

Corporate Sustainability

# PwC UK Nature disclosure

**Based on recommendations of the Taskforce for  
Nature Related Financial Disclosures (TNFD)**

October 2024



# Introduction

The natural world is currently under threat. With over half of the world's GDP highly or moderately dependent on nature, businesses are facing new risks from nature and biodiversity loss. Driven by the strong interrelation between nature decline and the climate crisis, it has become increasingly apparent that we will not achieve a transition to a net zero economy without fully addressing our reliance and impact on nature. In recognition of this, at PwC UK we have established programmes focussed on supporting nature restoration and reducing our impacts, in addition to our long standing net zero and decarbonisation journey, which we've been addressing since 2007.

This year, we undertook a gap analysis of our business readiness against the Taskforce for Nature-related Financial Disclosures (TNFD) criteria and the 'It's Now for Nature' – nature strategy recommendations. The outcomes of this led us to perform a high level evaluation of our expected nature-related Dependencies, Impacts, Risks and Opportunities (DIROs) for our direct operations and supply chain, in line with the TNFD's LEAP approach. It demonstrated that our direct operations contribute to less than 1% of our total impact on nature, with 99% of our nature-related impact lying within our supply chain.

This disclosure sets out both our approach towards understanding our relationship with nature, and the outcome of our assessment.

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## Governance

PwC UK nature-related issues are overseen by the UK's Management Board, through the Net Zero Steering Committee. The committee has responsibility for the UK firm's response to the climate and nature crises, overseeing progress towards our net zero commitments and nature-related targets, and monitoring our climate and nature-related risks and opportunities. The Chair of the Committee is responsible for ensuring the Management Board is kept informed of progress, strategy and risks.

See our Climate risk statement for broader UK Group level details of our governance and reporting structure.

Our ISO 14001-aligned environmental management policy sets out our environmental commitments, which are governed by our executive leadership and outline how we seek to minimise the environmental impacts of our business operations, taking consideration of biodiversity, waste consumption, resource use and pollution.

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## Strategy and approach

One of our corporate sustainability strategic goals is to drive a net zero and sustainable future, which includes addressing the nature crisis. Nature is considered by relevant functional teams across the business, collaborating to deliver the best outcomes for our people, planet, and clients.

The first step towards achieving our ambition is gaining a better understanding of our relationship with nature. To do this, we leveraged expertise within our UK Sustainability practice, to assess our direct operations and upstream supply chain nature impacts, using a combination of direct consumption data, spend-based estimates and our Impact Explorer tool. We also identified our expected dependencies on nature using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database, and considered the geographical locations of both our offices and our supply chain operations.

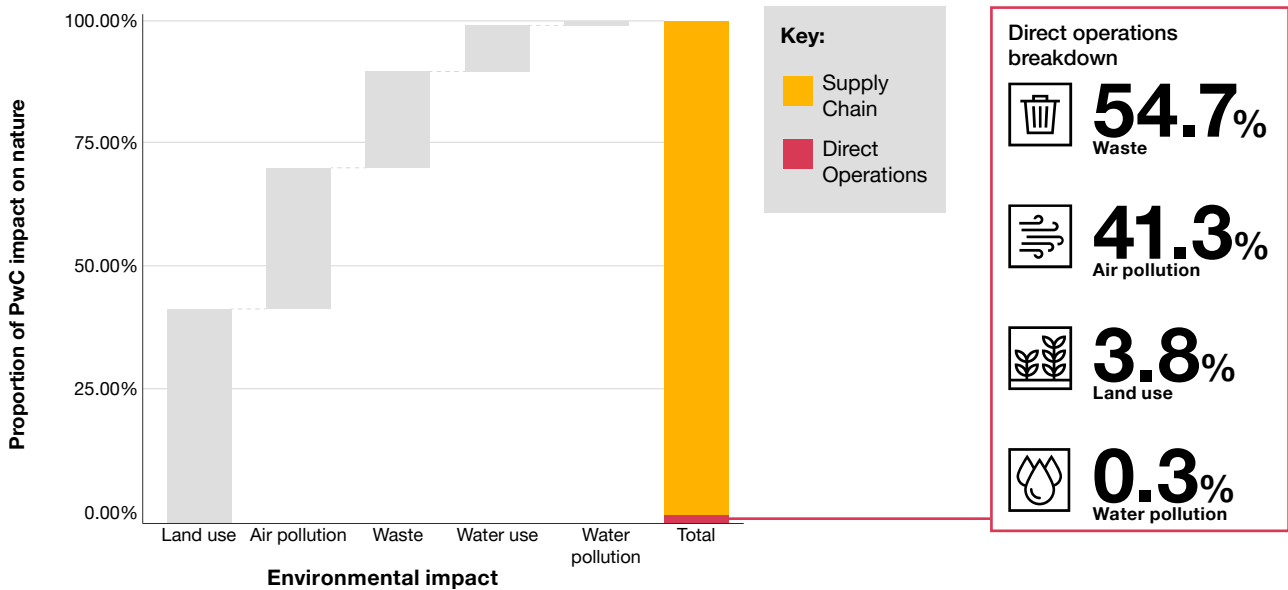


Our ambition is to contribute towards a nature-positive world. We will support Target 15 of the Global Biodiversity Framework (GBF) by minimising our negative impacts, and actively playing a part in reversing nature loss through our own actions, while also supporting suppliers and clients on their nature journeys.

# Nature-related impacts and dependencies<sup>1</sup>

## Our Nature Impacts

Chart 1: Breakdown PwC UK key impacts on nature<sup>2</sup>



### Direct impacts

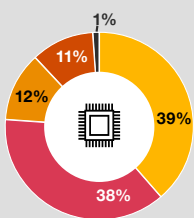
Our direct operations contribute to less than 1% of our total impact on nature; this is largely driven by **waste** generated from office consumption, followed by **air pollution**, which is likely to be attributed to NOx emissions produced by the burning of gas within our buildings for heating.

### Supply chain impacts

Our analysis found that 99% of our nature-related impact (see Chart 1) lies within our supply chain, with land use and air pollution being the largest impact areas. The same analysis also allowed us to identify four key supply chain categories (representing approximately a quarter of our UK spend, and around 40%<sup>3</sup> of our material impact on nature) as areas of focus.

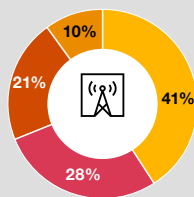
The management of these areas of focus is detailed in the 'Risk and impact management' section. We concentrate our efforts where we have direct leverage and influence in the context of our business operations.

### Key supply chain categories of focus<sup>4</sup>



#### IT equipment and devices (hardware)

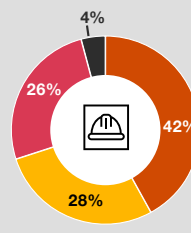
Although not an explicit finding of our analysis, in general, the mining of raw materials required for electronics leads to land-use change, and significantly contributes towards air pollution and water use.



#### IT and Telecommunication services

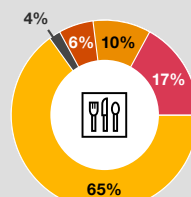
This category is largely made up of Software and Service suppliers. Within this industry, the majority of the water, land use, waste and air pollution impacts typically associate with data centre and energy usage.

Key: Land use (Yellow), Water use (Orange), Air pollution (Pink), Waste (Red), Other (Grey)



#### Construction

Our construction related impacts are associated with our office refurbishment projects, since we do not build our own offices. While the land use and waste impacts related to construction are apparent, it's well documented that the construction industry also contributes to local air pollution, creating health hazards for workers and negatively affecting nearby ecosystems.



#### Food and beverages

99% of our supply chain land use impact is driven by agriculture. Our food and beverages category only contributes towards a portion of this; nevertheless we prioritise engagement with our catering suppliers, as we can have direct influence on them, and also know that the responsible sourcing of food is important to our people.

1. It's important to note that the impacts and dependencies identified in our analysis are estimated.  
 2. Total impact, including supply chain and direct operations.  
 3. The remaining 60% of impact is largely attributed to categories where we have a high spend, but a very low impact.  
 4. Supply chain categories are listed in order of overall impact (which is based on PwC spend and impact intensity of sector).

## Our Nature Dependencies<sup>5 6 7</sup>

While taking action on our nature-related impacts is key, it's important to understand that businesses are also dependent on nature to sustain their operations. Our analysis confirms that our direct operations do not have any material dependencies, however, seven of our business critical<sup>5</sup> supply chain categories, representing nearly a third of UK spend, do.

These indirect dependencies all relate to either water-focused ecosystem services, and/or ecosystem services that protect the businesses from disruption (further detail in table 1 below).

**Table 1: Heatmap of PwC UK supply chain dependencies**

■ High dependency ■ Very high dependency

Spend increasing ↑	Nature-related dependencies	Consistent supply and quality of water				Protection from disruption provided by nature		
		Surface water availability	Groundwater availability	Water flow maintenance	Water quality	Flood and storm protection	The regulation of climate	Mass stabilisation and erosion control (e.g. prevention of landslides)
		Supply chain categories						
	IT and Telecommunications services					Very high		
	Facilities management and real estate services	High						
	Land travel providers (rail and car)					High	High	High
	Electricity utilities <sup>8</sup>	Very high				Very high	Very high	Very high
	Gas and power utilities	High			High	High		High
	Air travel provider					High	High	
	Water utilities	Very high	Very high	Very high	High			



5. Nature related dependencies as identified through the ENCORE tool. Our materiality criteria for dependencies includes: suppliers that were either top spend, or identified as business critical to PwC at present, for example water utilities. Of these suppliers, we identified which had high or very high dependencies according to the ENCORE tool. A business critical supplier is defined as one that, if it stopped operating for 24 hours, would cause a material disruption to our ability to meet our clients' needs.

6. Our direct operations analysis identified bioremediation (very low dependency) and mass stabilisation and erosion control (low dependency), neither of which fell into our materiality criteria.

7. Key limitations of the dependencies analysis include: The analysis is only related to our direct (tier one) supply chain categories due to current methodology limitations. The analysis was also performed at the 'category' level, so does not account for the actions taken by individual suppliers.

8. The ecosystem services: 'Groundwater availability', 'Water flow maintenance' and 'Fibres and other materials' were identified by ENCORE as dependencies related to 'electricity utilities'. However, these dependencies do not relate to PwC's electricity supply and have therefore been removed from our analysis. This is because ENCORE specifically relates these to hydropower, geothermal and biomass electricity sources, which currently make up a tiny proportion of the UK grid average, hence wouldn't affect our supply if lost. 'Surface water' remains a dependency for electricity, as this relates to nuclear energy provision, which currently makes up around 15% of the National Grid mix average (2023).

# Our risks and opportunities

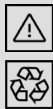

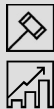



**Risks and opportunities stem from our impacts and dependencies on nature**, and can be elevated by the presence of our offices and supply chain in ecologically sensitive locations<sup>9</sup>.

Our nature-related physical and transition risks and opportunities<sup>10</sup> (in the context of our low direct association with nature), are outlined in Table 2 below. To assess physical risks, we considered our identified material impacts and dependencies, while transition risks and opportunities were determined through market and peer benchmarking reviews, and consultation with internal subject matter experts. We also considered our evolving client requirements, whilst identifying any interlinkages with our existing climate risks and opportunities.

Despite identifying low levels of nature-related risk to PwC in the current term, we are aware that physical risks are set to rise, alongside both regulatory requirements and wider scrutiny of our impacts and actions. Further, we recognise the unique role we can play by influencing our suppliers and clients to take action, and lead by example. So, we have a number of strategies in place to improve our long term resilience, and will continue to monitor our exposure to these risks and opportunities within our direct operations and value chain.

Time horizon	Definition
Current .....	0-1 year (2025)
Medium term .....	5-10 years (2030)
Long term .....	20-30 years (2050)

**Table 2: Nature-related risk and opportunities <sup>11</sup>**

Risk and Opportunity category key	Physical risk (acute and/or chronic) <sup>12</sup>	Policy or regulatory risk/opportunity	Reputational risk/opportunity
	Resource efficiency opportunity	Market risk/opportunity	Ecosystem protection, restoration and regeneration opportunity
<b>Risks</b>			
<b>Description</b>	<b>Emerging nature related policies, regulations and reporting requirements</b> , aimed at reducing nature negative outcomes and achieving nature positive outcomes.	<b>Exposure to particular clients and supply chain sectors</b> with the highest levels of inherent nature-related risk.	<b>Reduction in ecosystem services</b> , specifically: <ul style="list-style-type: none"> <li>Nature's ability to <b>regulate the climate</b> and provide <b>flood and storm protection</b>, and,</li> <li>The <b>consistent supply and quality of water</b> in water-stressed areas.</li> </ul>
<b>Risk opportunity category</b>	 	 	 
<b>Value chain stage</b>	Direct; Supply chain; Broader market	Direct; Client portfolio; Supply chain	Direct; Supply chain
<b>Related impact/dependency <sup>13</sup></b>	<b>Reporting risks:</b> All PwC material impacts and dependencies are relevant <b>Policy specific risks:</b> waste; air pollution; water related impacts are likely to be most relevant	All material impacts and dependencies are relevant	<b>Impacts:</b> land use; water use <b>Dependencies:</b> all material dependencies
<b>Business impact</b>	<ul style="list-style-type: none"> <li>Failure (of PwC and suppliers) to adapt core services in consideration of nature, leading to financial loss and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of revenue as clients face disruption.</li> <li>Reputational impact due to association with nature-negative sectors.</li> </ul>	<ul style="list-style-type: none"> <li>Disruption to direct operations (location dependent).</li> <li>Disruption to operations of business critical suppliers (location dependent).</li> <li>Disruption to business travel, affecting client services.</li> <li>Increased costs due to supply chain disruption and water scarcity in ecologically sensitive areas.</li> </ul>
<b>Time Horizon</b>	Current to medium-term	Medium-term	Medium to long-term



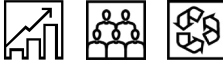
9. Ecologically sensitive locations we have identified for our direct operations include areas of high biodiversity importance (e.g. Key Biodiversity Areas or Protected Areas) or areas of high water stress. While we have determined the expected geographical region of our supply chain impacts at a high level, we are currently unable to determine whether these operations are present in sensitive locations. More detail on these findings can be found on our [Nature Website](#).

10. See Annex 1 for definitions.

11. See 'risk and impact management' section for details on how we are currently addressing these.

12. Physical risks can lead to transition risks, such as increase in costs in relation to supply chain services and financial loss due to service disruption to our clients. Due to a lack of data availability related to the location of our supply chain in these sectors, we are currently unable to determine the likelihood and severity of these location-specific risks.

13. Refer to 'impacts and dependencies' section.

Opportunities			
<b>Description</b>	<b>Ecosystem protection, restoration and regeneration</b> through both our direct operations, and indirectly through our support of wider national and international projects, such as nature based solutions.	<b>Supporting clients</b> in addressing nature-related issues;  <b>Advocacy and contribution</b> of expertise to wider policy and/ or sector-based efforts aimed at accelerating the transition to a nature-positive world.	<b>Transition to more efficient and circular operations</b> through <b>collaboration and engagement with supply chain</b> to tackle nature-related issues.
<b>Risk opportunity category</b>			
<b>Value chain stage</b>	Direct; Broader market	Client portfolio; Broader market	Direct; Supply chain; Broader market
<b>Related impact/ dependency</b>	<b>Impacts:</b> most relevant are land use; air pollution; water pollution <b>Dependencies:</b> indirectly supports all dependencies through ecosystem restoration	Indirectly relates to all impacts and dependencies	Related to all material impacts and dependencies
<b>Business impact</b>	<ul style="list-style-type: none"> <li>Actively support ecosystem and biodiversity restoration at a local, national and international scale, strengthening reputation.</li> <li>Improved stakeholder engagement, creating reputational benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Market benefits from adapting and scaling nature-based services to a wide range of clients.</li> <li>Reputational and talent attraction benefit of influencing system-wide change to support nature.</li> </ul>	<ul style="list-style-type: none"> <li>Improved stability of operations through supply chain resilience.</li> <li>Reduced operational costs and less exposure to price volatility in the supply chain.</li> <li>Improved supply chain relations.</li> <li>Reputational and talent attraction benefits.</li> </ul>
<b>Time Horizon</b>	Current to medium-term	Current, medium and long-term	Current, medium and long-term

# Risk and impact management

**Our climate risk statement<sup>14</sup> details our approach to risk management, with two of the UK firm's principal risks focussed on 'climate change and environmental degradation'.**

The strategy section above describes how we have identified, assessed and prioritised our nature-related DIROs. We'll monitor our DIROs for any significant changes in our operations or supply chain and update our methods accordingly if improved data and tools become available.

## Managing risks and impacts

The management of nature issues forms part of PwC's Corporate Sustainability strategy and is an area where we provide expertise to our clients through our sustainability services. Our direct operational environmental impacts and compliance obligations have been tracked and managed through our ISO 14001 Environmental Management System (EMS) since 2008. The client-facing sustainability team is at the forefront of emerging regulatory and commercial requirements in relation to nature, which helps us both support clients' responses to these developments and identify nature-related implications for our business.



## Business response to risks and opportunities

### Taking direct action

R&O addressed:<sup>15</sup>



#### Tackling climate and nature related issues together

Our nature-related physical risks are exacerbated by climate change, and connected to our climate risks, which are addressed through our comprehensive [Net Zero agenda](#) and Climate Risk statement.<sup>14</sup>

We have been supporting nature-based solutions for a number of years through the [purchasing of carbon offsets](#) certified under REDD+, Verified Carbon Standards (VCS) and Climate, Community and Biodiversity (CCB) standards, and are committed to expanding to carbon removal projects by 2030.

#### Ecosystem protection, restoration and regeneration opportunities

We support local biodiversity through our buildings, and have **had green roofs on both of our London offices for over ten years**, creating habitats for a range of birds and invertebrates. We're working with experts to maximise the biodiversity potential of these spaces.

Our '**Nature Network**', set up in 2023, provides employees with the tools and knowledge to support biodiversity at work and at home, through a series of events and workshops, as well as a platform to share ideas.

We also have a well-established **environmental volunteering programme**, which supports our environmental charity partners and provides our people with the opportunity to directly contribute to nature restoration. In 2024, we became a **corporate member of The Royal Botanic Gardens at Kew**, which will help to evolve our own work, and grow colleague engagement, while supporting Kew's important work to fight nature loss and protect biodiversity.

#### Circular and regenerative consumption

Our long standing 'circular and regenerative consumption' programme is an established component of our corporate sustainability strategy, whereby we apply a 'circularity' lens to the design of our buildings, office spaces, waste management and most recently, our technology use and supplier engagement. See our lessons learned document '[Going circular: our ten year journey](#)' for more details.

#### Air pollution

We are gradually transitioning our office portfolio from gas to electric heating, as part of our real estate strategy, reducing air pollution related to the burning of fossil fuels. In our London offices, we retrofitted our trigenerators with catalytic converters, in line with local regulations, and switched the fuel used from biodiesel to the cleaner biogas alternative.

### Driving wider change in the market

R&O addressed:<sup>15</sup>



#### Our involvement with the TNFD

At a network level, we are members of the TNFD and had an active role in the development of its framework and recommendations, while also signing up to be [TNFD Early Adopters](#). Alongside the TNFD secretariat, we co-lead the nature-related data catalyst initiative and chair the metrics and data working group of the TNFD.

#### Centre for Nature Positive Business

Our [Centre for Nature Positive Business](#) is made up of a global team who support our clients to transition to nature positive business models. The centre is also helping to drive the development of the frameworks and standards that will accelerate the global transition to a nature-positive and net zero future. This includes both our role as the official knowledge partner for the global campaign '[It's Now for Nature](#)' led by Business for Nature, as well as supporting the Science-Based Targets Network (SBTN) to pilot the first Science Based Targets for Nature.

#### 'Save Our Wild Isles: The Business of Nature' film screening

In April 2023, we were the first business to screen this film<sup>16</sup> to our clients and people, as part of the 'Save Our Wild Isles' campaign run by WWF-UK, the RSPB and the National Trust. Created by Emmy Award winning Silverback Films and the three charities, the film showcases the critical state of nature in the UK and how organisations can act now to reverse this trend.



14. This can be found on 59 of our [2024 financial statements](#).

15. Risks and Opportunities addressed.

16. The film is available on [www.SaveOurWildIsles.org.uk/business](http://www.SaveOurWildIsles.org.uk/business)



We engage and upskill our suppliers throughout the year, via one to one engagement as part of their account management, and through our annual flagship [supplier forum](#). This year, the forum centred around taking action on nature, bringing the urgency of the topic to the forefront for our suppliers' attention.

Our primary engagement mechanism is our enhanced sustainability framework, which applies to our high impact suppliers, and now includes nature-related requirements.

This has recently been embedded throughout our procurement lifecycle, from supplier selection and contractual agreement to ongoing engagements. It addresses nature considerations both from a top down approach, including the adoption of a biodiversity policy and/or strategy, as well as focusing on impact areas tailored to [specific supply chain sectors](#), as detailed below. This approach will be further shaped by our DIRO findings.



### Land use

We address our land use impact through three primary strategies: collaborating with our catering suppliers to enhance the sustainability of our food offerings; implementing sourcing requirements for construction materials, especially wood-based products; and integrating circular consumption into our IT strategy, to minimise the demand for raw material extraction.



### Air pollution

We aim to collaborate with our suppliers to adopt measures for controlling and reducing air pollution during projects, integrating these practices into their environmental management strategies.



### Water usage

Building on our assessment of the environmental impact of our digital assets from a [carbon lens](#), we will broaden our focus to gain a deeper understanding and better manage wider impacts, particularly concerning the water usage of our cloud data centres.



### Waste & circularity

In line with our 'circular and regenerative consumption' programme, we work closely with our construction contractors on waste management, to minimise waste, promote reuse and recycling and divert waste from landfill.

## Metrics and targets

In the UK, we've had a long-standing commitment to support the environment for over fifteen years, reporting on environmental impacts and resource consumption in our [annual report](#). We have recently made nature a discrete part of our corporate sustainability strategy, separating out nature-related environmental metrics and targets into a category of their own as reflected in our [integrated reporting hub](#).

In line with TNFD recommendations, we've disclosed our performance against the [core global indicators for disclosure](#) relevant to PwC on our [nature website](#). We'll look to improve disclosure against metrics relevant to us if data becomes available.

We'll also use the findings of our DIRO analysis to support the development of nature targets, which will be incorporated into our 2030 sustainability metrics and targets due to be published next year.





# Annex 1 – Glossary of terms<sup>17</sup>

**Nature:** The natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment.

**Biodiversity:** The variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

**Ecosystem services:** The contributions of ecosystems to the benefits that are used in economic and other human activity

**Impact:** Changes in the state of nature (quality or quantity), which may result in changes to the capacity of nature to provide social and economic functions. Impacts can be positive or negative. They can be the result of an organisation's or another party's actions and can be direct, indirect or cumulative. A single impact driver may be associated with multiple impacts.

**Dependency:** Aspects of environmental assets and ecosystem services that a person or an organisation relies on to function. A company's business model, for example, may be dependent on the ecosystem services of water flow, water quality regulation and the regulation of hazards like fires and floods; provision of suitable habitat for pollinators, who in turn provide a service directly to economies; and carbon sequestration.

**Nature-based solutions:** Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems that address societal, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services, resilience and biodiversity benefits.

**Nature positive:** A high-level goal and concept describing a future state of nature (e.g., biodiversity, ecosystem services and natural capital) that is greater than the current state.

**Nature-related risk:** In line with ISO, the TNFD defines nature-related risks as potential threats (effects of uncertainty) posed to an organisation that arise from its and wider society's dependencies and impacts on nature.

**Nature-related physical risk:** Risks resulting from the degradation of nature (such as changes in ecosystem equilibria, including soil quality and species composition) and consequential loss of ecosystem services that economic activity depends upon. These risks can be chronic (e.g. a gradual decline of species diversity of pollinators resulting in reduced crop yields, or water scarcity) or acute (e.g. natural disasters or forest spills). Nature-related physical risks arise as a result of changes in the biotic (living) and abiotic (non-living) conditions that support healthy, functioning ecosystems. These risks are usually location-specific.

**Nature-related transition risks:** Risks to an organisation that stem from a misalignment of economic actors with actions aimed at protecting, restoring, and/or reducing negative impacts on nature. These risks can be prompted, for example, by changes in regulation and policy, legal precedent, technology, or investor sentiment and consumer preferences. They can also arise from activities aimed at restoring nature that no longer align with, for example, revised policies.

**Nature-related systemic risks:** Risks arising from the breakdown of the entire system, rather than the failure of individual parts. Characterised by modest tipping points combining indirectly to produce large failures and cascading interactions of physical and transition risks. One loss triggers a chain of others and stops systems from recovering their equilibrium after a shock. Nature-related systemic risk covers more than only risk to a financial system (i.e. financial stability risk). It also covers the risks from the breakdown of natural systems (i.e. ecosystems).

**Nature Related Opportunities:** Activities that create positive outcomes for organisations and nature by creating positive impacts on nature or mitigating negative impacts on nature. Nature-related opportunities are generated through impacts and dependencies on nature, and can occur:

- When organisations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organisation and society depend on;
- Through the strategic transformation of business models, products, services, markets and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions.

17. Source: [https://tnfd.global/wp-content/uploads/2023/09/Glossary\\_of\\_key\\_terms\\_v1.pdf?v=1702506695](https://tnfd.global/wp-content/uploads/2023/09/Glossary_of_key_terms_v1.pdf?v=1702506695).



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