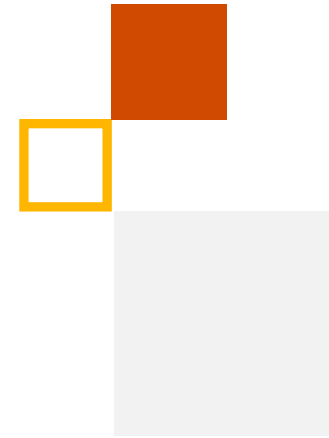


Working towards a sustainable future that is human-led and tech-powered



Table of contents



- 03** Chairman's message
- 06** Performance highlights
- 09** Our purpose-driven strategy
- 16** Promoting the development of ESG
- 30** Transforming to net zero
- 40** Being truly human-led
- 56** Prosperity through innovation
- 62** Principles of governance
- 68** WEF IBC Stakeholder Capitalism Metrics



Chairman's

message

pwc

Working towards a sustainable future

PwC China experienced a 2021 filled with challenges and disruptions, but also achievements.

We are proud of the actions we took and the impact we delivered for our stakeholders. We continued to invest in our people, hiring 5,663 new recruits and committing to create 20,000 additional roles by 2026. We made a public commitment to achieve net zero emissions by 2030, and we reached over 1 million individuals, NGOs and social enterprises across China through our community upskilling and capacity building programmes.

We also saw our people step out of their comfort zones and learn new capabilities and skills, use new digital assets and embrace new ways of working as we re-defined how we operate and deliver value. It is our people's resilience and their dedication that enables us to build the trust and achieve the sustained outcomes that our clients need.

Across China we see that economic development is rapidly progressing. China's transformation from an industrial economy to one driven by innovation, with sustainable development at its core, is creating vast opportunities for growth domestically and abroad.

The global pandemic has further accelerated the impact of several fundamental trends, including technological progress, fractured

geopolitics and climate change concerns. PwC China is investing at scale in the capabilities and technologies that are most important to help our clients navigate this transformation.

We have been on our ESG journey for a number of years. Our purpose is to build trust in society and solve important problems, and together with our values, have been essential to addressing the opportunities and challenges that we face. We understand that trust has never been harder to earn or easier to lose. So, we are focused on helping our clients build trust with their stakeholders across all aspects of their operations. Equally, we are focused on helping companies develop and translate their strategic objectives into sustained outcomes that propel them forward. These are the two interdependent tenets of PwC's The New Equation strategy.

Our ESG report articulates how PwC China is placing Environmental, Social and Governance (ESG) at the centre of our business, how it informs our strategic decisions, tracks the progress we have made and the areas in which we will do more. We will take you through our core activities aligned with the commitments and priorities that we have focused on:

- **Our purpose-driven strategy.** Our ESG approach is owned by the Chairman and the Board, but is relevant to each and every PwC'er. Our leaders set our ambition and embed it into all aspects of our business, while our people bring it to life through their individual and collective actions.



“

We are transforming ourselves to achieve Net Zero by 2030 and embedding ESG into all aspects of our business to create positive tangible impacts for all our stakeholders.

Raymund Chao

PwC Asia Pacific and
China Chairman



- **Promoting the development of ESG.** We recognise that perhaps the greatest impact we can have is our work with diverse stakeholders on ESG. We support our clients to transform their businesses, embrace emerging technologies and empower them to reach their ESG goals, and we partner with academia, non-profits, policy-makers and business coalitions to accelerate actions towards a sustainable future. We also commit time and resources to community actions that support China's green and digital vision.
 - **Transforming to net zero.** Across our network, PwC will reduce its emissions in line with a 1.5°C climate scenario, including a 50% absolute reduction in scope 1 and 2 emissions and a 50% absolute reduction in business travel emissions from a 2019 base by 2030. We also commit that 50% of our global purchased goods and services suppliers by emissions will have set their own science-based targets by 2025 to reduce their climate impact. Our emissions reduction targets were independently validated by the Science Based Targets initiative (SBTi) in 2021.
 - **Being truly human-led.** We create a diverse and inclusive work experience, where our people's health and wellbeing are prioritised and we are developing their skills and capabilities in the most relevant and impactful areas. This environment allows our community of solvers to be the best version of themselves, and frees them to collaborate and problem solve the most complex and important challenges that our clients face.
 - **Prosperity through innovation.** We are dedicated to helping China accelerate its development and contribute to prosperity for all by continually innovating the services we offer and investing in our people and technology to help our clients adapt and prosper in a rapidly changing environment.
- We know we must be trustworthy to have the right to help our clients build trust. We believe we have an obligation to build trust through transparency. Last year PwC, together with the other Big Four professional services firms, partnered with the World Economic Forum to establish a unified set of metrics for organisations to measure their impacts on people, prosperity and planet; building on the strong foundation of leading voluntary ESG reporting frameworks.
- We are following those standards in this report, including our principles of governance, to continue our own ESG journey, to elevate the debate and discussion in the community and further contribute to our sustainable impact.
- I believe taking bold action now is the right thing to do, and the only way to secure a future that is bright for all. If you have any comments or questions, please don't hesitate to get in touch [here](#).

Raymund Chao
PwC Asia Pacific and China Chairman

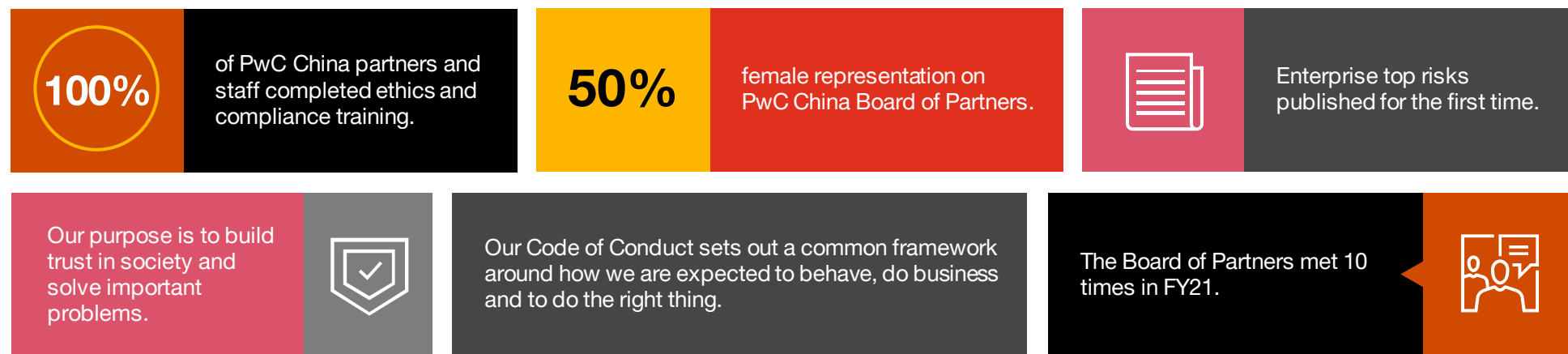


Performance

highlights

Our ESG reporting approach follows the World Economic Forum's (WEF) International Business Council (IBC) framework of Stakeholder Capitalism Metrics, as detailed on page 68 of this report. The 2021 performance highlights below align with the reporting pillars of the WEF IBC core metrics.

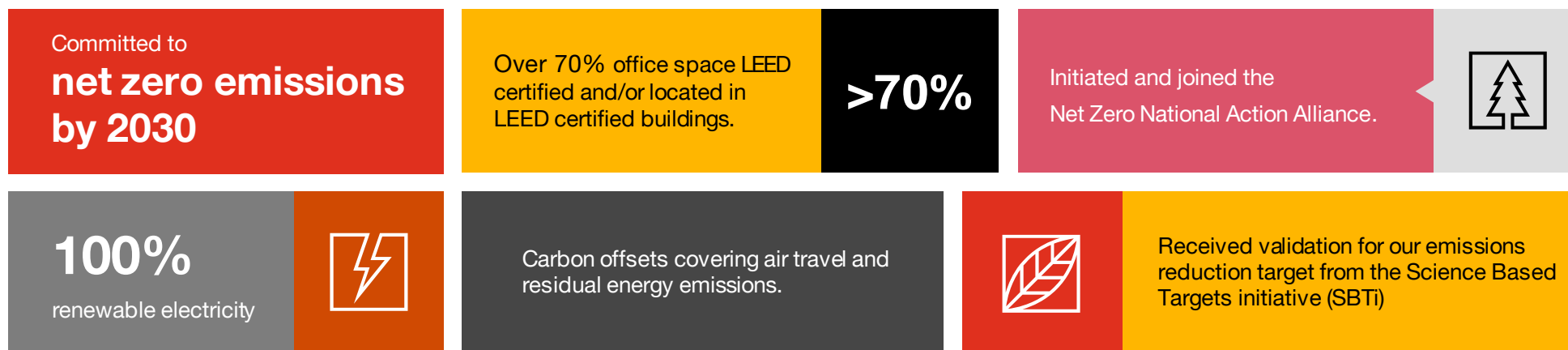
Pillar 1: Principles of governance



Pillar 2: People



Pillar 3: Planet

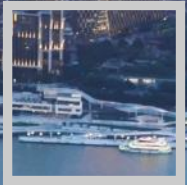


Pillar 4: Prosperity





Our purpose-driven strategy



Our purpose-driven strategy

PwC China is dedicated to helping clients to grasp the big opportunities under China's new development paradigm.

We bring the best of our people, capabilities and technologies together to support our clients and stakeholders to build the trust and deliver the sustained outcomes they need.

Building trust

Our approach to building trust is designed to meet rising expectations of transparency and stakeholder engagement. It is fundamental to our services, in particular financial audits, ESG reporting, due diligence, tax compliance. It recognises that reporting and compliance are just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies and appropriate governance. It continues to place a commitment on quality at its core.

Sustained outcomes

Our approach is focused on the outcomes that achieve value for all stakeholders. We mobilise expertise in strategy, digital and cloud services, deal value creation, people and organisation, tax and legal, amongst other areas, to deliver the outcomes our clients seek to achieve their long term strategic objectives.

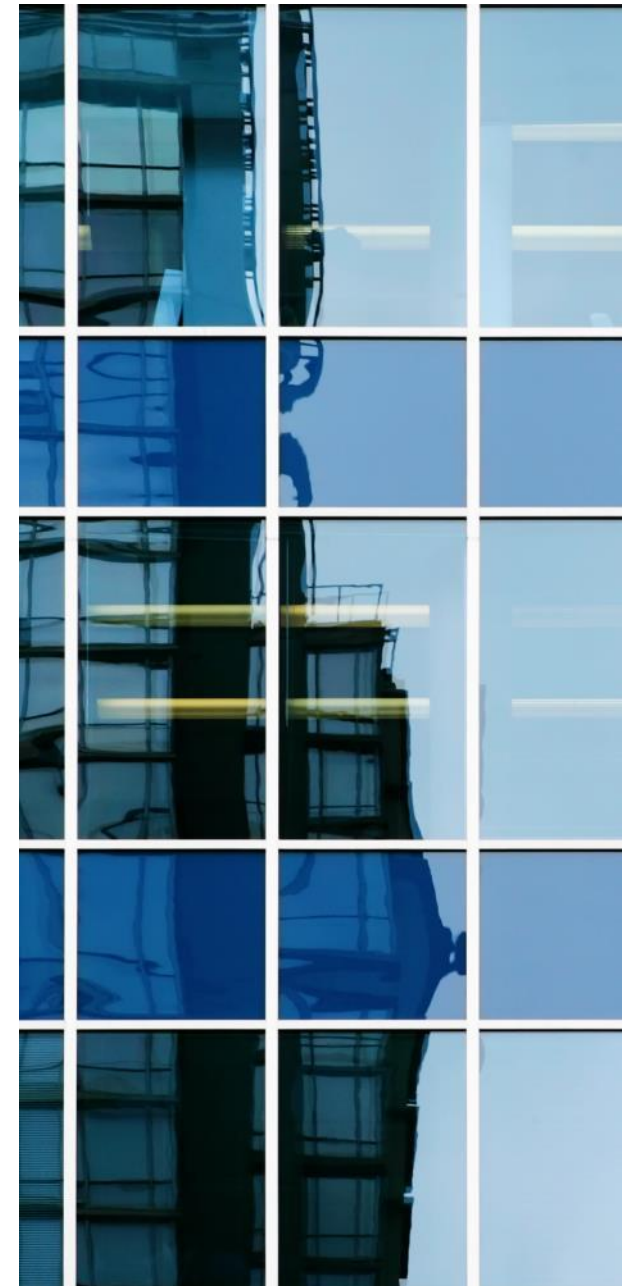
Co-dependence of trust and sustained outcomes

Sustained outcomes are inseparable from the concept of trust. We have seen how short-termism and unsustainable practices have destroyed trust around the world, from environmental exploitation to unethical use of technology. Additionally, trust is fundamental to achieving any sustained positive outcome, it is impossible to gain the commitment or willingness to change without trust.

Opportunities for our clients and stakeholders to have a greater impact

We are very fortunate to operate in one of the most dynamic markets in the world. PwC is uniquely positioned to be a catalyst for China and the Asia Pacific region to chart their next chapters of growth and development.

PwC China's strategy revolves around key commitments to achieve our vision. In 2021 we committed to investing RMB 8 billion in China over the next five years, rapidly expanding our use of emerging technologies, and extending all our services to meet the complex challenges facing businesses and society in China.



Our investments create new opportunities for our people to learn, grow and thrive. We are nurturing a culture of innovation and expanding our services into new and exciting areas, areas that are becoming increasingly important to our clients and stakeholders, and which will offer inspiring career opportunities for our people.

Strong to stronger in our core

We will continue our strategy of being human-led and tech-powered, and rapidly expand our use of cloud, artificial intelligence, blockchain, big data and other emerging technologies to enable our core businesses to go from strength to strength. Our Assurance, Tax and Advisory practices combine our deep industry and technical expertise to help our clients achieve sustained outcomes as they access the capital markets, respond to cyber security, build resilience in their value chains and achieve greater value creation from their transactions and structures.

Strategic investments for the future

Given the trends we see in China, we have prioritised investments in five strategic areas that are critical to every client in today's market:

- Digital Redesign
- Digital Products and Solutions
- Environmental, Social and Governance (ESG)
- Regional Economic Clusters
- Workforce of the Future

Digital Redesign

Change is happening at a rate never before witnessed. Businesses need new operating models, that enable digital transformation of the entire organisation and achieve rapid profitable growth, to break ahead of the pack in today's fiercely competitive market. PwC integrates industry insights, digital capabilities, alliances with digital pioneers, and practical experiences to help companies achieve their strategic priorities through end-to-end transformation.

Digital Products and Solutions

PwC China combines unparalleled insights, cutting-edge technology, and human-centred design with dedicated digital expertise to build innovative digital products. We navigate the regulatory, technology, data and cloud landscape in China to confidently deploy digital products to our clients.

ESG

ESG is reshaping the future. We leverage deep subject matter expertise, digital tools and external alliances to enable high-quality ESG reporting and accelerate the integration of ESG across our clients so they can capture the competitive advantages of ESG transformation and strategies. We are cultivating leaders and building unified goals and cultural shifts, essential to promote societal sustainable development in a cohesive manner.



“

We are unleashing our people's potential to co-create solutions with our clients that have digital and sustainability at their heart, this is creating greater prosperity for China and our clients.

Elton Yeung

Vice Chairman, PwC China



Regional Economic Clusters

Regional economic clusters are an important part of China's 14th Five-Year Plan and growth strategy. PwC China is enabling urban resilience, activating new growth, driving the coordinated development of cities with their surrounding city clusters, and promoting common prosperity.

PwC provides a full suite of services for the planning, development and upgrading of regional economic clusters, including improving infrastructure and ecological environment, and optimising public services and industrial development.

Workforce of the Future

PwC China is building an agile, market-centric and digitally-savvy workforce to enable differentiated value for our clients. The imperative to shape a workforce that is fit for the future will strengthen PwC's capability to create holistic solutions that integrate digital and human insight for our clients. We place people at the centre of our workforce transformation. From career models and upskilling opportunities to workspace design, PwC is reimagining every step of the workforce approach, creating the platform for our people to thrive personally and professionally.

Over the next five years, we will continue to report on our progress against our strategy, including these five strategic priorities. We also look forward to sharing the many ways our RMB 8 billion investments will bring the best of our people and technology to support our clients and stakeholders as they build the trust and deliver the sustained outcomes they need.

Our approach to ESG reporting

To create, protect and sustain enterprise value, businesses must consider the needs of a much broader range of stakeholders, beyond just shareholders. The pursuit of financial productivity and profitable growth alone is no longer adequate. To respond, business must reorient towards a value creation ecosystem that adds environmental sustainability, employee engagement, external partnerships, and broader societal impact to financial imperatives as measures of success. It requires a focus on environmental, social and governance (ESG) reporting, strategy and business transformation. The most immediate action to take is to reimagine reporting, expanding the scope and quality of disclosures to enable management of appropriate ESG factors.

At PwC China, we are on this journey alongside our clients. For over a decade, we have regularly reported the sustainability and social impact performance of the firm, and since FY11 our comprehensive disclosures have aligned with the Global Reporting Initiative (GRI) standard. Over that time the quality and transparency of our reporting have continually evolved.

Today, ESG reporting is more important than ever, and in FY21 we have also aligned this report with the World Economic Forum (WEF) International Business Council (IBC) Stakeholder Capitalism Metrics, and the United Nations (UN) 2030 Agenda for Sustainable Development.

Measuring Stakeholder Capitalism

PwC has collaborated with the World Economic Forum International Business Council to identify a universal set of environmental, social and corporate governance metrics and disclosures which companies can use to align their mainstream reporting on performance against ESG indicators and track their contributions towards the Sustainable Development Goals on a consistent basis.



Stakeholder engagement

As part of our everyday activities, we engage regularly with key stakeholder groups to identify the topics that are most important to them and to our business. We do this by conducting targeted surveys and feedback processes, desktop research and in-depth interviews, and through a variety of internal and external events, communications, forums and activities with our stakeholders.

PwC people

Our staff and partners are at the heart of everything we do, and are integral to our ability to continue providing the highest quality services to our clients.

Government and regulators

Compliance with existing regulations and contributing to the evolving regulatory and public policy agenda, including insights into and perspectives from the wider business community.

NGOs and non-profits

Building capacity and trust within communities, and enabling more people to develop skills for the future to participate in and benefit from the economy and society more broadly.

Businesses

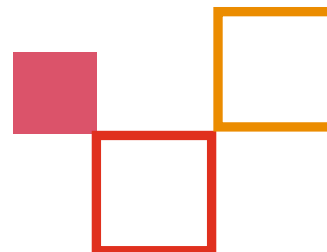
All current clients, suppliers and other business partners, along with any other potential business stakeholders, are fundamental for PwC's operations.

Society

Building trust in society and solving important problems is PwC's purpose, extending our reach to all members of society, through our work with clients and communities.

Future talent

Attracting and retaining talent with diverse and future-fit skills is essential for PwC to continue helping our clients to build trust with their stakeholders and deliver sustained outcomes.



Topics of concern

- Biodiversity and nature
- Climate change
- Community investment
- Data privacy and security
- Digital redesign
- Diversity and inclusion
- Economic performance
- Ethics and integrity
- Employee wellbeing, safety and security
- Innovation and technology
- Public policy engagement
- Purpose
- Skills for the future
- Talent attraction, retention and engagement
- Transparency in our reporting
- Waste and recycling

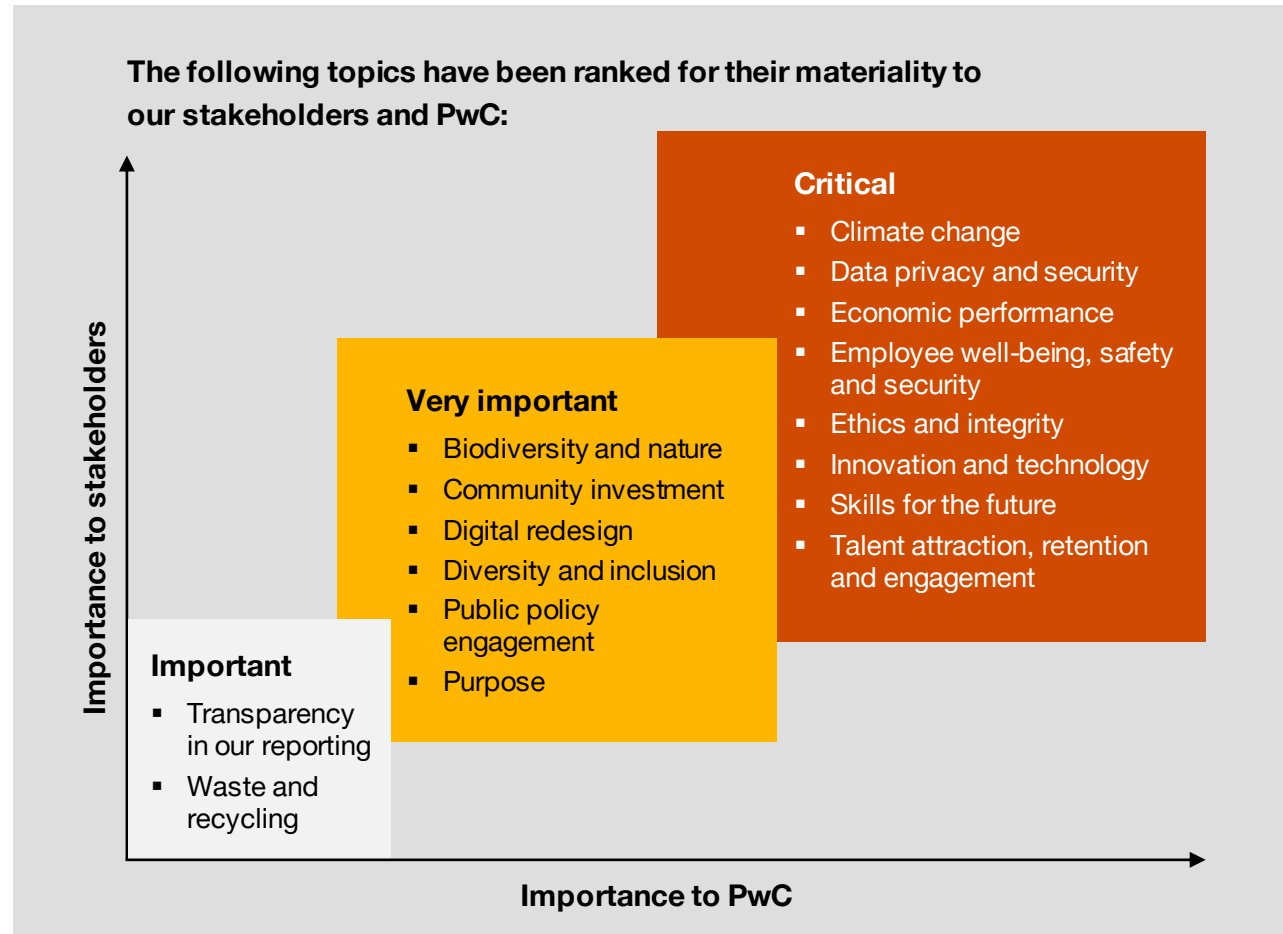
Materiality assessment

PwC gathers a broad range of both informal and formal insights from our key stakeholder groups on a regular basis, to inform our approach to the ESG topics that are of most interest to them. This includes for example; real-time dialogue with the firm's leaders and clients; actively listening to our people through various channels; ongoing business engagement with suppliers, regulators and government representatives; feedback, surveys and focus groups with clients, universities, NGOs and other business partners; and in-depth research and analysis of emerging social and environmental concerns to capture the evolving needs of society more broadly.

As part of our stakeholder engagement activities in FY21, we have also made reference to the following specific sources as part of our materiality review:

- SASB Materiality Map
- The Annual Government Work Report
- China Banking and Insurance Regulatory Commission Annual Report
- China Securities Regulatory Commission Annual Report
- PwC 24th Annual Global CEO Survey China Report

- Private Sector Awareness of the Sustainable Development Goals
- PwC FY20 Client Feedback Programme Insights
- Universum Talent Research 2021
- PwC Global People Survey
- PwC Pulse Survey
- Hopes and Fears 2021 Mainland China Report
- China Development Brief





Promoting the
development of ESG

Promoting the development of ESG

The scale and urgency of the problems the world faces means that no single organisation alone can solve them. That's why we are putting in place a broad range of measures that will further develop China's ESG ecosystem beyond stakeholder expectations or regulatory requirements. Working together with others, we have a collective opportunity for a leapfrog moment for ESG value creation in China.

In response to these urgent needs, PwC aims to be the leader in the emerging ESG ecosystem, fully utilising our skills, networks, voice and actions to make a difference and solve some of our biggest, most complex challenges.

Our commitment to ESG goes beyond the services provided to our clients. As part of our ESG convening role in the market, we also develop timely research reports and thought leadership, participate in cross sector sustainability roundtables and coalitions, and work with policy makers and standards setters to accelerate the systemic changes needed for a more sustainable world. The following section provides some examples of how we are doing this.

Societal impact

As part of a thriving ESG ecosystem, PwC is also committed to contributing to the development of communities and common prosperity in China. Our community investments are part of our larger efforts to build trust in society and solve important problems. We contribute by partnering with charitable organisations, utilising our core competence to strengthen community organisations, and leveraging our peoples' time and professional skills to help individuals, NGOs and social enterprises maximise their potential.

Investing in education has been a key focus area at PwC China for more than a decade, and we have established a strong foundation and framework for bringing positive impact to our communities. Our current community investment efforts are focused on New world. New skills., a digital upskilling programme that will leverage our existing resources, capabilities, and relationships to reach those where the need is greatest.

Our people also want to do more to contribute to the community and support causes close to their hearts. PwC China supports this with time given for volunteering, and funding, when staff apply for events they want to organise that involve our people as volunteers.



Supporting the United Nations Sustainable Development Goals

With less than 10 years to reach the ambitious targets of the UN's Sustainable Development Goals (SDGs), business has a major role to play in taking direct action and collaborating with others to deliver more.

PwC is no exception. To further support the engagement and adoption of the SDGs, in partnership with the United Nations Development Programme (UNDP) China and the China Chamber of International Commerce (CCOIC), PwC China released a 2020 report on private sector awareness of the SDGs. It revealed:

- 89% of Chinese enterprises know about the SDGs, however
- 42% have no clear idea about how to evaluate the SDGs
- 38% have never disclosed the SDGs in their public reporting or communications

This SDG research was expanded in 2021 and showed Climate Action (SDG 13) ranked in the top 5 for the first time, indicating Chinese enterprises are focused on the green transition and tackling the climate crisis.

High priority SDGs for PwC China

PwC provides services to a diverse range of clients across all sectors of the economy. We therefore indirectly impact all 17 SDGs. But, we have identified four high-priority SDGs where we can make the most significant and direct contributions from our operations. In this report we have highlighted where we are taking action to support specific targets behind these SDGs.



SDG 4 Quality Education

Our commitment to education is broad, and focuses on enabling more people to gain the skills they will need for success in the future. Our New world. New skills. initiative is aimed at addressing the digital skills gap in communities where we operate, with our clients and their people, and with PwC people.

SDG 5 Gender Equality

At PwC, we are committed to promoting the leadership development and economic empowerment of female employees in the workplace, while placing gender equality at the forefront of our inclusion strategy.

SDG 8 Decent Work and Economic Growth

Our strategy – The New Equation – centres on addressing the two interconnected needs we know every organisation faces: to build trust and to deliver sustained outcomes for all its stakeholders. Delivering on this strategy means creating jobs and economic productivity for PwC, our clients and society – through smarter applications of innovation, creativity and technology.

SDG 13 Climate Action

We are taking proactive measures to reduce our climate impact, and have committed to reaching net zero emissions by 2030. We are also working with our clients, suppliers and others to support climate change and ESG transformation in the broader economy.

Embedding climate considerations across client services

Science based climate targets

Businesses across all industries are increasingly expected to set greenhouse gas (GHG) emissions reduction targets aligned with the Science Based Targets initiative (SBTi) methodology. This requires executive awareness and understanding of emissions management to be strengthened. Based on enterprise business models and data, PwC works with clients to collect GHG data based on the GHG Protocol emissions reporting standard, and identifies carbon reduction pathways in combination with the company's historical emissions data and future business development forecasts.

We also assist clients by developing decarbonisation and action plans relevant to individual industries and markets, and ultimately assist our clients to set public Science Based Target commitments, including developing SBTi submissions and providing guidance during the SBTi validation process.

Greening the supply chain

While the logistics industry has grown exponentially in importance to consumers and businesses alike during the COVID-19 era, it brings with it some environmental challenges including increased packaging, use of plastics, waste and emissions from transportation. One of our clients is a major player in the cosmetics industry, and they wanted to focus on stronger sustainability requirements for the 3rd party logistics (3PL) suppliers they partner with. We assisted them to develop a sustainable supply chain system to set relevant sustainability criteria, gather necessary data from 3PL suppliers, and monitor and evaluate sustainability performance.

- Set sustainability criteria into the partner evaluation: 3PL partner has applied environmental protection technologies (e.g. Carbon emission control).
- Collect 3PL Green Supply Chain List: require 3PL partners to invest and apply green supply chain technologies in solution, which will be established in the contract.
- Set Sustainability KPIs to monitor daily operation: we set sustainable KPIs and require 3PLs to provide related data to monitor their sustainability performance.



PwC's broad range of client services across all industries – from reshaping strategy and transformation, to deals, reporting, audit, and tax - means we have a huge opportunity to accelerate the transition to a net zero future together. We support organisations as they develop and implement concrete plans for how to achieve net zero, and integrate other ESG factors into their strategies, operations and disclosures.

Amy Cai
ESG Managing Partner,
PwC China

ESG reporting

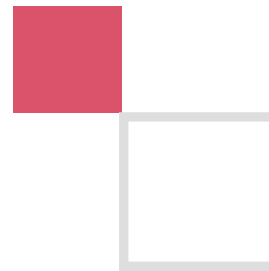
We help companies communicate their ESG performance to stakeholders including investors, regulators and rating indices. For example, a Fortune 500 conglomerate engaged PwC to assist with ESG reporting for their major listed entities on the Hong Kong Exchange. This included:

- Publishing independent ESG reports, with improved depth and breadth of ESG disclosures year by year and in compliance with requirements of the Stock Exchange.
- Establishing a comprehensive ESG information data collection and reporting mechanism internally, and continuously improving ESG management and high quality disclosures.
- Responding to inquiries from ESG rating indices such as MSCI and DJSI, and addressing overseas investors' concerns on ESG disclosure frameworks.

Climate risk resilience scenarios

We have worked with our clients to update their climate resilience strategy by conducting critical assessments, screening and updating climate risk register details, and identifying the potential business and financial impacts of each risk.

This is achieved through climate scenario analysis and stress testing, asset analysis for physical risks and market analysis for transition risks, in accordance with the recommendations of the Taskforce on Climate related Financial Disclosures (TCFD). From this, PwC assists in the preparation of updated climate resilience strategies and providing expert advice on other climate related issues.



Contributing to climate advocacy

PwC's net zero commitment is not just about reducing carbon emissions from our own operations. We also acknowledge that our positive impact can be maximised by sharing skills, knowledge and resources, and using our voice to amplify and accelerate overall decarbonisation in the broader economy.

A Leapfrog Moment for China in ESG Reporting

Produced in collaboration with PwC China, this white paper was released by the World Economic Forum (WEF) in 2021. Corporate ESG reporting in China is at an inflection point, with a surge of activities from regulators, exchanges, investors and corporate leaders driving an ongoing improvement in both quality and quantity of ESG reporting. The white-paper reveals six key insights from China's ESG journey, covering:

- Board-level commitment.
- Long-term growth and stakeholder interests.
- Beyond traditional CSR.
- Materiality – the relevance of ESG to achieving strategic goals.

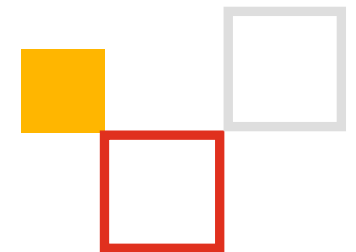
- Capacity-building and coordination.
- Sustainability in supply chains.

The report can be accessed [here](#).

Net Zero National Action Alliance

In July 2021, the Net Zero National Action Alliance was officially established at the launching ceremony of China's national carbon market online trading forum. As one of the executive members of the alliance along with other leading Chinese companies, PwC is committed to driving the transition to a less carbon intensive economy in China by:

- Committing to and advocating for carbon measurement and disclosure.
- Developing a net zero roadmap.
- Exploring low-carbon operational models.
- Participating in the national carbon market.
- Involving our value chain in achieving net zero.
- Sharing best practices.
- Being a role model and promoting low carbon lifestyles.





MSCI ESG and Climate Academy Project

PwC ESG Academy participated in the ESG and Carbon Neutral webcast series, produced by Xinhua News and hosted by Lujiazui Financial City Green Finance Development Center. The other key participant in the series was MSCI. Filmed and produced by Xinhua News Agency, this programme features a series of videos covering topics such as carbon-neutral economy, adhering to international ESG standards, integrating ESG across entire investment processes, and building an international ESG ecosystem.

In this series, speakers from regulatory bodies, leading institutional investors and businesses share their views and best practices in their journey to net zero carbon.



Our societal impacts

New world. New skills.

The digital revolution requires a skills revolution. The skills revolution is about helping people build their digital awareness, understanding and skills to fully participate in the digital world, and it needs to start now. At PwC, we are upskilling those in the community where the need is greatest through our New world. New skills. initiatives. We have upgraded some of our existing education programmes with digital elements, including upskilling rural school students with digital literacy and other relevant soft skills, and strengthening university students' employability and digital skills. We have also developed new programmes that reach a much broader beneficiary group via online platforms.

We continue to engage our people to contribute their time, skills and resources, bringing positive impact to local communities through staff-led volunteering activities, mentoring programmes, fundraisers, pro bono and discounted professional engagements, non-profit board training and role matching, and other skilled volunteering opportunities.

Our community impact in numbers

Charitable donations – staff and partners	USD 169,591
Charitable donations – firm (cash and in-kind)	USD 693,144
Total number of volunteers	2,161
Total number of volunteer hours	96,699
Number of skilled volunteers + professional participants	1,535
Number of skilled volunteer + professional participation hours	92,982
Number of beneficiaries reached (individuals, NGOs and social enterprises)	1,075,881

>5.7m RMB

donations made in FY21



Most-relevant SDG targets for PwC

- 4.3** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
- 4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Adream Foundation Tech Carnival

In FY21, we continued working with our long-term charity partner Adream Foundation (Adream) to develop curriculum and programmes that provide quality education to students in rural and underserved communities. Together with Adream, PwC China has delivered a Tech Carnival to students from rural schools across Suichuan county, Jiangxi Province.

The carnival brought to life the importance of digital skills and design thinking for over 22,000 students. The carnival content was developed by Adream Foundation's development team taking into account the needs of rural schools in China and aligning to PwC's New world. New skills. initiative, which believes that everyone should be able to live, learn, work and participate in the digital world. The content of the carnival focused on eight themes, including information security, first aid, food, transportation, energy, waste and biodiversity and critical thinking.

The Tech Carnival was delivered in three offline parts, each designed to help expand the skills, knowledge and access to upskilling:

- Teacher training where at least 10 teachers from each of the 22 participating schools were hosted at a full day's training session outlining the programme content, objective and mission.
- Campus Carnival has so far been delivered to over 22,000 students aged 8-13 years, focused on expanding the children's knowledge of digital, environmental and creative problem solving.
- Makers Camp where a select group of 28 students were nominated by their schools to help further their critical thinking and problem solving skills with another training organisation.

>22,000

students upskilled from the Tech Carnival programme



“

The programme team is now improving the design of the pilot, with the aim of carrying it out in more of those rural schools which would otherwise miss out on opportunities to close the skills gap. A full pack of the programme materials including teachers' training and activity playbook is now free to download and open to nearly 300,000 teachers.

Zhang Xia

Deputy Director General of
Shanghai Adream Development
Centre



“

With COVID-19 heavily impacting the possibility of volunteering and running programmes directly with schools and communities, it was important to pivot quickly to making an impact online. With more episodes planned, we hope the programme will become an easy and inclusive way for many more people to jump aboard the digital upskilling journey.

Callum Douglas

Corporate Sustainability Director,
PwC China



Digital literacy upskilling

PwC China also sponsored digital literacy upskilling on a much broader scale beyond children and youth, available to any individual in need through online platforms. We worked with Adream to develop a series of educational video and audio programmes on different topics, linking daily life scenarios to digital concepts, skills and new technology. These aim to raise awareness about how we will enter a new digital era quickly, and why people need to upskill in order not to be left behind.

Four episodes were delivered in FY21, covering:

- Smart Car and New Energy.
- Smart City enabled by AI.
- Digital Healthcare and Virtual Medical Systems.
- Smart Home with Integrated IoT.

>1,000,000

views generated through online platforms

Sustained outcomes for society

Through our professional services at PwC, we're committed to identifying thoughtful, inclusive and technology-driven solutions to some of society's toughest challenges. We work with private sector, government, education and industry players to drive positive outcomes for our communities, build trust and create sustained outcomes.

Central Databank of Children in Hong Kong

The Hong Kong Commission on Children (CoC) focuses on addressing issues that impact children as they grow. PwC has been commissioned as the consultant to undertake a study for the CoC to explore the feasibility and implementation framework for developing a Central Databank of Children.

As a keystone for the work of the CoC, the Central Databank of Children will enable and connect government departments, service providers, academia and the public to inform the development and integration of related policies, strategies and priorities.

In addition, it will provide a framework of quantitative and qualitative indicators for review, monitoring and international benchmarking and sharing with all relevant stakeholders.

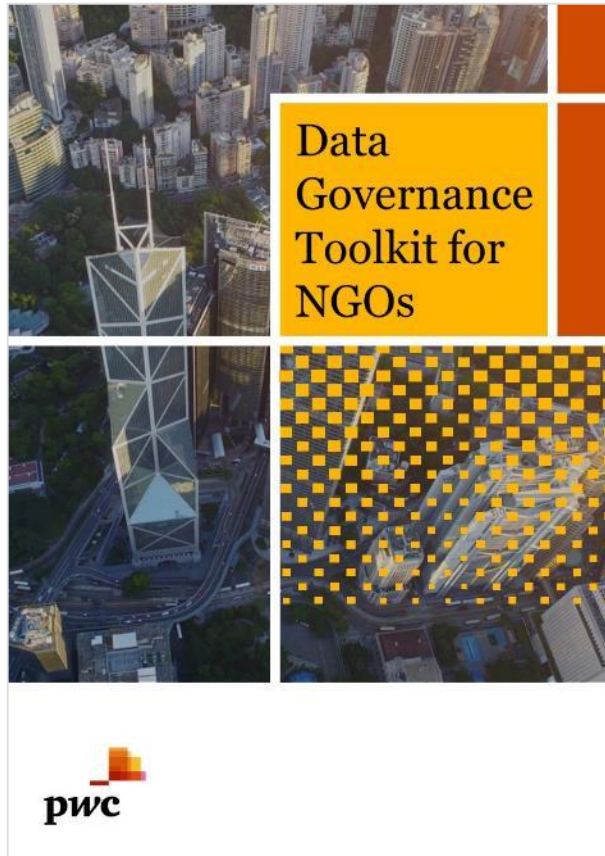
The study also takes into consideration the legal, privacy and security issues arising from the collection, use and transfer of personal information of children.

Pay-for-Success Pilot

The Social Innovation and Entrepreneurship Development Fund (SIE Fund) seeks to promote ideas that can test new approaches to addressing social needs in Hong Kong. The Fund is exploring new and innovative funding mechanisms for social services including, among others, the Pay-for-Success (PFS) model, also known as Social Impact Bond or Social Benefit Bond.

The SIE Fund seeks to link up interested stakeholders, facilitate the structuring of pilot PFS projects and assume the role of Commissioner/Outcome Payor in worthwhile projects. PwC was engaged as the independent technical consultant to SIE Fund for this two-year pilot.





Upskilling NGOs to make better use of data

NGOs generate and capture data from all areas of their operations, from internal administration, service delivery to interactions with donors, volunteers and other stakeholders. Data from these multiple sources, if harnessed properly, can be used to support strategic development and enhance overall operations of the organisation.

In 2021, PwC continued to work with The Hong Kong Council of Social Service (HKCSS) to promote data governance support for NGOs. PwC has published a [Data Governance Toolkit for NGOs](#) who may wish to:

- understand the general concept, value and benefits of data governance;
- learn how good data practices could improve the effectiveness and efficiency of services and / or overall operations; and
- have an initial understanding of the organisation’s data governance maturity level and plan for future improvements.

We also published the [Personal Data Privacy Toolkit](#) for NGOs in 2020, providing NGOs with an understanding of the significance and implications of personal data protection and compliance, as well as suggestions on how to develop compliance protocols and measures.



Even for NGOs, data is an extremely useful asset. It serves as a catalyst for growth and transformation. NGOs should begin implementing data governance practices in order to establish confidence in their data and harness better insights.

Chris Mo
Risk Assurance Partner,
PwC China

> 200

NGO leaders attended webinar trainings



“

Although I had done some data analysis before the camp, I always felt at a loss to find the right direction and did not understand the key message. But on the very first day of participating in the data training, the PwC mentor's streamlined and logical introduction of data analysis gave me great confidence. I really learned a lot!

Jiani Li

Training camp student

Providing students with skills for the future

College and university students are the workforce for tomorrow. With this in mind, we worked with our long-term charity partner Yiyou Center to enhance employability skills of college and university students across China, as well as to build their digital capacity.

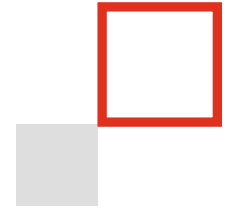
In FY21, 282 PwC employees volunteered 1,400 hours to be career mentors, speakers or facilitators at career exploration workshops, trainers at industry training camps, mock-up interviewers and business advisors, sharing their professional skills and rich experiences at work and in life with the next generation of students.

Subjects aim to assist in obtaining employment, engaging and succeeding in the digital world:

- Career path
- Navigating jobs
- Global acumen
- CV writing and interview skills
- Communication and leadership
- Creativity and design thinking
- Industry knowledge
- Critical thinking

To further support university students to prepare for the future world of work, we also worked with Yiyou Center to organise a data analysis training camp. Facilitated by PwC volunteers, the training camp covered general business knowledge, data analysis and evaluation, business planning and project management.

- Beginners' level camp, touching on data analytics theory, common skills, tools and hands-on practice.
- 5-day online programme, with virtual classroom teaching and homework.
- PwC volunteers facilitated sessions with student learning groups.
- PwC volunteers evaluated the final data analysis presentations prepared by each student group.



> 4,700
college students empowered

Volunteering for social causes

Many of our people want to do more to contribute to the community and support causes close to their hearts too. PwC China supports this and provides funding when staff submit applications for funding events they want to organise that involve our people as volunteers and participants. Below are a few examples of volunteering activities in FY21.

A Better Community (ABC)

- Providing consulting to NGOs in China.
- 8 NGOs, 1,018 hours of professional services.
- Volunteers provide analysis and solutions on strategy, brand and fund-raising capabilities.

Netspring Green IT Classrooms

- 3 schools supported in Nanchong and Chengdu, Sichuan province.
- 1,241 students, 20,000 hours of IT lessons in FY21 provided by the programme.
- PwC provides laptops, digital education programmes, internet connectivity, teacher training and ongoing maintenance support.
- PwC volunteers teach virtual classes in computer skills and English.

Quanyuan Home for Children

- Christmas charity auction to raise funds for medical support for orphaned children.

- Over 500 PwC volunteers participated online and in person.
- Over RMB 230,000 was raised.

The Society for AIDS Care

- Virtual walk to raise funds to help children, adults and the elderly suffering from HIV/AIDS in the community.
- Activity led by the PwC Shine network.
- 250 PwC people participated remotely.

Asian Charity Services Sprint Hackathon

- Virtual hackathons to co-create crowdfunding campaign proposals.
- PwC sponsored the top prize money.
- 20 PwC volunteers contributed 150 hours of support to participating NGOs for the final pitching competition.

Medecins Sans Frontieres (MSF) Mapathon

- Virtual volunteering initiative to digitally map the most vulnerable places in the world.
- Using satellite imagery, unmapped houses and buildings are added to the digital map.
- Field workers for NGOs can then use these maps and data to better coordinate and respond to emergencies.
- 16,757 buildings were mapped by 79 volunteers from PwC China.



“

It was an inspiring experience to volunteer as a judge on the Crowdfunding hackathon – it opened my eyes to the range of NGOs supporting different needs in society, and the good work that they are all doing to serve their target segments. It was an honour to represent PwC to announce the winner, Cambodia Children’s Fund, and to work with fellow judges who have a wealth of experience focused on philanthropy in their organisations.

Josephine Kwan

Assurance Partner,
Financial Services Practice,
PwC China



Transforming

to net zero

Transforming to net zero

Sustainable development means creating a world where people and nature co-exist while balancing ecological progress and socio-economic development to benefit all people today, as well as future generations. China is transforming from an industrial economy to one driven by leadership in innovation and technology, and sustainability is at the core of this transformation. PwC is taking bold steps to contribute to China's ambitious sustainability goals.

Acting now to transform to a lower-carbon business model

As part of our efforts to fight climate change, we have made a global commitment to achieve net zero greenhouse gas (GHG) emissions by 2030. This strengthens the emissions reduction commitment we set ourselves in 2018 to reduce emissions, source 100% renewables for our electricity consumption, and offset emissions from residual energy use and air travel.

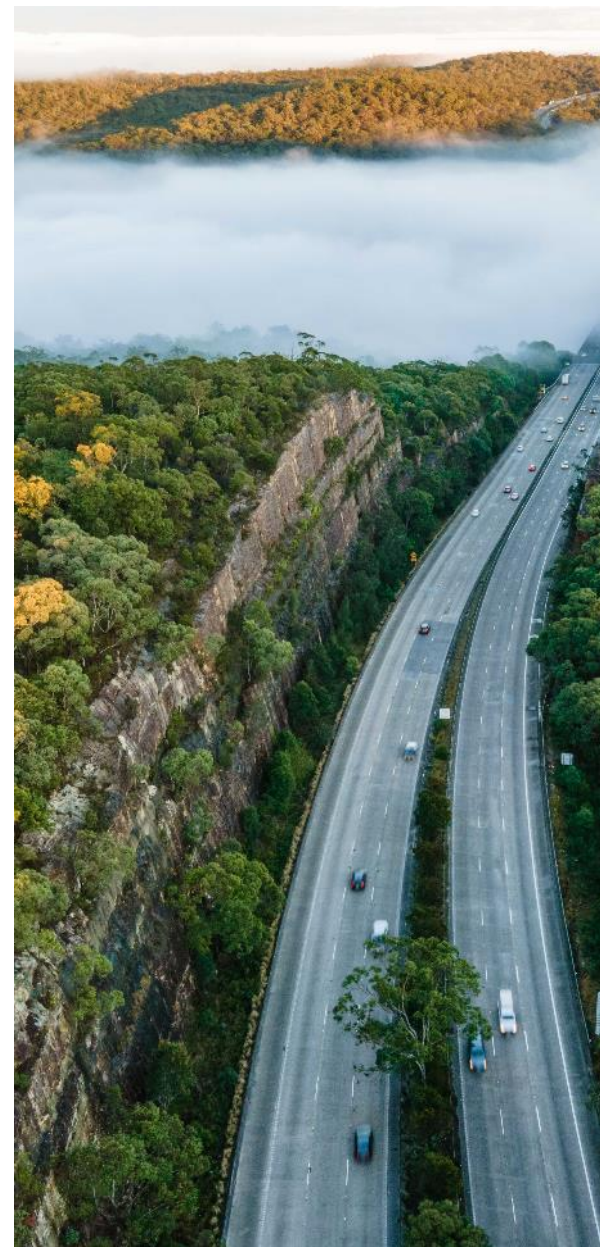
In order to realise our net zero goals, we need to bring our people on a culture journey to make low carbon choices, and enable a tech revolution to continue redesigning our client service delivery model with a strong digital focus, building on the work we are already doing to upgrade our systems.

This section of the report details our transformational net zero commitment and the decarbonisation efforts that are under way to decouple emissions from business growth, and how we are engaging our people on the net zero journey.

Creating a sustainable value chain

Externally, we use our capabilities, knowledge and networks to raise awareness of environmental issues within the business community, and bring together stakeholders to collaborate on relevant topics. Examples of how we are doing this are covered in the "Promoting the development of ESG" section of this report.

We are also committed to assisting our clients to move towards more environmentally sustainable business models, and using our independent voice to drive systemic change and cross-sector collaboration. Case studies highlighting the way we support our clients to achieve their climate goals are covered in the "Prosperity through innovation" section of this report.



Net zero 2030

Net zero and carbon neutral commitments have been rapidly growing, providing some hope in the face of ever-growing urgent signs that climate change is accelerating and bringing with it catastrophic negative impacts.

The current pace of change however is far behind the pace we need. By 2030, global emissions must be cut in half. “30-60” is now a major focus in China. The country is committed to hit peak emissions before 2030 and carbon neutrality by 2060. China’s ambition will require companies to act now to transform to a lower-carbon business model.

Our 2021 research report with UNDP China revealed that Climate Action (SDG 13) is now ranked as the 4th highest impacting Chinese enterprises, including bringing business opportunities over the next five years.

At PwC, we believe the business community has a key role to play in making that happen. And we are determined to play our part. That is why we have made a worldwide science-based commitment to reach net zero greenhouse gas emissions by 2030. The commitment includes supporting our clients to reduce their emissions as well as reducing those from PwC’s operations and suppliers.



Most-relevant SDG targets for PwC

- 13.2** Integrate climate change measures into national policies, strategies and planning.
- 13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



PwC's net zero commitment involves four key areas:

- Taking proactive steps to reduce emissions in our daily operations by a fixed amount each year, achieving 50% reduction by 2030 compared to 2019 baseline.
- Balancing what's left by removing an equivalent amount of carbon from the atmosphere.
- Actively engaging across our whole value chain, supporting suppliers as well as clients to pursue net zero.
- Using our voice to contribute to public policy discussion and accelerate the broader market transition to a net zero economy.

PwC's validated Science Based Target

In July 2021, the Science Based Targets initiative (SBTi) validated PwC's targets to reduce greenhouse gas (GHG) emissions by 50% in absolute terms from 2019 levels by 2030 in line with a 1.5 degree scenario.

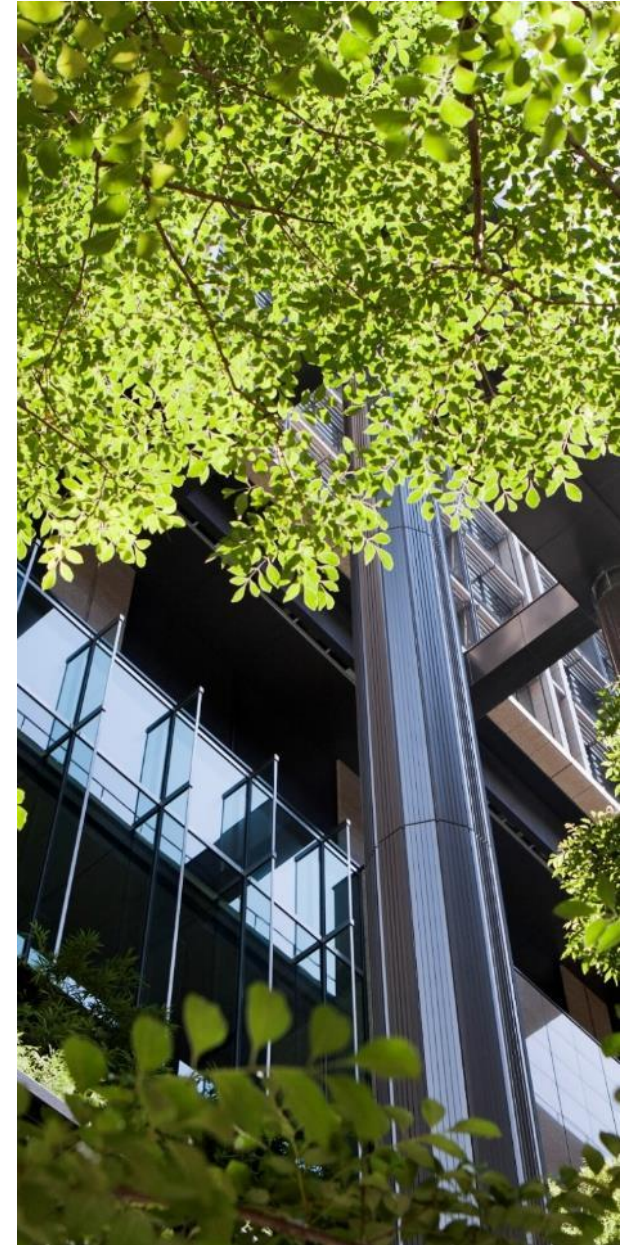
We commit to:

- Reduce absolute scope 1 and 2 GHG emissions by 50% by 2030 from a 2019 base year.
- Reduce absolute scope 3 business travel GHG emissions by 50% within the same timeframe.
- 50% of our suppliers by emissions covering purchased goods and services having science-based targets by 2025.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

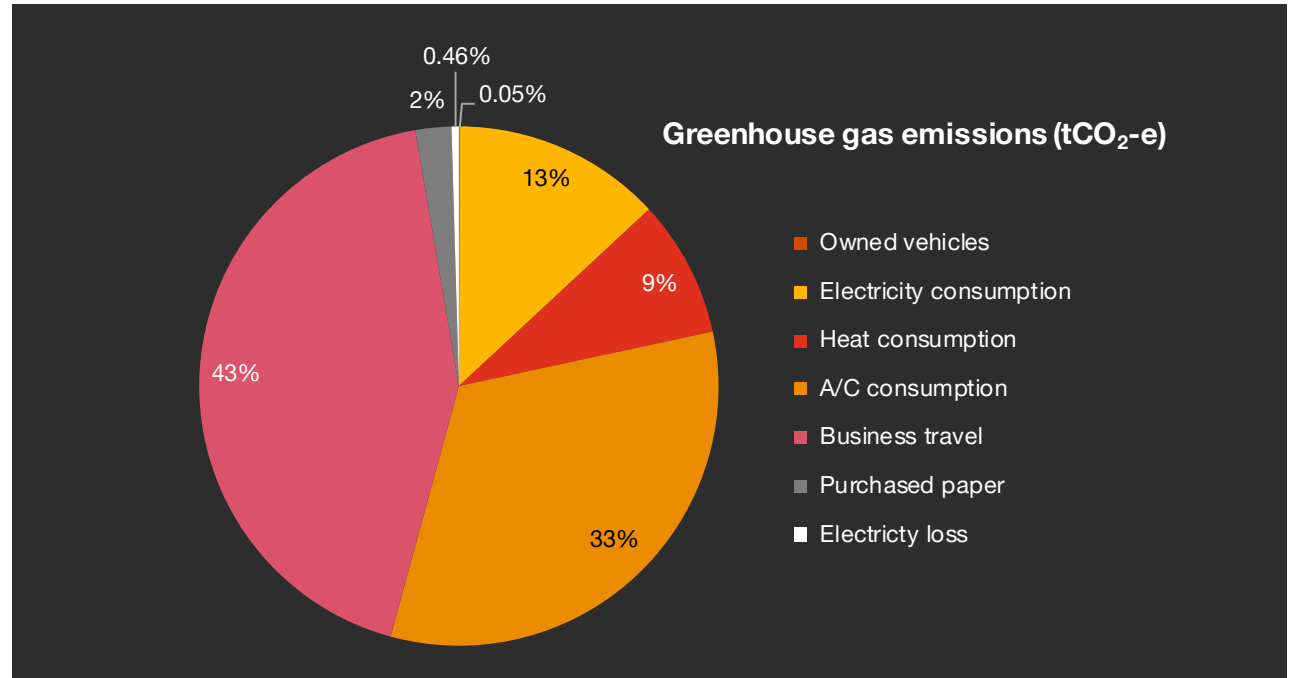


Decarbonising operations

Our net zero commitment is to reduce GHG emissions by 50% in absolute terms by 2030. This includes sourcing 100% renewable electricity, as well as energy efficiency improvements in our offices and halving the emissions associated with business travel within a decade. In addition, we will invest in carbon removal projects, including natural climate solutions. For every remaining tonne (CO₂ equivalent) that we emit, we will remove a tonne of carbon dioxide from the atmosphere, to achieve net zero climate impact by 2030.

With the ongoing impact of the pandemic, we have seen our emissions reduce in FY21 in line with government restrictions on travel, particularly international travel.

From FY22 we will report a detailed GHG inventory annually to align with the scope of our Science Based Target, and transparently report on our progress towards our net zero targets.



Total GHG	<ul style="list-style-type: none"> 88,983 tCO₂-e 48,366 tCO₂-e (inclusive of renewables)
Air travel	<ul style="list-style-type: none"> 17,117 tCO₂-e 51% reduction compared to 2019 baseline
Renewable electricity	<ul style="list-style-type: none"> 100% – including for AC 51,802 MWh of renewable electricity
Carbon offsets	<ul style="list-style-type: none"> 25,173 tCO₂-e Offsetting air travel and residual energy emissions

Sustainable office design

As part of our multi-year transformational office upgrades across China, we work closely with our leased office landlords and our design consultants to integrate sustainability principles and considerations into our office spaces. We prioritise buildings which are certified to the Leadership in Energy and Environmental Design (LEED) standard – an internationally recognised rating system for green buildings.

Our new and refurbished premises in Beijing and Shanghai are equipped with upgraded digital solutions and dynamic multi-purpose spaces, to facilitate flexible working and enhanced efficiency of floor space to eliminate excessive energy consumption. We also ensure our new office spaces are designed to maximise the use of daylight, and adopt energy-saving equipment such as LED lights and more efficient multi-function devices.

Shanghai New Bund Center PwC office

New Bund Center is an innovative new precinct located in Shanghai's Pudong area, developed for a diverse range of uses that promote walkability, transportation efficiency and reduced traffic, at the intersection of three of Shanghai's mass rapid transit subway lines.

Along with our own in-house developed innovative smart office technology solutions,

the new PwC office includes the following sustainability features:

- Water efficiency fixtures that contribute to reducing water use by 45% compared with the LEED benchmark, saving nearly 9,000 cubic metres of water per year.
- Installation of high efficiency LED lighting, and optimised lighting design that reduces power consumption for lighting by a further 25% (compared to ASHRAE 90.1).
- Smart lighting systems, including daylight sensors along the perimeters and occupancy sensors covering 90% of all office lighting fixtures.
- Electricity sub-metering tracks system level energy use to assist identifying potential further energy saving opportunities.
- Reducing life-cycle waste from decommissioning and fitting out the offices, for example reusing some office furniture, reusing more than 11,000 square metres of metal ceiling plates, and recycling furniture, carpets and some fit-out materials.

>70%

office space are LEED certified and/or located in LEED certified buildings.



“

The new PwC office in Shanghai is designed to create the perfect combination of technological convenience and flexible and collaborative working styles. Its sustainable design, multiple space options, and smart office solutions foster an innovative and creative hub for our people and clients to collaborate.

Elton Huang

China Tax Leader, Central China Markets Leader, Shanghai Office Lead Partner, PwC China

Go green. Get on track.

To further support our people to choose greener alternatives for their business travel, 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.

Launched in 2021, we upgraded our travel policy to reward green behaviours. Now, all staff

regardless of their grade are eligible for 1st class tickets when taking a high-speed train between Beijing and Shanghai, and receive additional wellness benefits for each trip. This is the most frequent domestic travel route taken by our people, and emissions from train travel are 96% lower than from air travel. As China continues to grow the high-speed rail network, we are aiming to expand this initiative to cover more travel routes.



“

For business round trips between Beijing and Shanghai, taking a high speed train is a better experience as it is more environmentally friendly, more efficient for safeguarding on-time arrival to Beijing or Shanghai and rarely influenced by external factors such as bad weather, or airport traffic control. It is more convenient from Beijing South Railway Station to downtown than from the airport, meaning more time and energy saving accordingly.

Frank Gao

Tax Partner, Controversy Services, PwC China

Supporting renewable electricity in China

Electricity consumption is one of the largest sources of our carbon emissions. While we continue to drive efficiency to reduce energy, we are committed to sourcing 100% renewable electricity to mitigate the emissions from electricity used in our offices.

In FY21, we continued to source I-REC Energy Attribute Certificates (EACs) from accredited wind-power sources in China to cover all of our scope 2 electricity consumption including for our air-conditioning.

Carbon offsets

We recognise the importance of actively reducing the climate impact of our own operational footprint now. That is why, as we work towards net zero in 2030, to mitigate our impacts today we continue to support high quality carbon credit projects to offset emissions which are unavoidable, including emissions from our owned vehicles, heat consumption, and business air travel. In FY21, PwC China supported:

- Danjiang River Solar Cookers project in China which substitutes traditional coal-fired cooking stoves with more efficient solar cookers to reduce fuel consumption and indoor air pollution.

- Afforestation project in Qinghai Province in China which restores degraded land and enhances the local biodiversity in the Tibetan Plateau.

China wind power projects supported in FY21





“

It's our great pleasure to work with PwC on their office recycling programme. Our continuing partnership from January 2021 started with recycling their office plastic, metal, paper and e-waste. Collectively, we have diverted valuable resources from landfill and our environment which would otherwise have gone to waste.

Eric Swinton

Founder & CEO, V Cycle

Inspiring our people

PwC Green Week – net zero 2030

Green Week is an annual firm-wide campaign to raise awareness and engage our people in sustainability issues. In 2021 it featured the PwC net zero commitment, to build awareness and encourage our people to take part in our net zero journey. This included:

- Daily emails and videos from our Chairman and senior leaders.
- Interactive visual installations, made from 100% recyclable materials, in the client reception areas of our major offices, and smaller decorations in all our offices.
- A net zero quiz to win a place on a volunteering trip to the reforestation site we supported in China with Shanghai Roots and Shoots, and eco-friendly masks which are 100% biodegradable in both landfill and the natural environment.
- Individual air travel carbon reports for all staff and partners who had taken business air travel in 2020 to highlight associated carbon impacts, and encourage people to consider greener alternatives.

PwC Green Team

To better engage our people and to create a stronger culture of sustainability, we developed a voluntary network called PwC Green Team to harness the intrapreneurial spirit of PwC people in advancing sustainability.

Building a transparent waste management system

Although the amount of waste PwC generates is relatively small compared with other industries, it is our responsibility to take action to address our own waste footprint and work towards a circular economy.

To rebuild trust in the waste management system, we collaborated with V Cycle, a social enterprise in Hong Kong that provides recycling solutions for corporates, to pilot a more transparent and accountable recycling programme in our offices. This programme also provides co-benefits to society by creating job opportunities for homeless people and elderly waste-pickers. Waste data is provided on a monthly basis – detailing the types of waste and the quantity that's been collected and recycled / unable to be recycled separately.

360kg of waste, including plastic, paper, metal and e-waste has been recycled through this programme since January 2021.



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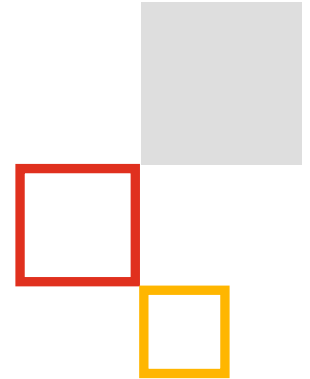
It has been a pleasure to be part of the Green Team and join hands with a group of passionate colleagues in driving our office sustainability initiatives. Our plastic recycling programme across office locations in Hong Kong has achieved great success in raising staff awareness and knowledge in waste management and carbon footprint reduction. Together we can make our workplace more sustainable and help to fight climate change!

Mavis Fung

Associate Director, Business Recovery Services, PwC China

In addition to managing the most common types of recyclables, PwC China also maintains a number of recycling programmes to save other precious resources from landfill.

- Our partnership with TerraCycle collects used and broken stationery from our offices, which are recycled back into new products.
- 100% of our used laptops and PCs are donated, resold for reuse or recycled. In addition, our partnerships with V Cycle in Hong Kong and Green Initiatives in Shanghai diverted roughly 80kg of other e-waste during FY21.
- Unwanted clothing is collected through our annual winter clothing drive and a closed-loop textile partnership with a social enterprise in Shanghai. The lifecycle of items is extended through re-wear, reuse and recycling.
- PwC events and catering teams work to manage food waste at large events, and coffee grounds from our Hong Kong offices are upcycled into soap products, reusable containers or composted into fertiliser for agricultural purposes.

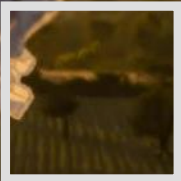


100%

of our used laptops and PCs are donated, resold for reuse or recycled.

A woman is carrying a young child on her back. Both have their arms raised in a gesture of joy or triumph. They are standing in a field with several wind turbines in the background. The sun is low on the horizon, creating a warm, golden glow and lens flare effects. The scene is peaceful and hopeful.

Being truly
human-led



Inspiring and enabling our people to be the best version of themselves

Our people are our greatest asset and the foundation for our success. They are a community of solvers, bringing with them a range of different skills, experiences and backgrounds, which together are applied in new and unexpected ways every day. To build trust and deliver sustained outcomes for our clients, we focus on combining the strength of our people, capabilities and technology.

In an age of disruption and innovation where change is the only constant, “how we work” and “how we live” are going through a fundamental transformation. The imperative to build and transform our workforce that is fit for the future will not only strengthen our capability and position in the market, but also prepare our people for a more sustainable, inclusive, and positive experience in this highly dynamic and digital world.

We nurture a culture where our peoples' values can align with those of PwC's – act with integrity, make a difference, care, work together and reimagine the possible – and where our people can live healthily, work smartly, and be socially connected.

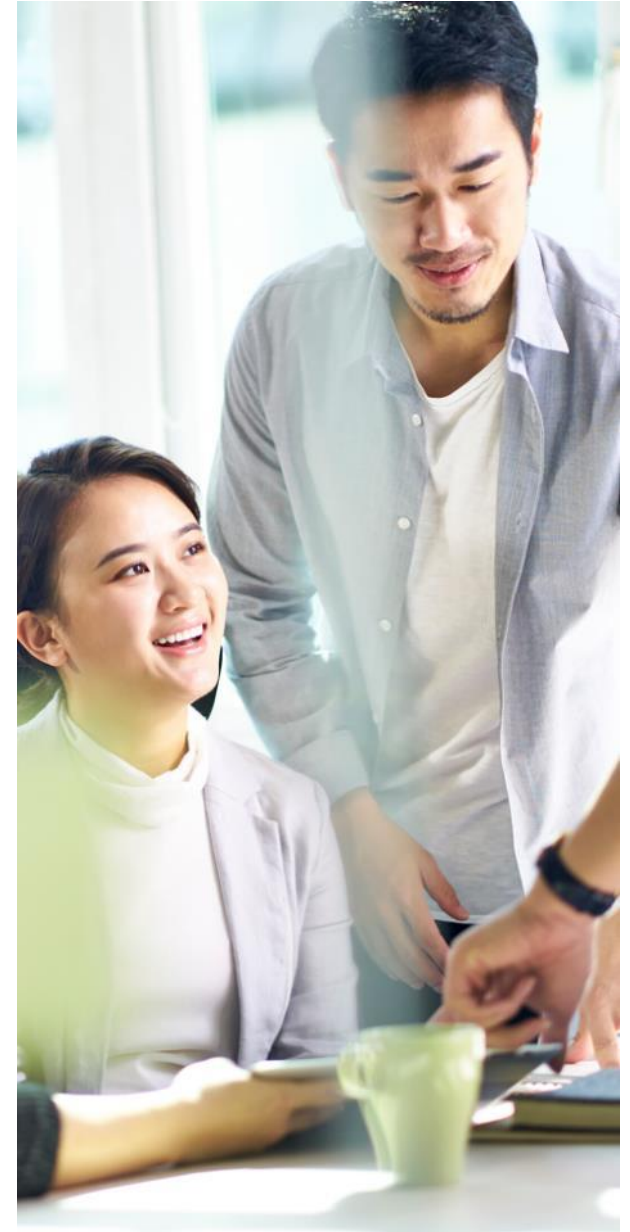
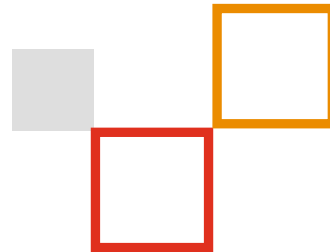
Our aspiration to reimagine life at PwC

Attracting, developing and retaining talent is a strategic priority for PwC. To this end, we focus on creating an environment where our people and technology thrive better together, our workforce is agile and fit for future, and where PwC is an aspirational place for our people to build their career and reach their life goals.

This section of the report details the measures we are prioritising to create a rewarding and meaningful experience for our people, and how we create diversity, flexibility and wellness opportunities for all.

Our people priorities

- Workforce of the future
- Wellness and flexibility
- Workplace redesign





Workforce of the future

Upskill and build an agile and high-impact workforce which is market-centric with skills for the future

At PwC we are reimagining every step of the workforce approach and reinventing our ways of working to serve our clients' changing business needs and achieve our strategic goals.

- Attract, retain and deploy a diversity of talent – from scientists and engineers, to technologists and economists – working alongside traditional talent to reimagine our client services.
- Enabling our people to grow their own way and progress based on their personal and professional goals.

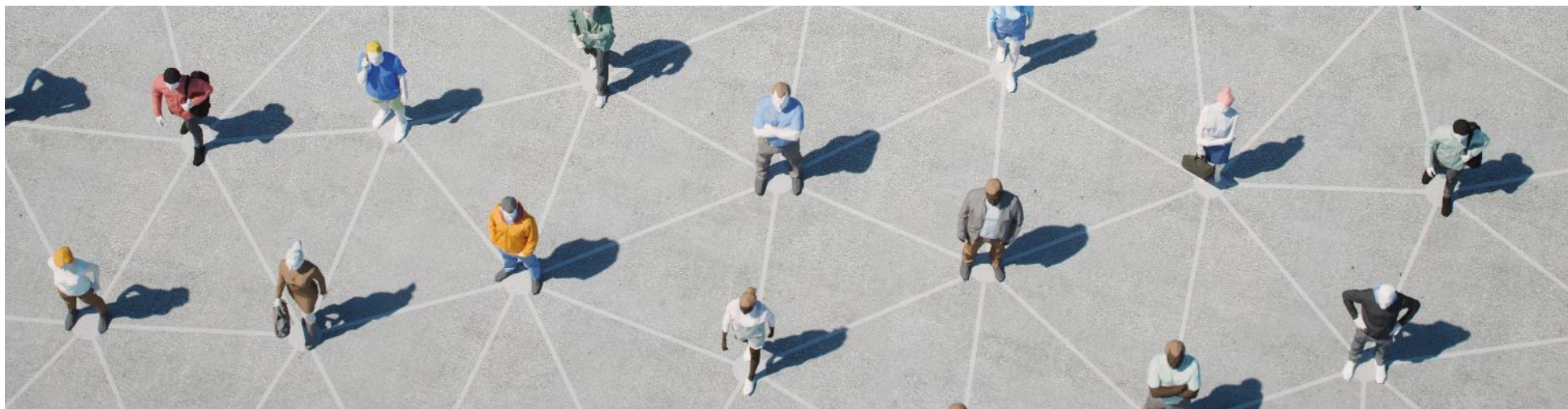
- More meaningful and purposeful work – increasingly automate routine tasks to free up our people to focus on more complex, purpose-led and value creating work.
- Design diverse career models that work seamlessly alongside one another – inspire and motivate all types of talent who are driven by different life stages, and want their career goals and working preferences met.

To enable this, we are putting a number of measures in place to upskill and build talent with future-proof capabilities, through enabling diversified career paths, development programmes, coaching and support structures, and agile opportunities to support the growth of diverse talent at PwC.

Building ESG talent

We want to be recognised as the pre-eminent adviser in ESG transformation, and upskilling our teams is a critical factor to meet this ambition; bringing together our skills in strategy, transformation, reporting and beyond to future-proof businesses, making them more resilient, agile and sustainable.

ESG Academy is our platform to upskill the entire PwC workforce on environmental, social and governance issues. It includes curated information, content and tools to equip our people with ESG skills and enable them to embed ESG into their daily roles.



PwC China FY21 number and rate of new hires by age, gender and region

	Mainland China		Hong Kong SAR		Macau SAR	
	Female	Male	Female	Male	Female	Male
Under 30	2,568 48.6%	1,442 48.8%	466 33.0%	391 39.9%	12 42.4%	11 50.4%
30-50	314 8.9%	340 17.5%	41 4.3%	68 8.9%	2 19.7%	0 0.0%
Over 50	0 0.0%	4 2.7%	1 0.4%	3 2.4%	0 0.0%	0 0.0%
Total	2,882 32.2%	1,786 35.4%	508 19.5%	462 24.8%	14 32.9%	11 37.9%

Calculation of new employee hires is limited to permanent employees. Temporary and contingent workers are excluded. The rate of new hires is the percentage of new employees hired over the average number of existing employees during FY21.

New world. New skills.

Our world is rapidly transforming, advancing and globalising. With skills as the new currency, we must reimagine how we learn, redefine the way we recognise learning, and transform how we acknowledge skills and knowledge.

In 2019, the PwC global network committed USD 3 billion in upskilling, including training our people and developing and sharing technologies to support clients and communities in our digital upskilling programme, 'New world. New skills.' At PwC China, the programme is seeing the digital upskilling of all our people systematically. In order to ensure our people understand how technology will change the future and how it will benefit them, PwC China is fully committed to developing our people's digital skills, so that

we can play a part in shaping the jobs of the future with our clients, government agencies and communities and help to close the skills gap in today's digital world. Further details of how our digital upskilling programmes are enabling innovation in our client services can be found in the 'Prosperity through innovation' section of this report.

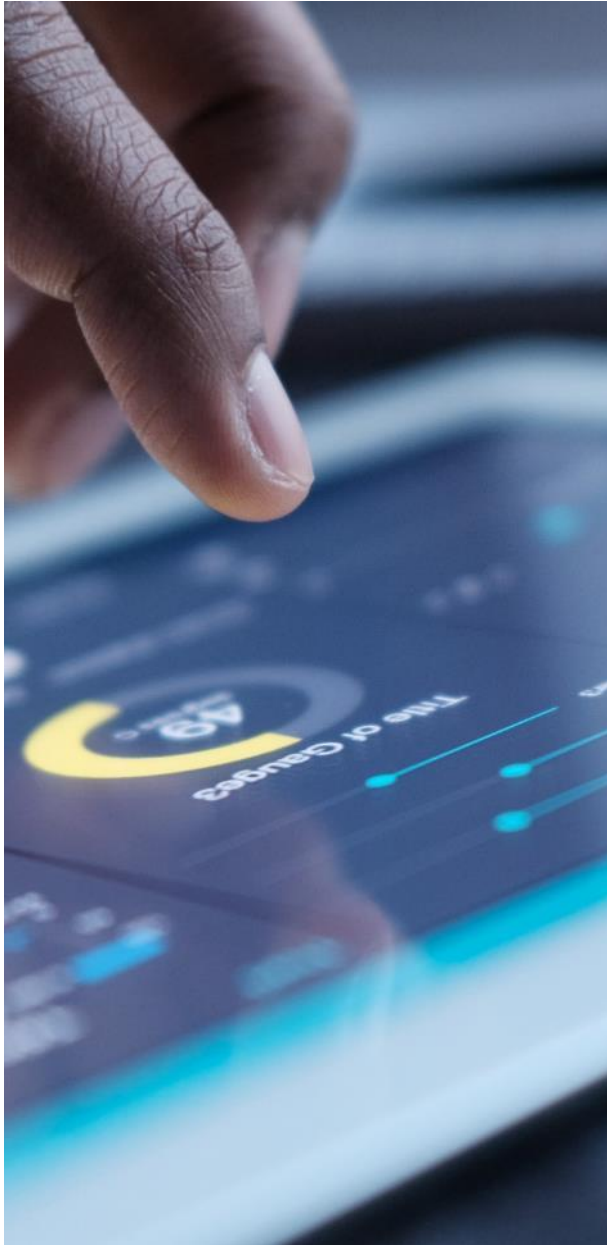
PwC China's digital upskilling programme includes Digital Accelerator, Digital Academy and PwC Badges – Digital Acumen Badges.

Digital Accelerator

- Close to 300 Digital Accelerators are empowered to disrupt, lead and drive change with teams to create business impact for our clients and our firm.

- Digital Accelerators undergo a 6-month intensive upskilling programme. They experience a blended learning model which combines training across in-person, self-paced, virtual and learning-by-doing modalities.
- Upon successful completion of the curriculum, over 1,100 PwC Badges for Business Analytics, Data and Analytics, Data Tools and Visualisation, and Artificial Intelligence – Machine Learning have been issued to recognise the learning of our Digital Accelerators.
- Our Digital Accelerators will also bring digital to life by applying the new knowledge and skills on real project assignments to create desired business outcomes, with support from a partner coach.





Digital Academy

- Year-on-year digital upskilling programme with over 6,200 Digital Academy graduates.
- Self-guided learning with immersive case-studies to learn through doing, and dedicated workshops.
- Enhanced knowledge and skills of relevant data analytics, data visualisation and robotic process automation tools to create value in everyday work.

PwC Badges – Digital Acumen badges

- In October 2020 we introduced PwC Badges – visible, shareable and portable electronic records of new knowledge and skills gained at PwC. It promotes continuous learning and reflects our people’s ability to contribute and create value in high-priority skill related areas, as well as the associated investment made in their personal development. It complements degrees, professional certifications, and on-the-job experience to tell a complete career story of our people.

- We then launched DigiTrek – a 9-week gamified campaign, featuring the hottest 22 digital topics in today’s market, whereby our people can earn the first PwC Badge, the Digital Acumen knowledge badge, through successfully conquering our digital quests, and applying digital knowledge to solve clients’ problems in our PwC industry-based scenarios.
- Over 3,500 Digital Acumen knowledge badges have been issued.



79%

of our people when surveyed, said they have opportunities to apply newly developed skills, including digital skills

Digital Lab

In FY21 we launched our game changer-led innovation sharing platform, Digital Lab. This new internal digital asset sharing platform allows our people to find, build and share new technology applications among the firm and work smarter and faster in an open and dynamic workspace. By storing innovative solutions in one central repository and harnessing cutting-edge tools and technologies in data, analytics and robotic process automation, our people are rethinking processes, enhancing quality and efficiency, and improving the way they work and collaborate.

For every contribution, download and application of a digital asset, our people receive Digital Lab Rewards points that can be converted and redeemed for a range of wellness benefits. In addition, PwC will match every Digital Lab Rewards point earned by our people with an RMB 1 donation to our charity partner Adream Foundation in China. Since launching, over RMB 100,000 has been donated to fund a new Adream Center multimedia classroom, benefitting under-privileged and rural children in China.

Average formal training hours per employee

Management level	Function	Female	Male	Total
Partner	Client service	31.6	31.9	31.8
	Practice support	20.9	24.2	23.6
Director	Client service	22.8	15.5	19.4
	Practice support	13.3	10.1	11.9
Senior Manager	Client service	34.4	31.03	33.0
	Practice support	15.0	11.7	14.1
Manager	Client service	49.4	43.9	47.2
	Practice support	17.9	15.5	17.3
Senior Associate	Client service	51.5	55.7	53.1
	Practice support	9.6	9.9	9.7
Associate	Client service	106.7	110.0	108.0
	Practice support	9.6	12.0	10.2
Administrative	Practice support	3.7	2.6	3.2

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.

76 hours

formal training per employee on average

Wellness reimagined

Foster a holistic culture of wellness and flexibility where our people thrive personally and professionally

We fundamentally believe that healthier, happier people are more productive, more innovative and more collaborative. The sheer volume of change that we are going through as an organisation and as a society will not be easy, so we are strengthening our wellness ecosystem through a focus on our people's physical, mental and emotional wellness, and every aspect of our people's professional lives. Our vision is to make 'work-life harmony' possible, achievable and sustainable for every business and individual.

Our Wellness Reimagined App

We place our people at the heart of our wellness ecosystem enabled by technology, with wellness-related products and services available to our people for all stages of life.

With wellness and flexibility being a top priority for PwC, in 2021 we launched our very own Wellness Reimagined app, a seamless one-stop shop for a rich variety of benefits and products to enhance the well-being of our people.

- With Flexi-Life Benefits, our people can mix and match their own wellness packages to fully utilise their annual wellness allowance. They can now make appointments and purchase PwC-curated wellness services utilising this flexible benefits allowance.
- Our Life Coach services provide unlimited 24/7 one-to-one complimentary sessions with certified wellness professionals for our people to resolve their everyday stress in life and work.
- Through partnering with over 360+ vendors, the Life Store and Great Finds features provide access to wellness products with corporate discounts, where our people can place orders and have products delivered to their door, all at their fingertips.

To go the extra mile and take care of staff's loved ones, coverage of the wellness plans and benefits has been extended to family and friends too.

>17,000

registered PwC users of Wellness Reimagined App



WeFlex

Flexibility is not a new concept at PwC. We introduced everyday flexibility some years ago allowing our people the ability to choose where, when and how they work. The introduction of the WeFlex policy enabled us to pivot literally overnight to having over 20,000 people working seamlessly and remotely during the COVID-19 crisis, leveraging the principles of trust, connectivity, and ensuring quality delivery to our clients.

87%

of our people when surveyed, believe that taking flexible work options would not impact their ability to succeed





“

We want to be more deliberate and intentional about the role of the office, so as to ensure that the workspace is digital, yet human-centric, and serve as a hub for us to be collaborative, productive and creative.

Ewan Clarkson
Chief People Officer,
PwC China

Workplace redesign

Introduce new ways of working by redesigning and reconfiguring our workplace to a highly collaborative, agile, digitalised and innovative environment.

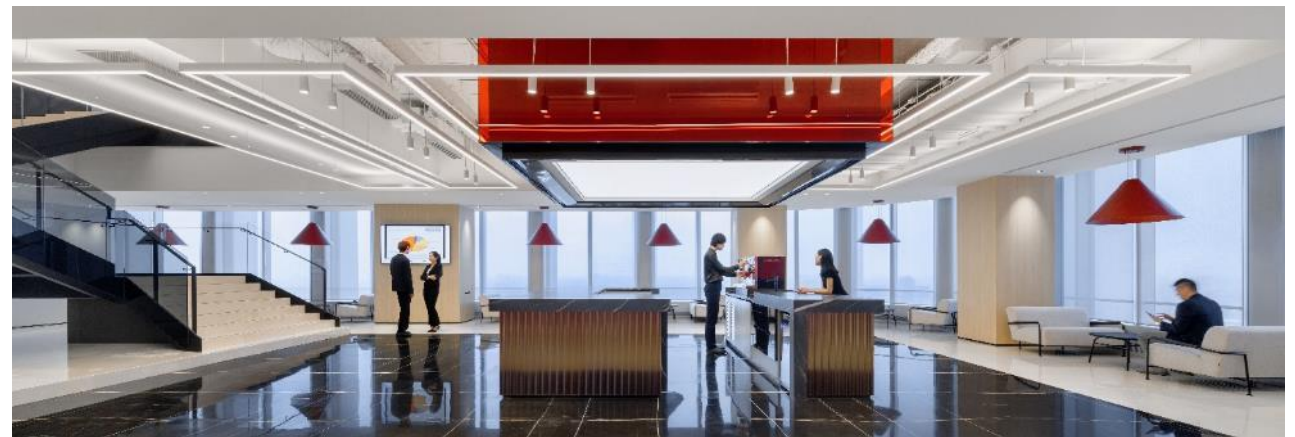
With the ubiquity of laptops and smart phones serving as mobile offices powered by our digital collaboration tools, we can be productive and collaborative beyond space and location. We have adopted a blended approach to where we work, to create value for our clients whether working from home, a client site, or a PwC office.

We know that the office will continue to serve an enduring purpose for the future of work. So we are redesigning and reconfiguring our workspaces to be a hub for our people to be

the best they can be. Our offices are also an important consideration of our 2030 net zero emissions goal, and we are committed to creating low-carbon spaces wherever our offices are located.

Activity Based Working

We are embracing Activity Based Working (ABW), where our people can work in designated areas that cater to the requirements of their task. For example quiet areas for concentration and focused work, collaboration areas for team work, and flexible and tech-enabled spaces to accommodate a diverse range of meetings, workshops and events. We also continue to invest heavily in a number of digital collaboration tools that are integrated within our offices, to facilitate seamless virtual and hybrid work.



Diversity and inclusion

Diversity and inclusion at PwC China is about creating an open, inclusive and respectful culture that treats everyone equally and ensures our people can bring their whole self to work, every day. Our strategic priorities continue to focus on gender and disability inclusion, together with valuing differences for people across all stages of life and with different needs.

We do this by sharing our voice on important topics, raising awareness of the different aspects of diversity, promoting inclusive behaviours, and building up a number of tools, networks and resources that are available to all of our people. We strive to ensure that our processes, policies, and benefits are designed to support all of our people, regardless of gender, age, race, disability, sexual orientation or other diverse characteristics.

Gender pay equality

Pay equality is fundamental to creating a diverse and inclusive culture, attracting talent and driving long-term competitiveness, and PwC is committed to providing equal remuneration for the same jobs. We analyse average pay levels for male and female employees across different sections of our workforce, to allow for comparisons that are like-for-like within those employee groups. At a

firm-wide level, our gender pay gap is minimal and approaching pay equity, however some differences remain within a limited number of employee populations.

Looking ahead, we will continue to monitor remuneration levels each year and put in place strategies to address any remaining gaps within specific employee groups.

In FY21, we have been actively assessing gender equity across our people metrics, such as Partner admissions and pay equity analysis. Other actions and activities include:

- Our CEO's commitment to the Women's Empowerment Principles (WEP).
- Enhancing our Maternity and Infant Healthcare Programme.
- Supporting PwC employees with disabilities in the 2020 Tokyo Paralympics.
- Volunteering activities and raising funds for the local community through our Shine employee network.
- Broadening our marriage leave benefit to include everyone at PwC.

81%

of our people when surveyed, said that their leaders are actively building a diverse and inclusive work environment





Most-relevant SDG targets for PwC

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Maternity and infant healthcare programme

As one of our diversity projects to promote gender equality and support working parents, our "Maternity and Infant Healthcare Programme" was launched in 2018 to provide a broad range of health and medical resources, including coverage of mental health topics. In FY21 the services offered were expanded to include COVID-19 related support, the "Bubbly Girl" WeChat group for non-pregnant and puerperal-period female employees to connect, and Traditional Chinese Medicine (TCM) services.

In FY21 there were:

- 5,000 employees subscribed to this service account.

- 44,000 views of online healthcare lectures.
- 1,500 participants at healthcare talks in the office
- 3,500 online consultations facilitated with medical practitioners.

Equal opportunity for career development and progression

At PwC, we are committed to promoting the leadership development and economic empowerment of female employees in the workplace, while placing gender equality at the forefront of our inclusion strategy. Based on

our annual review, we are very pleased to see that PwC's female staff received the same level of promotion opportunities and performance ratings as their male counterparts.

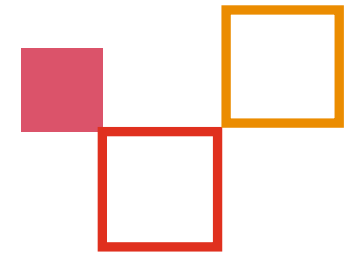
62%

female promotions (excluding partners)



Women's Empowerment Principles

We are also demonstrating and advocating for gender equality more broadly in society and in the business environment. PwC China is a signatory to the CEO Statement of Support for the Women's Empowerment Principles (WEPs), which is jointly curated and promulgated by the United Nations (UN) Global Compact and UN Women, promising to provide equal career development opportunities for all employees at PwC. In 2020, our Chairman Raymund Chao won the WEPs Award for Leadership Commitment in China by UN Women.



43%

female new partner admissions

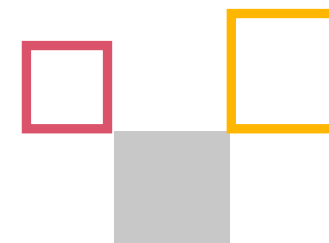


PwC China FY21 employees by category, by gender and age

Management level	Function	Female	Male	Under 30	30-50	Over 50
Partner	Client service	36%	64%	0%	74%	26%
	Practice support	18%	82%	0%	27%	73%
Director	Client service	56%	44%	1%	64%	35%
	Practice support	58%	42%	0%	60%	40%
Senior Manager	Client service	58%	42%	0%	97%	3%
	Practice support	74%	26%	0%	83%	17%
Manager	Client service	62%	38%	20%	80%	0%
	Practice support	73%	27%	2%	90%	8%
Senior Associate	Client service	64%	36%	75%	25%	0%
	Practice support	74%	26%	10%	79%	11%
Associate	Client service	61%	39%	97%	3%	0%
	Practice support	80%	20%	48%	50%	2%
Administrative	Practice support	51%	49%	20%	54%	26%

35%

of PwC Partners are female





People with disabilities

PwC is committed to providing equal employment opportunities and a workplace culture that is inclusive to all, including for people with a disability. PwC's Supported Employment Base has been established to provide individuals with physical and intellectual disabilities job opportunities to realise their self-value.

Together with the Beijing Chaoyang Disabled Persons' Federation Volunteer Service Center we have developed a number of social activities for PwC people to contribute to a more inclusive community for people with a disability. In FY21 our volunteers have participated by distributing holiday food boxes and sharing Chinese New Year greetings, donating laptops to special education schools for elementary students, and engaging with local community and non-profit group activities such as hiking, sailing, painting, games, team-building and family workshops.

PwC employees succeeding at the 2020 Tokyo Paralympics

Members of the national cycling team, who represented China at the 2020 Paralympics in Tokyo, are part of the PwC family. We are proud to support the national Paralympics cycling team to reach their full potential, and to be awarded the following medals for their outstanding performance in Tokyo:

- Bianbian Sun – Silver in the Women's H5 Road Race and Silver in the Women's H4-5 Time Trial.
- Guihua Liang – Bronze in the Men's C2 3,000m Individual Pursuit.

RMB 400K

invested to support vocational training, sports meets and outings for people with disabilities in FY21

PwC China FY21 number and rate of employee turnover by age, gender and region

	Mainland China		Hong Kong SAR		Macau SAR	
	Female	Male	Female	Male	Female	Male
Under 30	2,247 42.5%	1,183 40.0%	449 31.8%	293 29.9%	9 31.8%	6 27.5%
30-50	788 22.4%	524 27.0%	158 16.4%	179 23.6%	1 9.8%	3 37.9%
Over 50	5 4.4%	15 9.9%	20 8.6%	8 6.5%	0 0.0%	0 0.0%
Total	3,040 34.1%	1,722 34.1%	627 24.0%	480 25.8%	10 23.5%	9 30.3%

Calculation of employee turnover is limited to permanent employees. Temporary and contingent workers are excluded.

Providing security to our people in FY21

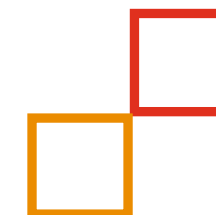
We actively took measures to ensure a secure and stable environment for our people during difficult times.

- Our Chairman publicly announced there would be no layoffs, redundancies or pay-cuts as a result of COVID-19.
- Accelerated partial FY21 bonus payments for all of our eligible people to provide more timely recognition during a challenging year.
- Increased the bonus pool by at least 50% compared to FY20.

- Launched interest free housing loans to help our people to purchase their first property, as a critical lifetime milestone.

In FY21 the ongoing impact from COVID-19, shifting workforce demographics, and increasing demand for talent have contributed to elevated turnover rates for many organisations. PwC invests in developing the world's best qualified professionals for companies and broader society, and due to our operating model a high proportion of our people are at the beginning of their working life. During this early stage of their career, PwC

people gain valuable skills, qualifications and experience through our professional development programmes, preparing them for skilled roles in other organisations and industries. We are also investing heavily in future talent, enabling alternative career paths and diverse upskilling opportunities, to attract and retain new types of talent.



An aerial photograph of a river winding through a dense forest with vibrant autumn foliage in shades of orange, yellow, and green. A multi-lane bridge spans the river, with several cars visible on it. In the upper left, a small boat with several people is on the water. The overall scene is peaceful and scenic.

Prosperity
through innovation



Building a prosperous China

2021 saw major achievements and progress in China. The 100 years of the Communist Party of China (CPC) was celebrated and achieving the First Centennial goal, essentially the eradication of absolute poverty in China, goes down as one of the greatest achievements in its history.

2021 also marks the passage into the Second Centennial goal period, beginning the 14th Five Year Plan and Long-Range Objectives through to 2035. These plans map out China's transformation from an industrial economy to an innovation and technology driven nation, with sustainable development at the core of its strategic ambition. China's infrastructure projects are also critical to its economic development. PwC is pleased to have supported the government on several key infrastructure projects and is committed to continuing this support.

PwC is dedicated to helping China accelerate its development and we are investing in our people and technology to help our clients adapt and prosper from the three major trends of China's economic development: digital transformation towards a Digital China, climate change and sustainable development driven by the Dual 30/60 carbon goal, and the dual circulation economic strategy to drive inclusive high-quality growth.

Faced with these unprecedented opportunities, organisations need to react with agility and fundamentally redesign for digital transformation, organisational culture, and sustainability ambitions. Success will depend on creating a virtuous circle between earning trust and delivering sustained outcomes.

This section of the report details some of the ways in which PwC is building prosperity for all in China, by continually innovating the services we offer and the impact we deliver for clients.

Expanding our reach and economic contribution

In the early stages of the pandemic, PwC was the first firm to announce that there would be no lay-offs or wage cuts for staff, to preserve employment and ensure our people could avoid any adversity from the impending economic uncertainty. We also made a commitment not to access government economic support packages for business, allowing stimulus measures to flow to individuals and businesses that needed it most. We fulfilled and even exceeded these commitments throughout FY21, with expansion of PwC offices and 5,663 new hires joining us.



Most-relevant SDG targets for PwC

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small-, and medium-sized enterprises, including through access to financial services.

Innovation in our services

Relevance to our clients' most pressing issues

Our clients, today more than ever, face incredibly dynamic environments, where trends across all domains, from consumers to employees, supply chains to regulators, technology to the environment, mean their priority agenda are filled with new challenges, driving their need to adapt.

High quality economic outcomes are the basis for strengthening social progress and sustainable development. Economic, social and environmental development are so intertwined that businesses must understand and respond to the priorities of a much broader group of stakeholders beyond just investors.

PwC's continued relevance and value to our clients is only possible through robust and continuous innovation and investment in the services we provide, as well as our people experience, technology and operating model, and our culture and leadership.

We recently announced our commitment to invest RMB 8 billion and create 20,000 jobs in the coming 5 years. In FY21 we invested an estimated RMB 1.8 billion. These investments allow us to serve our clients' most important

issues across our diverse portfolio of services – creating the trust and sustained outcomes they need.

We are building on the strength of our core businesses, creating tomorrow's audit today by powering our people with technology; transforming our tax delivery model to enhance quality and agility; or partnering with clients alongside their transformation journeys from strategy to execution.

We are also focused on five strategic investments in critical areas to our clients (including digital redesign, digital products and solutions, ESG, regional economic clusters and workforce of the future), where we are rapidly scaling our quality capabilities, implementing innovative operating and people models and building our market leadership position.

Our ability to serve our clients better, and in more meaningful and relevant ways, allows us to enhance the impact we have in our communities and on society.

Our innovation ecosystem and digital assets, tools and products

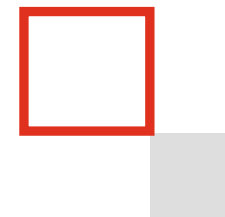
We've fostered an environment at PwC that encourages our people to come up with new, creative solutions to augment and amplify our traditional services and help to build the businesses and industries of tomorrow.

PwC China's Game Changer Awards

Our annual innovation fund rewards our people for demonstrating intrapreneurial behaviours and creating new solutions and technology applications for our clients and to optimise our own operations. In 2021 we received 340 nominations for the Game Changer Awards, and the 200 winning entries encompassing over 800 staff have been awarded over RMB 8 million in total.

2021 China Game Changer winners include:

- **Intelligent Chatbot Platform for Digital Transformation:** An integrated digital product to facilitate internal consultation experiences. Chat bots powered by AI algorithms and Natural Language Processing technology can answer inquiries in different knowledge domains at any time, anywhere.
- **Capture All:** An internal assurance tool that provides a secure, fast and easy way to capture client evidence using a mobile phone camera. Capture All can be used for taking images during a stock take, fixed asset inspection or vouching.





Global Innovation Challenge

The best of our local innovation entries are also selected for the Global Innovation Challenge, which plays an important role in identifying commercially-viable tech-enabled solutions to new and emerging business issues. In 2021, 470 submissions were made globally, and we saw record levels of interest with over 75 entries from PwC China.

Reflecting PwC China's innovation and impact, we were incredibly proud that our ESG Reporting Tool beat off the competition from around the world to be crowned the Champion of this year's Global Innovation Challenge 2021.

- **ESG Reporting Tool:** A trilingual ESG reporting tool to help streamline and centralise in-house ESG project management onto one platform. The tool handles data collection and management through automated consolidation, processing and conversion of ESG data. Data can also be converted into KPIs and visualisations in the dashboard with just one click.

As these examples illustrate, beyond our traditional services, we are committed to building innovative digital assets which create trust, higher value and productivity among society and businesses.



PwC Asia Pacific Trust Leadership Institute

We are committed to embedding trust-based principles into the core of today's and tomorrow's businesses – including by establishing the new PwC Asia Pacific Trust Leadership Institute in China, a first-of-its-kind C-suite educational experience.

The institute to be built in China will bring an immersive learning experience to life through both physical and virtual connectivity focusing on sustainability, digital innovation, wellness and mobility. It will become the creative hub to educate, advise and fulfil the changing needs of businesses, leaders, academics, and the next generation of talent. It will act as a trusted platform between our clients, the business community and society to create impactful outcomes for the new era.

PwC You Plus

Guided by research and deep industry experience, You Plus is a unique comprehensive career advancement programme for early career stages. You Plus aims to bridge the gap between academic education and practical work experience by developing market-ready professionals who are self-aware, knowledgeable and adaptable.



Digital investing for long term value

The development cycle of digital assets in particular, means we must adopt a multi-year investment strategy to build and commercialise our high potential innovations. These digital assets are creating value for our clients in fundamentally new 'digital-first' ways, where we may deliver human services in conjunction or digital products and solutions alone – but all powered by our unique client insights.

Air Trace

Air Trace is PwC's innovative solution powered by blockchain technology, which ensures security and transparency of data logged in an encrypted and immutable ledger.

Air Trace tracks supply chain data in a secure, trusted and transparent way. It provides enterprises, business partners, customers and stakeholders a high degree of trust and transparency to meet the increasing demands of compliance and governance responsibility.

Air Trace also traces and reports ESG data, enabling management to better address key sustainability issues such as food and product safety, and climate-related physical and transition risks. In 2021 Air Trace was shortlisted in the G20 TechSprint competition for green and sustainable finance, and won the China International Fair for Trade in Services (CIFTIS)

award in the "Demonstration Case: Business Format Innovation" category.

Digital Business Portal

- Powered by PwC, the Digital Business Portal is an automated online platform for start-ups, SMEs or established businesses. It acts as a personalised integrated solution for all tax, legal* and corporate compliance matters. At the click of a button, get answers anytime and anywhere to questions about corporate compliance, Hong Kong profits tax, legal, Hong Kong salaries tax and Transfer Pricing.

Smart Office

- A dynamic ecosystem that transforms traditional office patterns into a modernised and automated workspace through facial recognition and Internet of Things (IoT). Smart Office enables unprecedented user experience and mobile working flexibility, improving productivities and employee wellness.

* Developed in collaboration with Tiang & Partners, an independent Hong Kong law firm.

77%

of our people when surveyed, said that PwC is actively seeking out new ways to use technology to improve how we deliver to our clients



“

To help clients thrive and shift gears in a fast changing environment, it is imperative for them to quickly build digital capabilities and be laser focused on their investment outcomes.

PwC China strives to help companies capture the full value from their digital transformations to create trust and sustained outcomes for their key stakeholders and stay resilient to rapid market changes.

Jim Woods

Chief Digital Officer, PwC China

An aerial photograph of terraced rice fields in a tropical setting. The terraces are filled with water, reflecting the sky, and are surrounded by lush green vegetation, including palm trees and banana plants. A red banner with white text is overlaid on the center of the image. There are also several colored boxes (red, orange, and grey) highlighting specific areas of the terraces.

Principles of governance





Our structure and operations

PwC Mainland China, Hong Kong SAR and Macau SAR work together on a collaborative basis, subject to local applicable laws, and together are referred to as PwC China or PwC throughout this report, unless otherwise specified. We operate from 28 cities in Mainland China, Hong Kong SAR and

Macau SAR. Our core professional services cover audit and assurance, consulting, deals, new ventures, risk assurance and tax, while our industry specialisation allows us to help co-create solutions with our clients for their sector of interest.

PwC is the brand under which the member firms of PricewaterhouseCoopers

International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity.

PwC China governance

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.

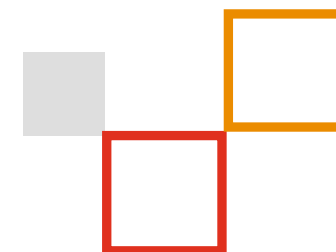
The Board of Partners is the governance body of the Firm, and its role includes advising the Chairman and CEO of issues of concern to the partners, reviewing the processes adopted by management in its decision making, and overseeing the process of the Partner Income System. The Chairman and CEO is an ex officio member of the Board of Partners. The other members are elected for a four-year term. The Board of Partners meets approximately 10 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 also 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 composition of governance bodies

	Female	Male	Under 30	30-50	Over 50
Board of Partners	50%	50%	0%	50%	50%
Management Board	13%	87%	0%	40%	60%



Ethical behaviour

At PwC, we nurture a strong culture of ethics in our people and in the way they conduct business, including training for all new joiners in ethics and independence, and annual training and assessment for 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 website.

Anti-corruption

We have comprehensive policies, guidance 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. There have been no confirmed incidents of corruption identified during FY21.

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 serving our clients.

Quality

The quality of our work is at the heart of our organisation, and we invest significant and increasing resources in its continuous enhancement across all of our businesses. This investment is directed into many different areas, including technical, ethical and behavioural training, methodologies, adding resources in key areas and exploring new ways of delivering our work. We are also investing heavily in new technology to drive continuous improvement in the capabilities and effectiveness of all of our services.

Ethics advice and reporting mechanisms

PwC is committed to maintaining a safe and respectful workplace where our people can thrive; and that 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.

100%

completion of annual compliance confirmation

Risk and opportunity oversight

PwC China Enterprise Risk Management approach

The PwC China Management Board (MB) provides oversight, 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 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, conduct interviews across LoS/ Functions and the firm's key stakeholders, collate/ assess the pre/ post mitigation impact and risk probabilities and identify the ERM Top Risks for review, discussion and 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/ lead a Business/ Functional unit). They

are accountable for and take ownership 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.

FY21 Enterprise Risk Management top risks

COVID-19

- Failure to prepare for / respond immediately and appropriately to ensure safety and wellbeing of our people and to minimise operational and business risks whilst maintaining quality.

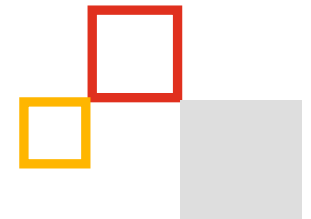
Quality and compliance

- Client and Service Quality: A significant failure in acceptance or service delivery quality in existing or evolving services could result in regulatory sanctions, reputational damage or economic loss.
- Independence: Failure to comply with external independence requirements and/or manage the ongoing complexity and changes in Independence regulations, against a growth agenda in new areas and changing expectations.

- Regulatory / Public Policy Change: Failure to constructively engage in effective regulatory dialogue and manage emerging issues may result in reputational damage and adversely impact our business.
- Information / Cyber Security and Data Management: Failure to effectively (i) maintain data within the highest compliance and regulatory standards; and (ii) manage data (Firm, client and third parties) use and security, could adversely affect implementation of the Firm's Digital Strategy and result in legal sanctions, reputational impact or brand damage.

Network resilience and societal risk and trust

- People, Values & Ethical Behaviors: Failure to (i) anticipate and prepare for work force related changes or effectively execute our multi-dimensional People Plan may adversely affect our ability to execute strategy and serve our clients; and (ii) adopt and live PwC Values, Purpose and behave ethically will threaten how we work with our clients, stakeholders and each other.



- Geopolitical / Macroeconomic and Societal Trust: Failure to (i) navigate the impact of a Geopolitical event such as a trade dispute, regime change, war or internal conflict; (ii) withstand significant disruption caused by a major Macroeconomic event such as major market correction, recession, political turmoil or regulatory change; and (iii) anticipate and respond to market and societal expectations or engage in the broader societal agenda will erode our reputation and trust, and could result in regulatory changes / actions that fundamentally impact our operations and structure.

Network resilience/ mutuality

- Network Priorities and Alignment: Risk to the Network model given pressures caused by conflicting regional and national priorities in the external environment, compounded by market and cost pressures and influences.

Market risk

- Technology Disruption / Transformation and Resilience: Failure to (i) respond with speed and agility including getting new services / solutions to market; and (ii) manage critical system availability / resilience, impacting ability to serve clients and manage our business.

Speed of response

- Change Management: Failure to manage or execute changes to businesses or functions could result in business disruption.





WEF IBC Stakeholder

Capitalism Metrics

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.	Governance
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
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.	Stakeholder engagement
Ethical behaviour	Anti-corruption	<p>1. Total percentage of governance body members, employees and business partners who have received training on the organization'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>	Ethical behaviour
	Protected ethics advice and reporting mechanisms	<p>A description of internal and external mechanisms for:</p> <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>	Ethical behaviour
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.	Risk and opportunity oversight

2. 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).	Gender
	Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Gender
	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.	We do not use child, forced or compulsory labour in any of our own operations. Our suppliers have to abide by our Third Party Code of Conduct, which is explicit in our opposition to and intolerance of any form of child labour, human trafficking and modern slavery.
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 FY21 one minor workplace injury was reported. 2. Wellness
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).	Workforce of the future

3. Planet

Topic	Metric	Description	Report section
Climate change	Greenhouse Gas emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	GRI 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 pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	TCFD report for the PwC network
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).	Our Qingdao leased office is located in a KBA, while Nanjing, Shenzhen and Hong Kong leased offices are adjacent to KBAs. These office premises are situated in existing built-up urban areas of major cities, with relatively small footprints.
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. Qingdao, Beijing, Tianjin, Hefei, Zhengzhou, Shanghai, Suzhou, Wuxi, Xi'an, Dalian, Jinan, Kunming and Shenyang offices are located in high or extremely high water stressed areas as defined by the WRI Aqueduct Water Risk Atlas.

4. Prosperity

Topic	Metric	Description	Report section
	Absolute number and rate of employment	<ol style="list-style-type: none"> 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region. 	Workforce of the future
Employment and wealth generation	Economic contribution	<ol style="list-style-type: none"> 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: <ul style="list-style-type: none"> ▪ Revenues ▪ Operating costs ▪ Employee wages and benefits ▪ Payments to providers of capital ▪ Payments to government ▪ Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period. 	<ol style="list-style-type: none"> 1. Confidentiality constraints restrict reporting of our direct economic value generate 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 6.1 billion in FY21. 2. With the exception of blanket reliefs given to all businesses in response to the COVID-19 pandemic, we did not receive any material or significant payments from governments in FY21.
	Financial investment contribution	<ol style="list-style-type: none"> 1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company’s investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders. 	Since PwC is a network of privately owned separate legal entities, this metric is not relevant to our structure.

4. Prosperity

Topic	Metric	Description	Report section
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 FY21 we invested an estimated RMB 1.8 billion following on from RMB 1.6 billion in FY20, 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. This investment occurred despite a more cautious approach to overall spending.
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 tax.	Taxes paid by our major regulated audit business in China, PricewaterhouseCoopers Zhong Tian LLP, are estimated to be 46% of profits, including VAT and Shareholder Individual Income Tax.



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