

PwC annual results 2010 reflect strong growth in sustainability practice

LONDON, UK: Following the annual results announced this week by PricewaterhouseCoopers LLP (PwC), the firm's sustainability and climate change practice said climate change has been repositioned in businesses' mind in the recovery, leading to strong growth for the team.



Reflecting a growing trend towards auditing and verification of companies' CSR reports, the firm now audits seven of the UK's largest 55 companies who have their data publicly assured, up from one company two years ago. The firm's dedicated UK sustainability and climate change practice now numbers 100 people, and leads the firm's global network of over 700.

PwC's sustainability teams across Europe have now been hired by over 50% of the global top 20 airlines to be their EU ETS auditors and verifiers under the new EU legislation requiring aircraft operators to submit independently verified emissions.

New assignments in ethical supply chain sourcing, forestry financing, carbon related verification and assurance, risk, valuation and international development have further extended the firm's reputation in the sector.

'Getting the fundamental principles of business right'

Malcolm Preston, UK and global sustainability leader, PricewaterhouseCoopers LLP said, "Growth in this sector comes from getting the fundamental principles of business right, it's about recognising where risk and value lies in a business."

"The profile the Copenhagen summit gave to climate change issues moved conversations with clients to a different level. We're doing around twice the level of work we were doing last year, and have recruited new specialists to build the team even further.

Over the past 12 months, PwC has provided policy support to the World Economic Forum, the UN Environment Programme, the World Business Council for Sustainable Development. Clients in both the public and private sector include private equity firms, and household names in financial services, retail, consumer goods and energy.

The firm said that investor and consumer pressure is demanding that companies show how they are managing environmental, climate and natural risks and issues, demonstrating return on their sustainability investment with the same rigour associated with financial decision making. Preston added:

"Regulation is the primary driver for investment by business in tackling the issues that are discussed at inter-governmental level. They expect more change, increasing investor interest, and consumer demand and business opportunities are convincing them to invest early to get one step ahead."

New acquisitions

The firm invested throughout the recession to build the practice, attracting specialist service and sector experts, including the acquisition of Sustainable Finance Limited, established specialists in financial services and investment.

Over the next 12 months the firm will recruit further specialists in a range of specialisms including carbon markets economics, forestry and ecosystems, international development, supply chain, and assurance.

Commenting on the growth and investment in the firm's sustainability and climate change services, Ian Powell, PwC UK Chairman and Senior Partner said:

"Sustainability remains the most important issue we are going to have to deal with over the coming decades. In the years ahead, we do not think there will be many business decisions that are not impacted by the sustainability agenda.

"Experience with our clients supports this view and business awareness of climate change and sustainability issues have grown even stronger over the last year. We now have a team of market-leading experts, including some of the most respected commentators in the business on these issues."

CO2 emission removed

Turnover¹ for the firm as a whole grew 4% to £2.331 billion (about R25.9 billion) up from £2.248 billion (about R24.975 billion) in the previous year, with underlying net revenue² also increasing 4% to £2,069m. The firm's advisory and consulting business, which includes the Sustainability and Climate Change practice, achieved overall growth of 9% to £804 million (about R8.932 billion) (including a 15% increase in net revenues for our consulting business),

Since 2009, PwC has reduced its CO2 emissions by 4.2% to 52 930 tons, by travelling less, consuming less, producing less waste and recycling more. The firm's new London office is the first office of its kind in the UK to achieve the 'outstanding' BREEAM environmental rating.

Notes to Editors:

1. Detailed revenues for PwC's individual business units are not publicly available.
2. PwC has taken an active role in supporting global inter-governmental discussions on climate change at Copenhagen and is currently preparing for the firm's support of the New York Climate Change week, UN Climate summit in Cancun (COP 16), and UN biodiversity summit (COP 10) biodiversity at Nagoya. For further information or to contact our attendees please contact Rowena Mearley.
3. The firm's practice brings together specialist expertise across sustainability strategy and investment, environmental tax and regulation, risk mapping, CSR, reporting and measurement, carbon markets, international development, biodiversity and climate policy. It is supported by the firm's wider teams in renewables and clean tech, energy, retail, automotive, corporate finance, government and public sector.
4. About the results
 - a. ¹ Turnover represents amounts recoverable from clients for professional services provided during the year, excluding Value Added Tax
 - b. ² Underlying net revenue represents amounts excluding client disbursements
5. Financial highlights
 - a. Profit available for division among members decreased by 7% to £622 million (about R6.9 billion)
 - b. Profit per partner at £759 000 (about R8.4 million) decreased by 2% from £777 000 (about R8.63 million)
 - c. Assurance achieved turnover of £893 million (about R9.921 billion) (£861 million (about R9.565 billion) in FY09)

- d. Tax achieved turnover of £634 million (about R7 billion) (£650 million (about R7.22 billion) in FY09)
 - e. Advisory achieved turnover of £804 million (about R8.932 billion) (£737 million (about R8.188 billion) in FY09)
 - f. The UK Chairman has the largest entitlement to profit estimated at £3.6 million (about R40 million)
6. PwC UK's annual report will be available on 20 September 2010.

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