix of university students of urban studies/geo-informatics and surveying/town planning professionals.

International Carbon Neutrality Expo

At this Expo, our subject matter experts engaged with representatives from international organisations and practitioners from leading domestic and foreign businesses, with the aim of shaping the future of a carbon-neutral world. We work with industry to promote a sustainable future by inspiring industry insights and proposing policy recommendations. Through participation in events such as this, we continue to support dialogues and partnerships for a carbon-neutral future.

Innovation in services

Echoing the Chinese Government's 14th Five-Year Plan and strategic development plans that highlight the importance of innovation in driving social development and economic prosperity, PwC China has incorporated innovative solutions and technological innovation into our business operations. By fostering knowledge sharing, collaboration and innovative thinking, we cultivate a culture of sustainable practices that prompt a collective shift towards a more resilient and inclusive society.

Reimagine Park - connecting China, Asia Pacific and beyond

The ground-breaking ceremony of Reimagine Park in Sanya City, Hainan Province, marked the start of a journey to create an innovative platform which will be a critical pillar of PwC's New Equation strategy to empower sustainability, digital innovation and talent development



Reimagine Park provides clients and PwC China with learning opportunities focused on sustainability and a platform where a community of solvers, including businesses, governments and communities, come together to co-create a sustainable future across China, Asia Pacific and beyond.

The design of the Park is technology-driven and people-centred. It will adopt cutting-edge environmental protection technology and feature low-carbon construction methods, along with green transportation and energy management systems.

AI

PwC China is pioneering innovation in services by redefining how we help clients to build trust and drive sustained growth. Our commitment to Responsible AI is underpinned by a deep understanding of all relevant legal and regulatory concerns.

Over the next five years, we plan to inject RMB 3 billion into AI development and engage our 25,000-strong workforce in a strategic process to integrate Responsible AI. We collaborate with business partners in technology ecosystems to develop Responsible AI frameworks, extending beyond business to society at large. Internally, we utilise AI to transform and enhance our operations. Externally, we leverage AI to drive digital transformations, create AI-driven solutions to challenges, and transform existing client service offerings. Through this phased and risk-based approach, we achieve significant improvements in quality and client value, while ensuring strict regulatory compliance.



By harnessing the power of Responsible AI and other cutting-edge technology, we enable our clients and stakeholders to build resilience, drive innovation, foster trust and achieve sustained outcomes."



Wilson Chow

Global TMT Leader, China Firm AI Leader, PwC China

Digital Tools

We embed digital tools and build frontline leadership capability through a blend of expertise in cutting-edge technology, data collection and regulatory compliance. We leverage the power of technology to streamline processes, increase efficiency and provide valuable insights, enabling organisations to make informed decisions and drive positive impact. Aligned with the goals set forth in our New Equation strategy, we provide digital products and industry solutions covering

areas including sustainability, tax management, compliance, risk management, digital platforms, education and smart workspaces.

Our Digital Store provides newly developed tools to support businesses in building resilient strategies and navigating the business landscape.

Sustainability Our digital solutions for sustainability are designed to automate the reporting and management of climate-related disclosures in accordance with global standards and frameworks. We use digital platforms to streamline ESG management workflows and integrate ESG with other relevant risks, resulting in a comprehensive risk assessment that identifies opportunities for growth. We support businesses to capitalise on emerging opportunities by building climate-resilient portfolios that identify significant ESG trends and, by providing insights into areas that require improvement, facilitate transparent and informed discussions with stakeholders. These tools include,

- ESG Reporting Tool
- PwC China Emissions Tracker
- Responsible Investment Toolkit and Analytics

Tax management We provide digital transformation solutions that leverage PwC China's expertise in transforming tax functions into strategic assets for organisations. Our cutting-edge technologies and AI-driven tools support effective tax reporting, data management and analytics. Our solutions enable C-suite and tax executives to develop adaptive skills, creating a robust and future-proof tax ecosystem for organisations.

- Total Tax Management Platform (also known as Accelerated Business Collection)
- Advanced Tax ERP
- HK Profits Tax

Compliance We build and implement smart and automated compliance-related platforms designed to support operations to meet global regulatory requirements. Our tools ensure stringent protection standards, streamline market entry, optimise operations to adhere to best practices and foster inclusive working environments.

- Privacy Ready
- Privacy Operation Hub
- Entity Management System
- Whistleblower and Ethics Platform

For more information on our digital tools, please visit the [PwC China Digital Store](#).



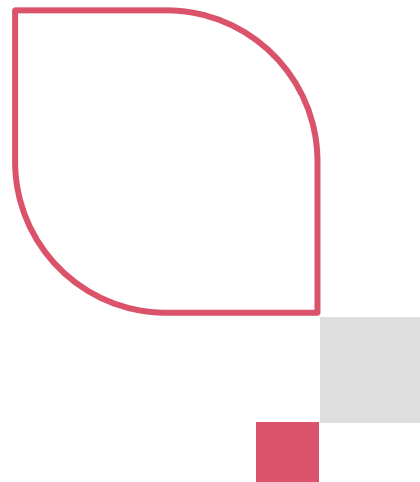
PwC China's portfolio of client services across all sectors positions us to drive the rapid transition towards a net zero future together. We are committed to partnering with organisations, supporting them in developing and implementing actionable plans to achieve net zero, while seamlessly integrating crucial sustainability factors into their overall strategies and operations. Together, we can pave the way towards a sustainable and responsible future."



Amy Cai
Sustainability Managing Partner,
PwC China

Sustainability services

PwC China is at the forefront of the transition to a greener economy and a more sustainable future. We understand that building trust and partnership is crucial for collective action and for making greater impact to support China's sustainability priorities. As the national strategic development plan outlines the importance of deepening reform and embracing modernisation, we strive to maximise our influence through sharing skills, knowledge, and resources to amplify and accelerate decarbonisation, to facilitate green transformation and to comply with current and future regulations.



TNFD Advisory: Evaluating nature-related risks for a utility company

We helped a client pilot the Taskforce on Nature-related Financial Disclosure's (TNFD) Locate, Evaluate, Assess and Prepare (LEAP) assessment model. Based on the benchmarking analyses, we engaged with the company's key stakeholders to map and identify key material issues. The results were disclosed in a TNFD pilot evaluation report, facilitating informed discussion and decision-making on the company's future strategy and operations.

Sustainable Finance: Raising ESG investment potential for a Chinese financial institution

We helped a client to develop green finance, dual carbon and ESG strategies. We worked with the company to enhance its overall ESG management capability, extending from formulating strategic plans to facilitating active engagement among management.

ESG Data Assurance: Ensuring data accuracy and accountability for an insurance company

We increased the efficiency and effectiveness of the client's operations by ensuring data accuracy. This involved conducting ESG data assurance in compliance with ISAE 3000 and ISAE 3410 standards, which meet the requirements set by the International Auditing and Assurance Standards Board. We conducted inquiries, evaluated processes and controls, and reviewed documentation to identify potential risks and recommend improvements.

TCFD Advisory: Identifying climate risks and opportunities for a Chinese food & beverage company

We helped the client to address climate-related risks and opportunities through risk assessment and scenario analysis. By demonstrating the physical and transition climate risks in business operations and supply chains through impact pathways, we assisted the client to identify gaps within the organisation's governance of its risk management .

SBTi Alignment: Establishing emissions targets for a Chinese transportation company

We established a holistic approach for improving ESG management based on the requirements of Carbon Disclosure Project (CDP) reporting. Our solution involved conducting department-wide interviews to gather insights, providing training on climate-related financial disclosure guidelines (TCFD) and offering guidance on setting science-based carbon targets (SBTi).

ESG due diligence: Mitigating legal violation risks for a Chinese energy company

We performed due diligence for a client to assess any major legal violations or significant environmental and social impacts related to their projects. Following client feedback and subsequent rounds of revisions, we prepared a due diligence report along with recommendations for corrective measures.

A selection of our client case studies

ESG Reporting: Enhancing disclosure for a telecommunication company

We supported the client in preparing and refining its annual Sustainability Report aligned with the requirements of GRI, HKEx Appendix 27 and ESG rating agencies' expectations. This involved keeping stakeholders informed of its sustainability performance, helping the company continue to perform as one of the sustainability leaders in the telecommunication industry.

ESG Ratings: Advancing ESG score and performance for an infrastructure company

We strengthened the client's ESG score and, along with this, their ESG performance and accountability. A set of databases and tools was used to map out the potential areas of improvement in meeting the requirements of ratings, including DJSI, CDP and HKQAA. We further conveyed areas for improvement and offered workshops on suggestions to enhance their sustainability performance.

Sustainability

Sustainability isn't about ticking a box; it's about making a difference for our network, clients, governments and societies. We do this by coming together to solve some of our biggest, most complex challenges.

Our teams are industry-led and client-centric, and draw from the multidisciplinary capabilities across PwC.

Net zero transformation



We work with our clients in their strategy and transformation journey by aligning their business, climate and sustainability priorities to accelerate growth and create future-proof business models. Our net zero transformation services span from governance, risk and finance to technology, workforce and skills.

Risk, resilience and adaptation



We work with our clients and partners to enhance resilience, including assessing the impacts of climate and sustainability risks on business, and acting to adapt and build resilience. We capitalise on opportunities that help businesses, communities and ecosystems adapt and build resilience while also pursuing efficiency and sustainability outcomes.

We aim to shape collaborative outcomes including multi-stakeholder efforts that deliver transformative projects to build ecosystem resilience.

Energy transition



We are working with key players in the economy to fuel a resilient future through powerful alliances, greener investment and greater use of renewables. This includes the growth and development of sustainable transport and energy infrastructure, as well as the ecosystem to support them – from green minerals to financial institutions.

Sustainable supply chain



We put our experience to work by helping companies assess and manage the impact their operations are having on the environment and on the communities in which they operate. Understanding these impacts can drive improvements to corporate strategy, day to day operations and ultimately on financial performance.

Sustainability reporting and assurance



We help our clients address ESG expectations from regulators, investors and rating providers, prepare ESG reports in accordance with regulatory requirements, communicate their sustainability strategy and provide assurance for their ESG data.

Sustainable capital



We advise leading impact-focused financial institutions on sustainable capital and investment strategy, policy development, impact measurement and reporting. Our clients look to us to help them manage sustainability risks in their investments, and capitalise on new opportunities.

Sustainable urban



We work with government and public sector organisations at all levels to help formulate and implement responses to the challenges and opportunities presented by the demanding and changing political and business environment. Our commitment to the public sector means we understand the specific and differing needs of our clients and the societies that they serve.

Sharing our knowledge with the wider market and community

We lead conversations that facilitate meaningful discussions with our wider community. Through sharing our knowledge, we can co-create solutions capable of solving important problems. We do this through a plethora of ways, including hosting and participating in conferences, seminars and events, as well as active dialogue with government, business and community leaders.

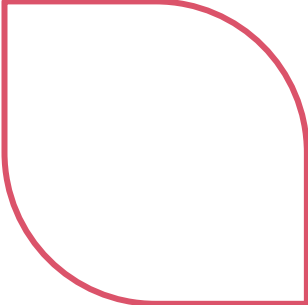
ESG Star Talk

PwC China's approach to leading conversations on key sustainability issues involves expanding collective knowledge through information sharing platforms. We collaborate with established partners, including ESG experts, industry leaders, investment institutions and national and international organisations. This has led to the launch of a comprehensive, integrated online communication platform known as PwC China's ESG Star Talk. This focuses on a wide array of ESG themes, including sustainable urban development, establishment of green industrial parks, sustainable investment, green finance and global trends. The platform facilitates discussions of case studies, fostering a collaborative ecosystem that works to create a new benchmark for sustainable industries. For example, our in-depth discussions with suppliers on how businesses can decarbonise scope 3 supply chain emissions have helped them uncover climate-related risks and opportunities by analysing their impact on the business ecosystem and value chain.



Research Highlights

Focusing on areas in line with national priorities, we conduct ESG research and provide insights to businesses that are applicable to the Chinese landscape. Below is a summary of our recent research highlights in response to the goals of the 14th Five-Year Plan:



[Cities of Opportunity Series Special Edition - Shenzhen and Hong Kong combining strengths for mutual development](#)

Thought Leadership series initiated by PwC China and the China Development Research Foundation to observe China's growth in urbanisation. Aligned with China's 14th Five-Year Plan, the report highlights the opportunities brought about by the development of urban clusters, such as positive impact on the national GDP.

[Advancing the green development of the Belt and Road Initiative: Harnessing finance and technology to scale up low-carbon infrastructure](#)

Insight report, in collaboration with the World Economic Forum, on the interplay between low-carbon technologies, financial sector players, financial instruments and the policy environment in advancing the green development of the Belt and Road Initiative.

[Pathways towards sustainable cities: the progress of Hong Kong SAR and Shanghai](#)

An overview of current progress and the future of sustainability in China. This research redefines the four pathways towards building Hong Kong and Shanghai as sustainable cities.

[The winning path of sustainable development for regional banks: digital transformation](#)

Practical and detailed guidance on the digital transformation of regional banks, highlighting the importance of regional economic development and sustainable growth in China.

State of Climate Tech – Overcoming inertia in climate tech investing

PwC's third annual State of Climate Tech report highlights the urgency in early-stage funding for technologies with the highest potential of reducing emissions.

Research report on the sustainability trends of Hong Kong listed companies

Report on sustainability trends among Hong Kong listed companies prompted by the rise in extreme climate disasters and intensified socio-economic changes.

Technical and Professional Education and Training (TPET): Building the workforce of the future

Summary of the trends and latest development in Technical and Professional Education and Training (TPET) in Hong Kong, as well as PwC China's initiatives and efforts to address the need for workplace learning and training.

Chinese enterprises need to understand the ISSB requirements

Practical guidance outlining the detailed requirements of the International Sustainability Standards Board (ISSB) disclosure guidelines applicable to Chinese enterprises.

WBCSD incentivising supply chain decarbonisation

Report in collaboration with WBCSD that outlines the solutions to incentivise supply chain decarbonisation and how this can contribute to net zero.

WEF critical business actions for climate change adaptation

Research report presenting a climate adaptation framework that addresses climate risks and opportunities. The report underscores the importance of mitigating negative impacts of climate change and building resilience.

The Post-2020 Global Biodiversity Framework and what it means for business

Report co-published with the World Economic Forum that introduces the most business-relevant aspects of the post-2020 Global Biodiversity Framework (GBF) and examples of approaches that will contribute to achieving its targets.

Are your investments enabling a Just Transition?

Study of how financial institutions can rebalance a portfolio for net-zero commitments while managing the impact on people, the planet and profits.



Data privacy and cybersecurity

In recent years, China has placed greater emphasis on data privacy and cybersecurity, evident in the implementation of various data protection laws, including the Cybersecurity Law (CSL), Data Security Law (DSL) and Personal Information Protection Law (PIPL). Also recognising the importance of these topics in our increasingly digital society, we have taken proactive measures to process data lawfully and reliably to ensure effective and safe data management enforcement. For years, we have been enhancing our data governance and management to support the sustainable business ecosystem, as well as making a positive impact for our clients to strengthen data trust and confidence.

In order to maximise the efficiency and effectiveness of business operations, we have established a sound data governance system, with sets of defined procedures. Under these procedures, our people, processes and technology can work together to enable a well-defined data management system with appropriate compliance, and which respects the confidentiality, integrity and availability of our employee, client and stakeholder data.

Data security and privacy protection mechanisms

PwC China's Information Security Policy enforces adequate procedures to protect the security of our information systems and the data of our employees, clients, and stakeholders. Our policies and controls guide our practises on data lifecycle management, with the implementation of organisational and technical controls reducing the risk of unlawful intrusion. We attach great

importance to the confidentiality of our information to ensure its accuracy and completeness. We enforce robust security measures to safeguard individuals' data privacy and respect their legal rights. We comply with applicable legal, regulatory, and contractual obligations in China.

To ensure sufficient mechanisms are in place at the ground level, PwC China uses leading cybersecurity tools and applications at all levels, protecting our client data and our firm from a range of threats and risks. The tools and applications protect our systems and internal infrastructure from outside threats in terms of access control, user identification, malicious activity and more - further protecting our client data and operational environment.

Strengthening cybersecurity awareness and improving data literacy

We ensure that our partners and staff have enhanced awareness of and attentiveness to cyber and data risks. We have designed cybersecurity training to strengthen our employees' understanding of security risks, particularly in relation to phishing and cyber incident scenarios. Our partners and staff are required to complete annual mandatory training on cybersecurity risks and data security practices. Our people must act in compliance and be familiar with the reporting and escalation process on security violations or incidents, enabling early identification and containment of such risks.



We strive for the highest and strictest standards for cybersecurity and data protection practises to provide best-in-class quality services for our clients. We are committed to continuously enhancing our data management practises by achieving certification from international standards, as well as China's regulatory regime (e.g. ISO27001, ISO9001, MLPS Level 3).

Building data trust in society

We acknowledge the importance of formulating a comprehensive data management strategy. We aim to drive data governance and innovation more broadly, and deliver mutually beneficial outcomes for businesses, the environment and society. We leverage our data management system to help our clients establish data credibility and stay competitive in this rapidly evolving landscape.





Chief Data Officer (CDO) Survey

With the support of our clients, stakeholders and business partners, we released the 2022 Chief Data Officer survey to understand the responsibilities and key priorities for the role. Over the past year, CDO appointments have surged across most industries and regions. In the survey, we covered several topics regarding the rise of data leaders and the value of data innovation. The survey concludes that companies with CDOs have achieved higher relative growth rates for revenue and profitability, especially in the utilities, real estate and energy sectors.



Research insights

We acknowledge data as an essential factor for business to adopt, and as a driving force of the modern economy. To help businesses understand and respond to emerging data needs and issues, we conduct research and provide insights covering various cybersecurity and data protection topics. These include:

- Interpretation of the latest cybersecurity review measures.
- Understanding key trends in cyber attacks.
- Offensive thinking to improve cybersecurity defence capabilities.



Events

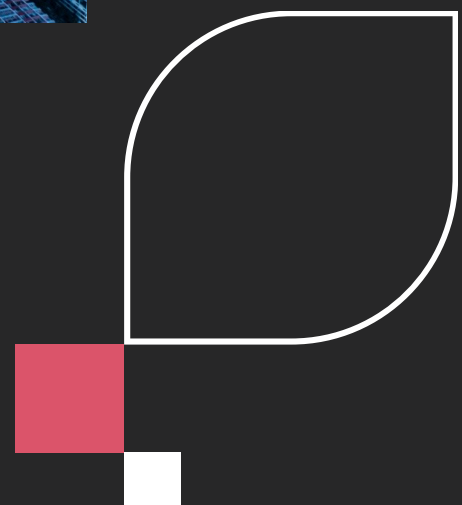
We promote a range of events on data privacy and security to maintain an edge in the constantly evolving cybersecurity landscape. One of our key initiatives to strengthen awareness of data security was the 2022 HackaDay Cybersecurity Summit in Hong Kong, which was centred on the topic of "Securing by the crowd". Now in its sixth year, [PwC HackaDay](#) is a platform to build the competency level of future talent and prepare them for a meaningful career in cybersecurity.

Extending our efforts to educate wider society on the potential risks and opportunities associated with data protection was the 2022 China International Big Data Industry Expo. In May, we collaborated with Guizhou Provincial Data Circulation and Transaction Service Centre to conduct research on a data asset pricing system and published a white paper on [New thinking on Data Asset Value and Data Product Pricing](#).

10

Governance

Building trust to deliver
future value



Governance principles

The Chairman and CEO is elected for a period of four years, in accordance with a method recommended and overseen by the Firm's governance body, the Board of Partners. The Chairman and CEO has responsibility for the strategic direction and overall management of the Firm, and is supported by a Management Board, which has responsibility for management of the Firm.

The Board of Partners is the governance body of the Firm. Its role includes advising the Chairman and CEO of issues of concern to the partners, reviewing the processes adopted by management in its decision making, and overseeing the process of the Partner Income System. The Chairman and CEO is an ex officio member of the Board of Partners. The other members are elected for a four-year term. The Board of

Partners meets approximately 12 times per year and each meeting is chaired by the Lead Director, who controls the agenda. A private session is held in each meeting without the presence of the Chairman and CEO.

Members of the Board of Partners hold a range of other external positions or commitments, including with relevant industry associations and committees, and with social welfare and non-profit organisations. In addition to their technical expertise across a range of disciplines and industries, our board members have experience and competencies across the spectrum of Environmental, Social and Governance (ESG) issues, including human capital and social opportunity, climate change, natural resources and renewable energy, business ethics and corporate governance.

PwC China Management Board

| | |
|---|---------------|
| Chairman & CEO | Raymund Chao |
| Vice Chairman – Business Services & People | Humphrey Choi |
| Vice Chairman – Strategy, Markets & Innovation | Elton Yeung |
| Managing Partner – Assurance | Daniel Li |
| Managing Partner – Advisory and Digital Redesign | Peter Ng |
| Managing Partner – Tax & Central Markets Leader | Elton Huang |
| Managing Partner – National Markets | Thomas Leung |
| Managing Partner – ESG | Amy Cai |
| Managing Partner – South Markets & REC Leader | James Chang |
| Managing Partner – North Markets & Diversity Leader | Xing Zhou |
| Chief Risk Officer | Jim Woods |
| Chief Financial Officer | Gavin Chui |
| Chief Operating Officer | Damon Hickey |
| Chief People Officer | Ewan Clarkson |

Risk and opportunity oversight

PwC China Enterprise Risk Management approach

The PwC China Management Board (MB) provides oversight of, and reviews and approves, the annual Enterprise Risk Management (ERM) Top Risks. The Strategy Risk Council (SRC), which is a subcommittee of the MB, is responsible for discussing and agreeing the Top Risks as part of the strategic risk management process and for overseeing the Firm's Risk and Quality policies and processes through authority delegated by the MB. The MB further reviews, discusses, debates, and approves the ERM Top Risks.

The Chief Risk Officer, as the ERM Programme Lead, reviews and analyses firmwide and LoS/Function level Risk Assessments. The Chief Risk Officer conducts interviews across LoS/Functions and the firm's key stakeholders in order to collate/assess the pre/post-mitigation impact and risk probabilities and to identify the ERM Top Risks for review, discussion, debate and subsequent approval by SRC and MB.

Most of the Risk Owners are on the Firm's Leadership Team (either on the Management Board or leading a Business/Functional unit). They are accountable for and take ownership of the ERM Programme by identification of risks and Significant Actions for their particular areas.

PwC China takes a rigorous approach to ERM. The risks with the highest potential impact for PwC China are identified on an ongoing basis.



As the world becomes increasingly complex, there are both familiar and new emerging risks in the business environment. We are committed to identifying, managing and planning for the mitigation of key risks to our own business. "

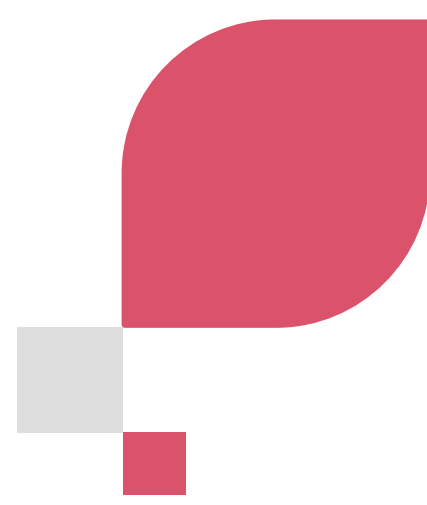


Jim Woods
Chief Risk Officer, PwC China

FY23 Enterprise Risk Management Top Risks

| Top Risks | Risk Description |
|---|---|
| Regulatory | Failure to constructively engage wider stakeholder groups in support of our purpose will constrain our ability to influence the regulatory agenda and will increase the risk of regulatory change that would hamper our ability to operate in a sustainable way. |
| Network mutuality and societal trust (combination of two risks: (i) Network mutuality/alignment (ii) Societal risks and trust) | Failure to: <ul style="list-style-type: none"> Act collaboratively due to pressures caused by conflicting regional and national priorities in the external environment; Anticipate, understand and respond to market and societal expectations and concerns, or to engage in the broader societal agenda, will erode trust in our profession and in our business and put the relevance and value of our brand at risk. |
| Repositioning people (combination of two risks: (i) People, (ii) Purpose, values and behaviours) | Failure to: <ul style="list-style-type: none"> Attract, retain and train appropriate talent to ensure resources can be deployed rapidly, in order to realise opportunities and meet clients' changing needs, make adequate plans for workforce-related changes, such as automation, and train the appropriate talent to develop future leaders; Embed our purpose in our strategy, and to ensure values and behaviours that support our purpose and our strategy are embedded consistently in our business model and in our decision making, will both prevent the achievement of our strategy and expose the network and our brand to reputational risk. |
| Technology (combination of three risks: (i) Technology-enabled disruption, (ii) Technology resilience and availability, (iii) Information and cyber security) | Failure to: <ul style="list-style-type: none"> Prepare for and respond to disruption, including bringing new services and solutions to the market with speed and agility; Manage critical system availability, impacting the ability to service clients and manage the business; Manage the security of firm or other third-party information, causing legal, reputational and brand damage to the network. |
| Data management and Security | Failure to manage and maintain firm, client or other third-party data with the highest compliance and regulatory standards, which undermines trust in the firm's ability to safeguard and manage data appropriately. |
| Client & Service Quality | A significant failure in client acceptance or continuance, or management or service delivery quality in existing and new services, with cross-border and network implications. |

| Top Risks | Risk Description |
|--|---|
| Black and green swan events (includes COVID-19, Russia/Ukraine conflict, Potential climate disaster, etc.) | Failure to prepare for events with network-wide implications in terms of: <ul style="list-style-type: none"> ■ immediate/disaster response, ■ reputational damage or potential macroeconomic impact, such as regulatory change, ■ environment events of macroeconomic disruption created by events such as a pandemic. |
| Compliance and Independence (combination of two risks: (i) Independence; and (ii) Compliance) | Failure to manage and comply with: <ul style="list-style-type: none"> ■ external independence requirements and/or manage the ongoing complexity and changes in Independence regulations, while attempting to grow the business in new areas and changing expectations; ■ legal and professional requirements, including local policies and standards, leading to regulatory actions and/or significant conflicts of interest. |
| Strategic execution | Failure to ensure relevance and meet client expectations due to incomplete implementation of core elements of network strategy, including where member firms are unable to execute multiple priorities simultaneously. |
| Climate | Failure to review and consider the impact of climate change on the network and to prepare for its implications, including: <ul style="list-style-type: none"> ■ The impact of physical risks and related disruption; ■ The impact of transitional risks on certain clients, sectors, economies and on our services; and ■ Failure to meet network commitments related to climate. |
| Investment | Failure to ensure sufficient investment in future growth areas and reinvestment in existing services. |



Ethics and integrity

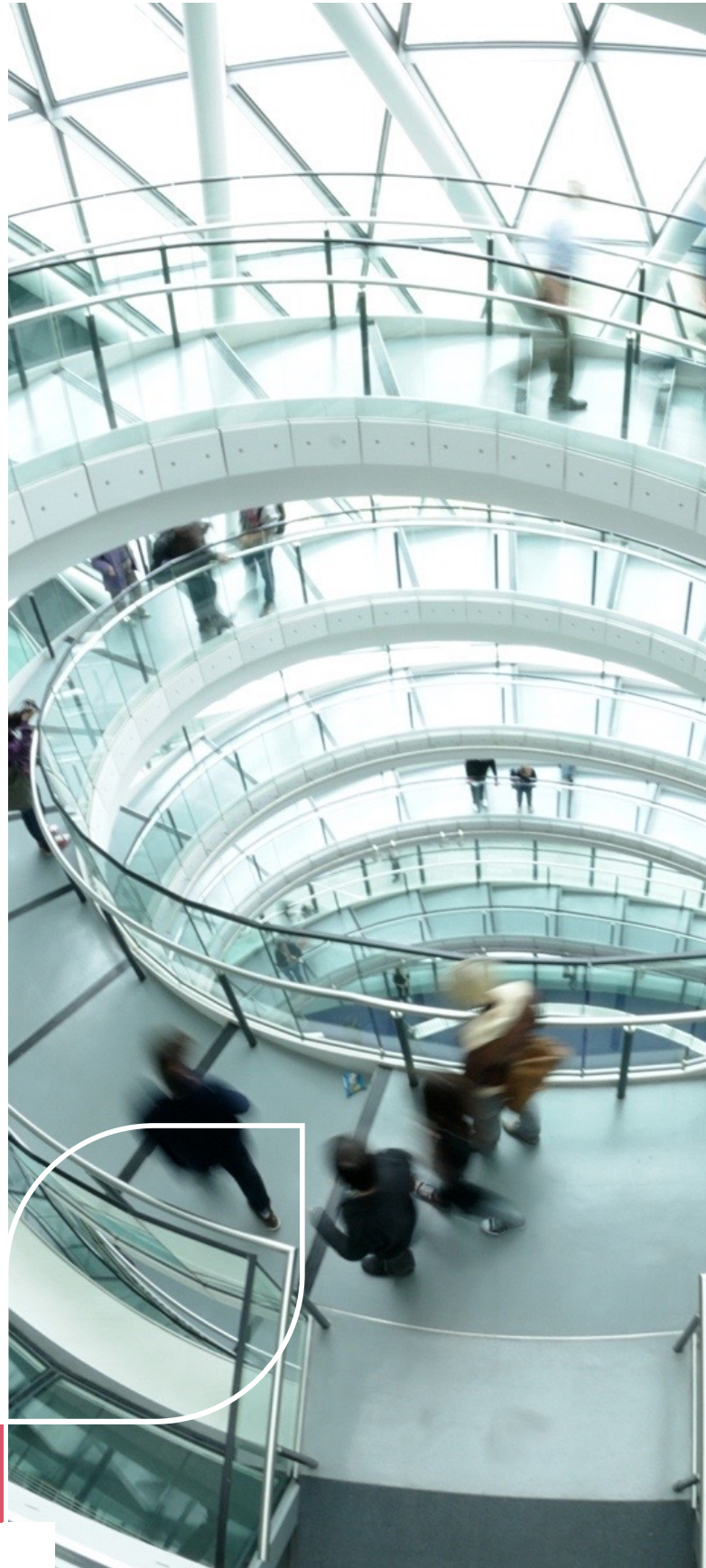
At PwC, we nurture a strong culture of ethics in our people and in the way they conduct business. This includes training for all new joiners in ethics, compliance and independence, and annual training for and confirmations from all employees.

PwC Code of Conduct

Our Code of Conduct sets out a common framework around how we are expected to behave, do business and to do the right thing. Knowing, understanding and living the Code is a fundamental part of who we are as PwC professionals and what we stand for. The PwC Code of Conduct is applicable to all PwC partners and staff, and is available for all stakeholders to access from our websites.

Independence

As auditors of financial statements and providers of other types of professional services, we consistently apply the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to the role we play in the capital markets and in serving our clients.





Reporting mechanism

PwC is committed to maintaining a safe and respectful workplace where our people can thrive, and where our interactions with each other, our clients and other stakeholders all maintain the highest levels of integrity and professionalism that are expected from us. Our Ethics Helpline is available to all PwC people and other stakeholders outside the firm, to ask for advice or report any possible ethics or integrity concerns.

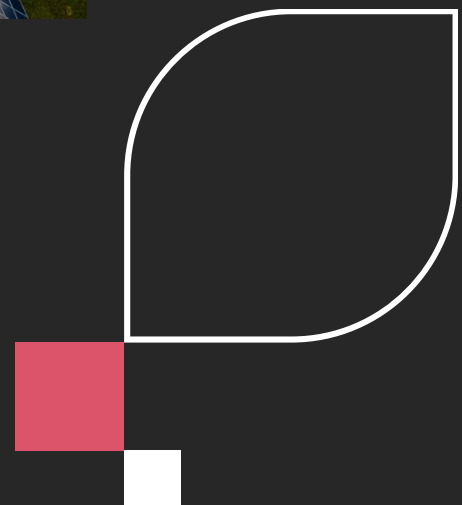
All issues reported are taken seriously and handled in confidence. Furthermore, PwC has a non-retaliation policy which offers protection against any form of reprisal for reporting in good faith actual or suspected violations of our Code of Conduct.

Anti-corruption

PwC is opposed to corruption in any form and recognises the importance of making smart choices when it comes to its business relationships. We have comprehensive policies, guidance systems and procedures in place for the prevention of bribery and corruption. All PwC people, including new joiners to the firm, undertake annual ethics and compliance training covering key messages on anti-corruption and anti-bribery. Refresher updates are also communicated to our people at regular intervals. We undertake annual compliance testing to assess compliance with anti-corruption and anti-bribery as well as other PwC Compliance Network Standards, local policies and guidance.

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About this report



Approach and metrics

This report is produced in accordance with the World Economic Forum (WEF) International Business Council (IBC) Stakeholder Capitalism Metrics and the Global Reporting Initiative (GRI) standard. It also makes reference to the IFRS S1 and S2 standards issued by the International Sustainability Standards Board (ISSB).

PwC China supports the United Nations Sustainable Development Goals (UN SDGs). This report also highlights how our actions support five SDGs that we have identified as high-priority.

Reporting timeframe

The report covers PwC China's business operations in Mainland China, Hong Kong SAR and Macau SAR. The report covers the period from 1 July 2022 to 30 June 2023.

Feedback

PwC China is fully committed to listening to and understanding stakeholders' points of view. We welcome feedback on this report as well as on any aspect of our sustainability performance.

Contact us

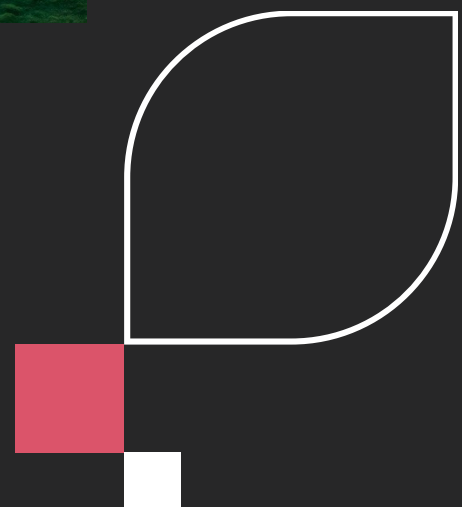
Douglas Johnson

Director, Corporate Sustainability, PwC China
Email: douglas.johnson@hk.pwc.com



12

Performance data



People data ^[note1]

Average total number of employees by employment contract (permanent and temporary), by gender for FY23

| Type of contract | Female | Male | Total |
|------------------|--------|-------|--------|
| Permanent | 15,645 | 9,004 | 24,649 |
| Temporary | 683 | 319 | 1,002 |
| Total | 16,328 | 9,323 | 25,651 |

Average total number of employees by employment contract (permanent and temporary), by region for FY23

| Type of contract | Mainland China | Hong Kong SAR | Macau SAR | Total |
|------------------|----------------|---------------|-----------|--------|
| Permanent | 19,993 | 4,558 | 98 | 24,649 |
| Temporary | 862 | 139 | 1 | 1,002 |
| Total | 20,855 | 4,697 | 99 | 25,651 |

Average total number of employees by employment type (full-time and part-time), by gender for FY23

| Type of employment | Female | Male | Total |
|--------------------|--------|-------|--------|
| Full-time | 16,265 | 9,297 | 25,562 |
| Part-time | 63 | 26 | 89 |
| Total | 16,328 | 9,323 | 25,651 |

Average total number of employees by employment type (full-time and part-time), by region for FY23

| Type of employment | Mainland China | Hong Kong SAR | Macau SAR | Total |
|--------------------|----------------|---------------|-----------|--------|
| Full-time | 20,810 | 4,653 | 99 | 25,562 |
| Part-time | 45 | 44 | 0 | 89 |
| Total | 20,855 | 4,697 | 99 | 25,651 |

[note1] Figures do not include employees who have not declared their gender and age.

Employees by category, by gender and age for FY23

| Management level | Function | Female | Male | Under 30 | 30-50 | Over 50 |
|-------------------------|------------------|--------|-------|----------|-------|---------|
| Partner | Client service | 39.3% | 60.7% | 0.0% | 71.9% | 28.1% |
| | Practice support | 14.1% | 85.9% | 0.0% | 28.2% | 71.8% |
| Director | Client service | 48.4% | 51.6% | 1.7% | 60.8% | 37.5% |
| | Practice support | 69.4% | 30.6% | 0.0% | 54.2% | 45.8% |
| Senior Manager | Client service | 56.9% | 43.1% | 0.1% | 96.8% | 3.1% |
| | Practice support | 75.9% | 24.1% | 0.0% | 79.3% | 20.7% |
| Manager | Client service | 59.7% | 40.3% | 22.4% | 77.2% | 0.4% |
| | Practice support | 72.7% | 27.3% | 2.6% | 86.3% | 11.1% |
| Senior Associate | Client service | 62.1% | 37.9% | 69.7% | 30.2% | 0.1% |
| | Practice support | 70.3% | 29.7% | 15.6% | 74.4% | 10.0% |
| Associate | Client service | 68.0% | 32.0% | 96.3% | 3.7% | 0.0% |
| | Practice support | 76.1% | 23.9% | 57.2% | 40.8% | 2.0% |
| Administrative | Practice support | 46.3% | 53.7% | 18.8% | 55.2% | 26.0% |

Number and rate of new hires by age, gender and region for FY23

| | Mainland China | | Hong Kong SAR | | Macau SAR | |
|-----------------|----------------|-------|---------------|-------|-----------|-------|
| | Female | Male | Female | Male | Female | Male |
| Under 30 | 3,142 | 1,426 | 496 | 405 | 15 | 10 |
| | 35.4% | 34.9% | 34.0% | 34.8% | 39.2% | 29.6% |
| 30-50 | 366 | 395 | 94 | 96 | 1 | 0 |
| | 7.9% | 13.7% | 10.7% | 12.1% | 8.3% | 0.0% |
| Over 50 | 3 | 16 | 6 | 10 | 0 | 0 |
| | 1.7% | 7.1% | 2.3% | 7.0% | 0.0% | 0.0% |
| Total | 3,511 | 1,837 | 596 | 511 | 16 | 10 |
| | 25.7% | 25.6% | 23.0% | 24.3% | 29.0% | 22.8% |

Number and rate of employee turnover by age, gender and region for FY23 ^[note 2]

| | Mainland China | | Hong Kong SAR | | Macau SAR | |
|-----------------|----------------|-------|---------------|-------|-----------|-------|
| | Female | Male | Female | Male | Female | Male |
| Under 30 | 1,760 | 881 | 434 | 353 | 14 | 13 |
| | 19.8% | 21.6% | 29.7% | 30.3% | 36.6% | 38.4% |
| 30-50 | 694 | 538 | 193 | 202 | 2 | 3 |
| | 15.0% | 18.7% | 22.0% | 25.5% | 16.6% | 29.8% |
| Over 50 | 19 | 19 | 31 | 17 | 1 | 0 |
| | 10.7% | 8.4% | 11.9% | 11.9% | 21.1% | 0.0% |
| Total | 2,473 | 1,438 | 658 | 572 | 17 | 16 |
| | 18.1% | 20.0% | 25.3% | 27.2% | 30.9% | 36.4% |

[note 2] Figures on employee turnover only cover our permanent employees.

PwC China composition of governance bodies

| | Female | Male | Under 30 | 30-50 | Over 50 |
|--------------------------|-----------|------------|----------|-----------|------------|
| Board of Partners | 6 (46.2%) | 7 (53.8%) | - | 4 (30.8%) | 9 (69.2%) |
| Management Board | 2 (14.3%) | 12 (85.7%) | - | 2 (14.3%) | 12 (85.7%) |

Average formal training hours per employee by category and gender for FY23 ^[Note 3]

| Management level | Function | Female | Male | Total |
|-------------------------|------------------|--------|-------|-------|
| Partner | Client Service | 33.7 | 32.6 | 33.0 |
| | Practice Support | 13.4 | 13.2 | 13.2 |
| Director | Client Service | 31.8 | 19.0 | 25.1 |
| | Practice Support | 11.4 | 6.2 | 9.8 |
| Senior Manager | Client Service | 38.2 | 33.1 | 36.0 |
| | Practice Support | 13.6 | 9.2 | 12.5 |
| Manager | Client Service | 52.8 | 52.6 | 52.8 |
| | Practice Support | 11.9 | 7.8 | 10.7 |
| Senior Associate | Client Service | 65.1 | 65.5 | 65.2 |
| | Practice Support | 7.5 | 8.1 | 7.7 |
| Associate | Client Service | 107.0 | 112.6 | 108.8 |
| | Practice Support | 9.5 | 8.6 | 9.3 |
| Administrative | Practice Support | 5.7 | 4.1 | 5.1 |

[Note 3] This data does not capture external courses, conferences or untracked on-the-job learning, coaching and mentoring. Average hours of training is limited to permanent employees. Temporary and contingent workers are excluded.

Environmental data

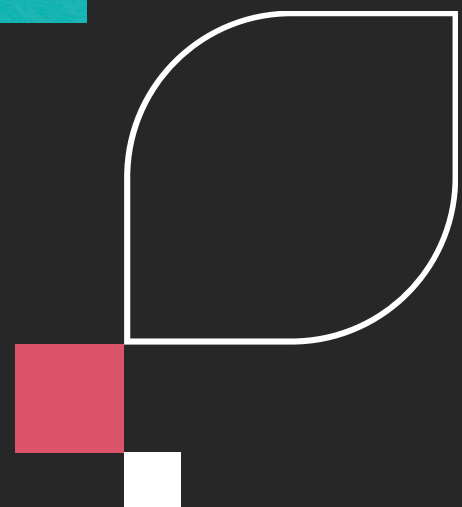
| Tonnes of CO ₂ e | FY19 Baseline ¹ | FY20 ¹ | FY21 ¹ | FY22 ¹ | FY23 | Change since baseline |
|--|-------------------------------|-------------------|-------------------|-------------------|---------------|-----------------------------|
| Scope 1 direct emissions | | | | | | |
| GHG emissions from controlled vehicles (tCO ₂ e) | 103 | 65 | 69 | 70 | 70 | -32% |
| Total scope 1 emissions (tCO₂e) | 103 | 65 | 69 | 70 | 70 | -32% |
| Scope 2 indirect energy emissions | | | | | | |
| GHG emissions from purchased electricity ² (tCO ₂ e) | 27,517 | 26,826 | 26,569 | 24,288 | 24,946 | -9% |
| GHG emissions from purchased heat (tCO ₂ e) | 2,474 | 3,174 | 3,267 | 3,139 | 2,456 | -1% |
| Total scope 2 emissions (market based) (tCO₂e) | 19,687 | 20,204 | 3,267 | 3,139 | 2,456 | -88% |
| Total scope 2 emissions (location based) (tCO₂e) | 29,991 | 30,000 | 29,836 | 27,427 | 27,402 | -9% |
| % Electricity from renewable sources | 37% | 37% | 100% | 100% | 100% | |
| Scope 3 other indirect emissions – business travel | | | | | | |
| GHG emissions from air travel (tCO ₂ e) | 38,759 | 24,409 | 18,758 | 13,647 | 19,652 | -49% |
| GHG emissions from accommodation (tCO ₂ e) | 30,495 | 17,362 | 21,384 | 23,221 | 23,246 | -24% |
| GHG emissions from other land-based travel (tCO ₂ e) | 7,759 | 6,417 | 6,973 | 6,970 | 6,879 | -11% |
| Total business travel emissions (tCO₂e) | 77,013 | 48,188 | 47,115 | 43,838 | 49,777 | -35% |
| Total Gross Energy and Mobility Emissions (market based)³ (tCO₂e) | 96,803 | 68,457 | 50,451 | 47,047 | 52,303 | -46% |
| Total Gross Energy and Mobility Emissions (location based)³ (tCO₂e) | 107,107 | 78,253 | 77,020 | 71,335 | 77,249 | -28% |

| Tonnes of CO ₂ e | FY19 Baseline ¹ | FY20 ¹ | FY21 ¹ | FY22 ¹ | FY23 | Change since baseline |
|--|-------------------------------|-------------------|-------------------|-------------------|---------|-----------------------------|
| Emissions intensity metrics | | | | | | |
| Gross energy and mobility emissions per capita (market based) ³ (tCO ₂ e / employee) | 5.1 | 3.4 | 2.4 | 2.0 | 2.0 | -60% |
| Gross energy and mobility emissions per capita (location based) ³ (tCO ₂ e / employee) | 5.7 | 3.9 | 3.6 | 3.0 | 3.0 | -47% |
| Scope 3 other indirect emissions – purchased goods and services | | | | | | |
| Total purchased goods and services-emissions ⁴ (tCO ₂ e) | - | - | - | 160,351 | 147,563 | |
| % purchased goods and services suppliers with SBT (by emissions) | | | | 8% | 10% | |
| Other | | | | | | |
| Beyond value chain mitigation: Emissions offset through the purchase of carbon credits ⁵ (tCO ₂ e) | 31,481 | 23,559 | 25,173 | 19,326 | 52,304 | |

1. The data reported in this financial year has been restated due to aligning Emission Factors with PwC global reporting methodology, and expanding source data to improve reporting completeness and accuracy
2. Reported purchased electricity includes electricity consumption for the purposes of air conditioning.
3. Gross energy and mobility emissions includes scope 1, scope 2 and scope 3 business travel emissions.
4. Purchased goods and services emissions includes the emissions from GHG Protocol scope 3 category 1 and 2 (purchased goods and services and capital goods). Data has been collected and reported since FY22, and estimated using the spend-based method.
5. This refers to the emissions from each financial year which are counterbalanced through the purchase and retirement of carbon credits representing verified emissions reductions or removals.

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Climate content index



Climate content index

| Disclosure recommendations | Section |
|--|--|
| Governance <ul style="list-style-type: none">■ Board's oversight of climate-related risks and opportunities■ Management's role in assessing and managing climate-related risks and opportunities | Climate-related disclosures – Climate governance |
| Strategy <ul style="list-style-type: none">■ Climate-related risks and opportunities over the short, medium, and long term■ Impact of climate-related risks and opportunities on businesses, strategy, and financial planning■ Resilience of strategy under different climate-related scenarios | Climate-related disclosures – Strategy |
| Risk management <ul style="list-style-type: none">■ Processes for identifying and assessing climate-related risks■ Processes for managing climate-related risks■ Integration of identification, assessment, and management of climate-related risks into overall risk management | Climate-related disclosures – Risk management |
| Metrics and targets <ul style="list-style-type: none">■ Metrics used to assess climate-related risks and opportunities■ Scope 1, scope 2, and scope 3 greenhouse gas emissions■ Targets used to manage climate-related risks and opportunities and performance against targets | Climate-related disclosures – Metrics and targets |

GHG data disclosure and methodology

For details on GHG emission data disclosure, please refer to the [Performance data section](#).

Organisational boundary

PwC China applies the "operational control" approach to the calculation of its greenhouse gas emissions inventory as defined by the GHG Protocol. This includes offices in Mainland China, Hong Kong SAR and Macau SAR, and all PwC individuals working within Mainland China, Hong Kong SAR and Macau SAR (including those employed by other PwC member firms but based within Mainland China, Hong Kong SAR or Macau SAR).

PwC office space which is sublet to other entities is excluded. Operations within Mainland China, Hong Kong SAR or Macau SAR that are owned and controlled by other PwC member firms, such as joint ventures and offshore operations, are excluded. Individuals who are employed locally but deployed or based anywhere in the PwC network outside Mainland China, Hong Kong SAR or Macau SAR are excluded. Companies that PwC's insolvency practice and other lines of service control operationally on a temporary basis are excluded, as data collection is impractical.

Scope of reporting

PwC China includes all direct (scope 1) and indirect energy (scope 2) emissions in its greenhouse gas emissions reporting. We also include certain other indirect (scope 3) emissions that result from the operation of our business. In FY21, PwC made a global commitment to reach net zero with 2030 goals, requiring us to reduce our absolute emissions from scopes 1, 2 and scope 3 business travel by 50%, as well as align our supply chain with our near-term science-based targets (SBTs). As a result, PwC China's

GHG inventory is aligned with the scope of our validated SBTs, covering the sources of emissions most material to our operations.

Reporting principles and frameworks

In calculating greenhouse gas emissions, we report in accordance with

- Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard 2004 (GHG Protocol), created by the World Resources Institute and the World Business Council for Sustainable Development.
- ISO 14064-1:2018 – Greenhouse gases, Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals.

PwC China reports Scope 2 emissions using both the location and market-based methods in accordance with World Resources Institute's GHG Protocol, inclusive of the January 2015 Scope 2 Guidance.

GHG calculation methodology

PwC China selected the calculation-based quantification methodology as there are appropriate emission factor guidelines that have been released by authoritative sources covering PwC China's reported activities. Consumption data has been collected from key data sources, including energy invoices, reports provided by suppliers (such as building managers, travel providers) and internally generated consumption reports (such as expenses claims). In instances where actual data was unavailable, emissions were estimated by applying best available information from other reliable external sources.

Our reported emissions may differ from the emissions included in the aggregate network emissions reported by PricewaterhouseCoopers International Limited (PwCIL) for multiple reasons. These differences may be due to:

- the use of specific emission or other factors for disclosures in China which differ from those used by PwCIL (for example, we choose to use more accurate emissions factors for our local owned vehicles according to car models or size, while the PwCIL network reporting uses average ones).
- differences in the inclusion of scope 3 emissions sources that PwC chooses to include in our own inventory (for example, we include emissions from leased shuttle buses).
- differences due to availability of data at the time the report is prepared by PwCIL.

Emissions factors

Where available, PwC China uses the latest published GHG emissions factors from internationally recognised authorities, and supplements these with other GHG emissions factors from local authorities where needed.

These include:

- International Energy Agency (IEA).
- UK Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy (BEIS, formerly DEFRA).
- Guidelines for Accounting and Reporting Greenhouse Gas Emissions Other Industrial Enterprises.

Assurance

We obtain assurance for all reported GHG emissions data, including independent assurance for our scope 1, scope 2 and scope 3 business travel emissions, which have been assured to a reasonable level by a third-party assurance provider in FY23.

Recalculation and restatements

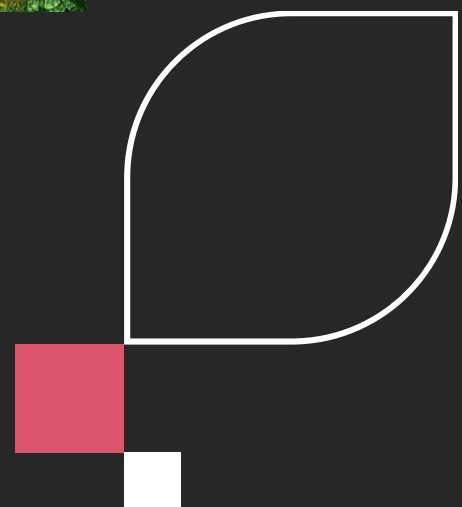
In line with our principles, we look to ensure that our data is as complete as possible. However, if it isn't possible or realistic to gather all data, resulting in the need for estimates, these will be made clear in this document within the GHG data tables for each source of emissions.

Every effort is made to ensure that the data we report is accurate, and our processes are designed to support this. However, should updated data be available for prior years, restatement is considered if it results in a discrepancy of at least 5% of the previously reported data. This rule is applied to each reported emissions source depicted in the GHG data table, not on an aggregate emissions basis. Where we have done this, we will provide details in the data notes supporting the restatement/s. If a new emissions source is included, prior year annual figures will be restated, as per the Greenhouse Gas protocol. Carbon emissions may be restated even when there is no change in consumption data due to updated emissions factors.

In line with our net zero reporting requirements, in FY23 we have restated our GHG data in all prior years from FY19 to establish our baseline and annual emissions in accordance with the scope of our validated near-term science-based targets.

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WEF IBC content index



1. Principles of governance

| Topic | Metric | Description | Report section |
|---------------------------------------|--|--|---|
| Governing Purpose | Setting purpose | The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders. | About PwC China |
| | Purpose-led management | How the company's stated purpose is embedded in company strategies, policies and goals. | About PwC China |
| Quality of governing body | Governance body composition | Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation. | Governance Performance data |
| Stakeholder engagement | Material issues impacting stakeholders | A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged. | Our sustainability approach |
| Ethical behaviour | Anti-corruption | <p>1. Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region.</p> <p>a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and</p> <p>b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.</p> <p>2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</p> | Governance PwC Network 2023 WEF Stakeholder Capitalism Metrics Report |
| | Protected ethics advice and reporting mechanisms | A description of internal and external mechanisms for: <p>1. Seeking advice about ethical and lawful behaviour and organisational integrity; and</p> <p>2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.</p> | Code of Conduct |
| Risk and opportunity oversight | Integrating risk and opportunity into business process | Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship. | Governance Climate-related disclosures |

2. Planet

| Topic | Metric | Description | Report section |
|--------------------------------|--|---|--|
| Climate change | Greenhouse gas (GHG) emissions | For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate. | Climate content index |
| | TCFD implementation | Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2° C above preindustrial levels and pursue efforts to limit warming to 1.5° C – and to achieve net-zero emissions before 2050. | Climate-related disclosures |
| | Paris-aligned GHG emissions targets | Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2° C above pre-industrial levels and pursue efforts to limit warming to 1.5° C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement. | Environment |
| Nature loss | Land use and ecological sensitivity | Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA). | Environment |
| Freshwater availability | Water consumption and withdrawal in water-stressed areas | Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate. | PwC does not withdraw water, and while our water consumption is limited to daily needs, we put measures in place to minimise water consumption in our offices wherever possible. Beijing, Changsha, Chengdu, Dalian, Hangzhou, Hefei, Jinan, Qingdao, Shanghai, Shenyang, Suzhou, Tianjin, Wuxi, Xi'an and Zhengzhou offices are located in high or extremely high water stressed areas as defined by the WRI Aqueduct Water Risk Atlas. |

3. People

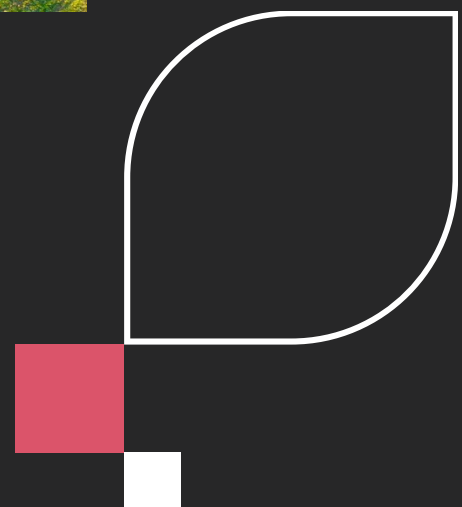
| Topic | Metric | Description | Report section |
|------------------------------|--|--|--|
| Dignity and equality | Diversity and inclusion (%) | Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity). | Performance data |
| | Pay equality (%) | Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: gender, age, as well as LoS, management level and employee type. | People |
| | Wage level (%) | 1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO. | 1. Not applicable. 2. PwC China does not disclose this metric. |
| | Risk for incidents of child, forced or compulsory labour | An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk. | Human Rights Statement Third Party Code of Conduct |
| Health and well-being | Health and safety (%) | 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers. | 1. The safety and well being of our people is a top priority. Fortunately the nature of the work undertaken by PwC means that work place injuries are extremely rare. In FY23 9 minor workplace injuries were reported. 2. Performance data |
| Skills for the future | Training provided (#, \$) | 1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees). | 1. Performance data 2. PwC China does not disclose this metric. |

4. Prosperity

| Topic | Metric | Description | Report section |
|---|--|---|--|
| Employment and wealth generation | Absolute number and rate of employment | <p>1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</p> <p>2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.</p> | Performance data |
| | Economic contribution | <p>1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by:</p> <ul style="list-style-type: none"> – Revenues – Operating costs – Employee wages and benefits – Payments to providers of capital – Payments to government – Community investment <p>2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.</p> | <p>1. Confidentiality constraints restrict reporting of our direct economic value generated and distributed. PwC China does not disclose total revenue. Revenue from our regulated audit practice PricewaterhouseCoopers Zhong Tian LLP is disclosed by the CICPA, with PwC ranked as the number one firm in China. This revenue reached over RMB 7.4 billion in 2022.</p> <p>2. We did not receive any material or significant payments from governments in FY23.</p> |
| | Financial investment contribution | <p>1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</p> <p>2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</p> | Since PwC is a network of privately owned separate legal entities, this metric is not relevant to our structure. |
| Innovation of better products and services | Total R&D expenses (\$) | Total costs related to research and development. | PwC China has continued to prioritise ongoing investments into the future of our business, despite the heightened economic challenges of the past year. During FY23 we invested over RMB 2.0 billion following on from over RMB 1.8 billion in FY22, enabling us to better deliver sustained outcomes for our clients, our people, our firm and society. This includes our investments in new partners, technology costs and business development. |
| Community and social vitality | Total tax paid | The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes. | Global Transparency Report 2023 |

15

GRI content index



GRI content index

Statement of use PwC China has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023.

GRI 1 used GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

FY23 response and location reference

The organisation and its reporting practice

2-1 Organizational details

[About us](#)
[How we are structured](#)
[Legal entities](#)
[Office locations](#)

2-2 Entities included in the organization's sustainability reporting

[About us](#)

2-3 Reporting period, frequency and contact point

This report covers the FY23 period (1 July 2022 - 30 June 2023). Every 2 years a full report is prepared, and every other year key highlights are updated on our website. Publication date: 11 December, 2023.

[About this report](#)

2-4 Restatements of information

[Climate content index](#)

2-5 External assurance

[Climate content index - Assurance](#)

Activities and workers

2-6 Activities, value chain, and other business relationships

[Industries](#)
[Services](#)
[Environment - Supplier engagement](#)
[About PwC China](#)
[Transformation](#)

No significant changes in our activities, sectors served and value chain in FY23.

2-7 Employees

[Performance data](#)

2-8 Workers who are not employees

Not applicable to PwC China.

| GRI 2: General Disclosures 2021 | FY23 response and location reference |
|--|--|
| Governance | |
| 2-9 Governance structure and composition | Governance |
| 2-10 Nomination and selection of the highest governance body | Governance |
| 2-11 Chair of the highest governance body | Governance |
| 2-12 Role of the highest governance body in overseeing the management of impacts | Governance Our sustainability approach |
| 2-13 Delegation of responsibility for managing impacts | Governance Our sustainability approach |
| 2-14 Role of the highest governance body in sustainability reporting | Our sustainability approach |
| 2-15 Conflicts of interest | Code of Conduct |
| 2-16 Communication of critical concerns | Governance |
| 2-17 Collective knowledge of the highest governance body | Governance |
| 2-18 Evaluation of the performance of the highest governance body | Not reported due to confidentiality constraints. |
| 2-19 Remuneration policies | PwC Hong Kong Transparency Report Not fully reported due to confidentiality constraints. |
| 2-20 Process to determine remuneration | Not reported due to confidentiality constraints. |
| 2-21 Annual total compensation ratio | Not reported due to confidentiality constraints. |
| Strategy, policies and practices | |
| 2-22 Statement on sustainable development strategy | Chairman's Letter Our sustainability approach |
| 2-23 Policy commitments | Code of Conduct Human rights statement Third Party Code of Conduct |
| 2-24 Embedding policy commitment | Code of Conduct |
| 2-25 Processes to remediate negative impacts | Code of Conduct |
| 2-26 Mechanisms for seeking advice and raising concerns | Code of Conduct |
| 2-27 Compliance with laws and regulations | There have been no instances of monetary losses from non-compliance with laws and regulations during the reporting period. |
| 2-28 Membership associations | About PwC China |
| Stakeholder engagement | |
| 2-29 Approach to stakeholder engagement | Our sustainability approach |
| 2-30 Collective bargaining agreements | PwC employees are not covered by collective bargaining agreements in Mainland China, Hong Kong SAR or Macau SAR. PwC employees on individual employment contracts enjoy conditions above minimum legal standards and wages commensurate with market rates. |

| GRI 3: Material Topics 2021 | FY23 response and location reference |
|--|--|
| 3-1 Process to determine material topics | Our sustainability approach |
| 3-2 List of material topics | Our sustainability approach |
| 3-3 Management of material topics | Refer to each material topic below. |
| GRI 205: Anti-corruption 2016 | Material topic - Ethics and integrity |
| 3-3 Management of material topics | Governance - Anti-corruption |
| 205-2 Communication and training about anti-corruption policies and procedures | Governance - Anti-corruption |
| 205-3 Confirmed incidents of corruption and actions taken | PwC Network 2023 WEF Stakeholder Capitalism Metrics Report |
| GRI 305: Emissions 2016 | Material topic - Climate change |
| 3-3 Management of material topics | Environment Climate-related disclosures |
| 305-1 Direct (Scope 1) GHG emissions | Performance data Climate content index |
| 305-2 Energy indirect (Scope 2) GHG emissions | Performance data Climate content index |
| 305-3 Other indirect (Scope 3) GHG emissions | Performance data Climate content index |
| 305-4 GHG emissions intensity | Performance data Climate content index |
| 305-5 Reduction of GHG emissions | Environment |

| | | | | | | | | | | | | |
|---|---|----------------------------------|---|--|--|--|---------------------------------------|---|---|---|---|---|
| GRI 401: Employment 2016 | Material topic - Talent attraction, retention and engagement | | | | | | | | | | | |
| 3-3 Management of material topics | | People | | | | | | | | | | |
| 401-1 New employee hires and employee turnover | | Performance data | | | | | | | | | | |
| 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees | <p>A. Outlined below is an overview of PwC China's Benefits Package.</p> <p>I. Life and accident insurance</p> <table border="0"> <tr> <td> <p>Mainland China</p> <p>Life and accidental death and disability insurance is offered to all staff including full-time employees and interns. For other types of workers, this is determined on a case by case basis.</p> </td> <td> <p>Hong Kong SAR and Macau SAR</p> <p>Life and personal accident insurance is offered to all full-time and part-time employees. For temporary employees this is determined on a case by case basis.</p> </td> </tr> </table> <p>II. Health care</p> <table border="0"> <tr> <td> <p>Mainland China</p> <p>Medical insurance is offered to employees on labor contract and interns. Health check-up and Influenza vaccination are offered to employees on labor contract. Maternity benefits are offered to female staff. For temporary employees this is determined on a case by case basis.</p> </td> <td> <p>Hong Kong SAR and Macau SAR</p> <p>Medical insurance, influenza vaccination and health check-ups are offered to all full-time and part-time employees, and maternity benefits are offered to female staff. For temporary employees this is determined on a case by case basis.</p> </td> </tr> </table> <p>III. Disability and invalidity coverage</p> <table border="0"> <tr> <td> <p>Mainland China</p> <p>-</p> </td> <td> <p>Hong Kong SAR and Macau SAR</p> <p>Coverage is offered to all Partners and Directors.</p> </td> </tr> </table> <p>IV. Parental leave</p> <table border="0"> <tr> <td> <p>Mainland China</p> <p>Female staff members who give birth are entitled to at least ninety-eight calendar days maternity leave according to the state laws and regulations. Male staff members who have a new born child are entitled to paternity leave according to applicable local population and family planning regulations. The length of leave days shall follow the applicable local regulations.</p> </td> <td> <p>Hong Kong SAR and Macau SAR</p> <p>Maternity leave is provided to female staff members who have been employed for not less than 40 weeks. Male staff members are entitled to 5 working days fully paid paternity leave.</p> </td> </tr> </table> <p>V. Retirement provision</p> <table border="0"> <tr> <td> <p>Mainland China</p> <p>All staff are enrolled in a retirement scheme (statutory pension insurance), and as per Chinese law, part-time employees who work less than 24 hours a week are expected to make their own payments towards their retirement schemes.</p> </td> <td> <p>Hong Kong SAR and Macau SAR</p> <p>Except for exempt persons, all Hong Kong staff who work more than 60 continuous days with the firm are enrolled in a Mandatory Provident Fund. All full-time Macau staff are enrolled in a retirement scheme (Pension Fund) from the first complete month of work.</p> </td> </tr> </table> <p>VI. Stock ownership</p> <p>Not applicable</p> <p>VII. Others</p> <p>Long service award Birthday leave</p> <p>B. Significant location of operation is defined based on local employment laws and practices with regards to wages, which differ across these locations.</p> | | <p>Mainland China</p> <p>Life and accidental death and disability insurance is offered to all staff including full-time employees and interns. For other types of workers, this is determined on a case by case basis.</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Life and personal accident insurance is offered to all full-time and part-time employees. For temporary employees this is determined on a case by case basis.</p> | <p>Mainland China</p> <p>Medical insurance is offered to employees on labor contract and interns. Health check-up and Influenza vaccination are offered to employees on labor contract. Maternity benefits are offered to female staff. For temporary employees this is determined on a case by case basis.</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Medical insurance, influenza vaccination and health check-ups are offered to all full-time and part-time employees, and maternity benefits are offered to female staff. For temporary employees this is determined on a case by case basis.</p> | <p>Mainland China</p> <p>-</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Coverage is offered to all Partners and Directors.</p> | <p>Mainland China</p> <p>Female staff members who give birth are entitled to at least ninety-eight calendar days maternity leave according to the state laws and regulations. Male staff members who have a new born child are entitled to paternity leave according to applicable local population and family planning regulations. The length of leave days shall follow the applicable local regulations.</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Maternity leave is provided to female staff members who have been employed for not less than 40 weeks. Male staff members are entitled to 5 working days fully paid paternity leave.</p> | <p>Mainland China</p> <p>All staff are enrolled in a retirement scheme (statutory pension insurance), and as per Chinese law, part-time employees who work less than 24 hours a week are expected to make their own payments towards their retirement schemes.</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Except for exempt persons, all Hong Kong staff who work more than 60 continuous days with the firm are enrolled in a Mandatory Provident Fund. All full-time Macau staff are enrolled in a retirement scheme (Pension Fund) from the first complete month of work.</p> |
| <p>Mainland China</p> <p>Life and accidental death and disability insurance is offered to all staff including full-time employees and interns. For other types of workers, this is determined on a case by case basis.</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Life and personal accident insurance is offered to all full-time and part-time employees. For temporary employees this is determined on a case by case basis.</p> | | | | | | | | | | | |
| <p>Mainland China</p> <p>Medical insurance is offered to employees on labor contract and interns. Health check-up and Influenza vaccination are offered to employees on labor contract. Maternity benefits are offered to female staff. For temporary employees this is determined on a case by case basis.</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Medical insurance, influenza vaccination and health check-ups are offered to all full-time and part-time employees, and maternity benefits are offered to female staff. For temporary employees this is determined on a case by case basis.</p> | | | | | | | | | | | |
| <p>Mainland China</p> <p>-</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Coverage is offered to all Partners and Directors.</p> | | | | | | | | | | | |
| <p>Mainland China</p> <p>Female staff members who give birth are entitled to at least ninety-eight calendar days maternity leave according to the state laws and regulations. Male staff members who have a new born child are entitled to paternity leave according to applicable local population and family planning regulations. The length of leave days shall follow the applicable local regulations.</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Maternity leave is provided to female staff members who have been employed for not less than 40 weeks. Male staff members are entitled to 5 working days fully paid paternity leave.</p> | | | | | | | | | | | |
| <p>Mainland China</p> <p>All staff are enrolled in a retirement scheme (statutory pension insurance), and as per Chinese law, part-time employees who work less than 24 hours a week are expected to make their own payments towards their retirement schemes.</p> | <p>Hong Kong SAR and Macau SAR</p> <p>Except for exempt persons, all Hong Kong staff who work more than 60 continuous days with the firm are enrolled in a Mandatory Provident Fund. All full-time Macau staff are enrolled in a retirement scheme (Pension Fund) from the first complete month of work.</p> | | | | | | | | | | | |

| | |
|--|---|
| GRI 403: Occupational health and safety 2018 | Material topic - Employee wellbeing, safety and security |
| 3-3 Management of material topics | People - Wellness and flexibility |
| 403-6 Promotion of worker health | Medical and healthcare services are provided to all staff including full-time employees and interns. Performance data People - Wellness and flexibility |
| GRI 404: Training and education 2016 | Material topic - Skills for the future |
| 3-3 Management of material topics | People - Upskill to become future-fit |
| 404-1 Average hours of training per year per employee | Performance data |
| 404-2 Programs for upgrading employee skills and transition assistance programs | People - Upskill to become future-fit |
| 404-3 Percentage of employees receiving regular performance and career development reviews | All full-time employees receive regular performance and career development reviews through our comprehensive annual performance evaluation framework. |
| GRI 418: Customer privacy 2016 | Material topic - Data privacy and security |
| 3-3 Management of material topics | Transformation - Data privacy and cybersecurity |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | In FY23, there were no complaints identified from outside parties and substantiated by PwC China, nor from regulatory bodies concerning breaches of customer privacy. There were no identified leaks, thefts, or losses of customer data reported. Transformation - Data privacy and cybersecurity |

| PwC China Specific Material Topics | FY23 response and location reference |
|---|---|
| Environmental Stewardship | |
| 3-3 Management of material topics | Environment |
| Risk and crisis management | |
| 3-3 Management of material topics | Governance - Risk and opportunity oversight |
| Quality of work | |
| 3-3 Management of material topics | Transformation - Quality as our cornerstone |
| Digital Redesign | |
| 3-3 Management of material topics | Transformation - Innovation in services |

The content of this report is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

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