

Environment

Aware of our environmental impact, we keep on looking for ways to reduce it. Our efforts will continue to be focused on raising awareness of environmental issues among our people and in our communities. As a large service company, we have a duty to analyse our impact on global warming by assessing our carbon footprint. We acknowledge that this initiative is restrictive but carbon footprint turns out to be the most significant environmental impact our activities generate. We aim to become a responsible carbon neutral firm within the next few years.

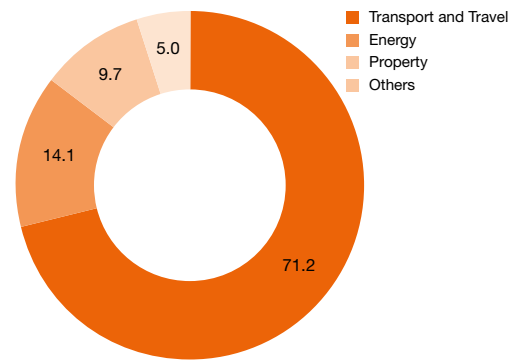


All major events organised by PwC Luxembourg are subject to a CO₂ compensation, which gives us the opportunity to support projects that help reduce carbon emissions around the world.

Tracking our Greenhouse Gas (GHG) emissions

Throughout the year, we took proactive steps to track our carbon emissions using the Bilan Carbone® methodology, which helped us identify actions to minimise our carbon footprint. This year, we generated 12,727 CO₂ equivalent tons, which represents **6.43 CO₂ equivalent tons per employee**⁶. As a services-based company, the main source of our emissions is linked to our people activity within the firm.

Shares of CO₂ equivalent emissions by source, 2011, (%)

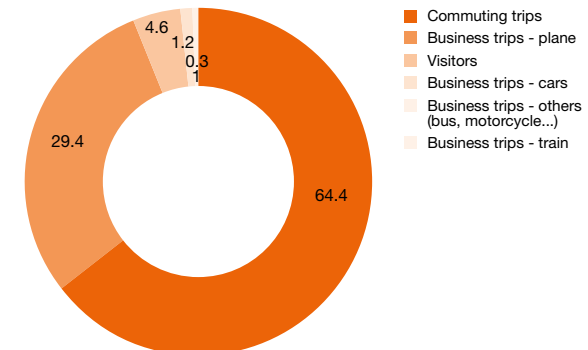


Transport and travel

Emissions generated by our transport and travel are primarily linked to our employees commuting activities (more than 64%), followed by business air travel (nearly 30%). These two sources of emissions account for almost 70% of our overall CO₂ equivalent emission.

As we offer car leasing possibilities to our employees, we have a responsibility to monitor the impacts it has on the environment. We therefore conducted this year our first transport plan to collect information on our people's commuting habits. We realised that the average commuting distance of our employees was around 30 km, that more than 60% of our employees were living abroad, and that nearly 80% of their commuting distance were done as single car drivers.

Shares of CO₂ equivalent tons related to transport and travel, 2011, (%)



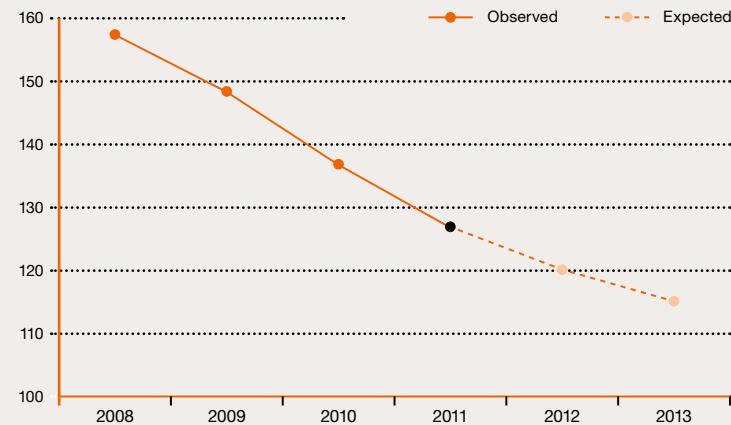
Bilan Carbone® is a carbon emissions assessment methodology (ISO14064 compatible) developed by the French Environment and Energy Management Agency – ADEME. It enables to realise a detailed inventory of direct (Scope 1), indirect (Scope 2) and indirect and not energy production related (Scope 3) greenhouse gas emissions.

⁶ Employees as at 1 January 2011

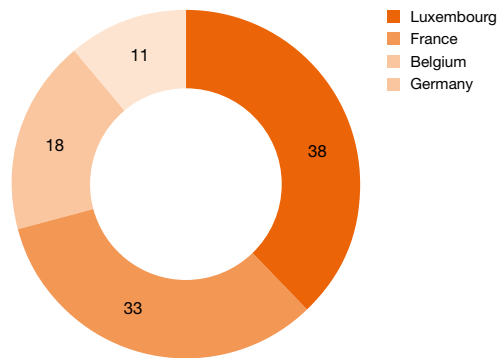
Our car policy

Our employee's contract offers, when applicable, flexible and attractive possibilities in terms of car leasing. Indeed, even if we strongly encourage public transportation for our employee (e.g. by providing the Jobkaart - an unlimited bus card to get around the City of Luxembourg -and by not reimbursing parking tickets to our employees), we acknowledge that most of our employees need a car. For all staff employees, we propose a "flexi-car" policy, which allows them to choose between a car selection emitting less than 110g/CO₂ per km on average. At mid and upper management level, the car offer is wider and employees can freely choose their car. Yet, each car is subject to an approval and car exceeding a reasonable emission level are discussed.

Company car CO₂ average emissions, (gCO₂/km)



Shares of employees by residence countries,
at 1 January 2011, (%)



All collected information is used to assist us in identifying opportunities to reduce the GHG emissions related to transport. In addition to the initiatives we've already developed (e.g. bicycles available for free in our buildings), we believe we can in the long run:

- strengthen our partnership with the local authorities to communicate our needs and consequently fit the public transport offering,
- raise our people's awareness on the environmental and financial benefits of public transport commuting using solutions like participating in the "M-Pass" (allowing to travel for free within the whole country and using some cross-border lines), and
- lower the use of car and its carbon footprint by decreasing the average GHG emissions of our car fleet, creating a carpooling platform, developing a fleet of electric pool cars.

Energy

Our average energy consumption (i.e. electricity and gas) reached this year **around 228 kWh/(m²*year)** and accounted for around 10% of our CO₂ equivalent emissions.

We occupy two different buildings (Ariane and Laccolith) situated 500 meters away from each other in the Cloche D'Or area. As a services-based company that leases its office space, we have limited control over the carbon emissions attributed to our facilities.

For the Ariane building, we have subscribed to an 'ecomix' contract with the Luxembourg Energy Office, what makes this building fully powered by renewable energy. This therefore cancels our emissions related to electricity supply (or indirect emissions) for the Ariane site.

Our Laccolith premises are equipped with a co-generation unit (internal combustion engine run by gas) that produces both electricity and heat: mechanical energy is used to run an electricity generator while the heat of the cooling water and the exhaust gases are ran through a heat exchanger to produce heat for the building. The total energy efficiency of the co-generation system is about 90% (i.e. about 35% of electric power, 55% of heat and 10% heat loss), which yields considerable energy savings and lower emissions of carbon dioxide.

In an ongoing effort to reduce these emissions, we continue to work to find ways to address our energy consumption. We request our suppliers to provide us with more energy efficient printers, cold storage rooms and food/drinks/coffee distributors.

New PwC Luxembourg office

Early 2014, we will move in our new premises on the ban de Gasperich. The building will feature the latest environmental and design elements to obtain a BREEAM “Excellent”. The location of the office is close to public transportations, thereby minimising the growth of car travel. Our five-storey building will allow us to save up to 60% energy thanks to its design and features:

- Efficient HVAC and lightning consumption,
- Internal flows management,
- Sustainable building materials selection,
- Waste management scheme,
- Sustainable providers selection,
- Transport management.



In parallel to these initiatives, one pillar of our IT strategy is “Green IT”. In this extent, we will continue to invest in the following areas:

- Virtualisation of our IT infrastructure: Our storage and servers are virtualised at about 80%. The objective is to reach 100% by the end of 2012.
- Virtualisation of our desktops: this project will start late 2011.

- Low consumption IT devices.
- Communication: Teach our people on how to better use IT tool in a “Greener way”.

- Document Management System: we are taking the way of a paperless company. Most of our professional documents are digitalised and only printed when necessary.

Making responsible choices when selecting our suppliers

We recognise the importance of sourcing providers that reflect our approach to Corporate Responsibility. We ask our suppliers to present their own sustainable development strategy and try, when possible, to favour local suppliers, as 87% of our spendings were made this year with Luxembourg based suppliers. This enabled us to:

- get nearly all of our furniture recyclable, thanks to a four year provider selection on related criterias,
- supply our coffee machine with fair-trade coffee beans.

We also applied these practices to select our provider of integrated food and facilities management services as they demonstrated environmental engagement. Indeed, a FairTrade corner is held in each cafeteria and the food waste is recycled via bio-methanisation.



Property

Property is composed of the asset for which we want to depreciate the CO₂ equivalent emissions over several years. They represent the second source of emissions, particularly IT that accounts for more than 90% of the property emissions. The rest is composed of the depreciation of our furniture and interior fittings, as we consider the buildings to be fully amortised from a CO₂ equivalent emissions point of view.

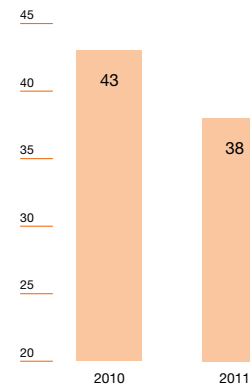
Inputs

Inputs are mainly consumables of the firm. In our case, they are composed of paper and cardboard consumption, external services supply, and meals production at the canteen.

We have set up several initiatives to lower our inputs, like not printing anymore the material for internal trainings. As we can hardly monitor the emissions of our external service providers (apart from the supplier selection), we will engage in a long-term discussion with our suppliers to motivate them to monitor and lower their input consumption to minimise their impact.

Our initiatives have allowed us to lower our paper consumption this year to less than **38kg/(employee*year)**, which represents nearly a 12% decrease compared to last year. It represents an average amount of **40 pages/(employee*working day)**, compared to 46 last year.

Yearly paper consumption, (kg/(employee*year))



Direct waste

Direct waste includes the treatment of the waste generated by our activity. More than 89% of the waste weight is revalued or recycled while the remaining weight is incinerated. In order to ensure an efficient waste management, we have followed the recommendations and obtained, for the sixth year in a row, the “**SuperDrecksKëscht® fir Betriber**” label, granted by the Ministry of the Sustainable Development and Infrastructures, the Chambre de Commerce, and the Chambre des Métiers of Luxembourg. This has brought us to produce a good average of **125 kg/(employee*year) of waste**.