UN Global Compact
Communication on Progress
2018
This document is PwC’s Communication on Progress (COP) for the UN Global Compact (UNGC). It outlines our plans, progress and achievements aligned with the UNGC’s ten principles.

As in previous years, this document highlights the relevant links to our existing approach to corporate reporting. The relevant information can be found in our 2018 Global Annual Review, our global Corporate Responsibility (CR) website and individual firm websites. To demonstrate our alignment with the principles we have provided links to examples of our policies, public commitments, and specific initiatives, including work with clients.

The PwC brand is the brand under which the Member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Firms in our network have different priorities in relation to CR so our global CR strategy provides a common vision for leadership but allows for flexibility in the pace, prioritisation and localisation of activities. This document includes a number of case studies which highlight initiatives from firms that demonstrate how the principles are implemented. We recognise that measuring outcomes is a critical component of the UNGC and will continue to strive to find ways to enhance our reporting process. This document is not designed to be an exhaustive list of all the ways in which our firms have aligned to the principles.

### Human Rights and Labour Principles

<table>
<thead>
<tr>
<th>Human Rights and Labour Principles</th>
<th>Key Areas</th>
<th>Global Approach</th>
<th>Global Examples</th>
<th>Firm Level Examples</th>
</tr>
</thead>
</table>
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and | Human Rights | As stated in our Global Code of Conduct, we respect and support fundamental human rights and we work to guard against complicity in human rights abuses. | • Our Global Code of Conduct  
• Global Human Rights Policy  
• Our Core Values  
• Ethics and compliance complaints and allegations reporting policies and processes  
• Standards and internal quality control measures (including data privacy) – all Network firms must adhere to network standards and there are measures to monitor compliance. | Local supplemental codes of conduct:  
• Australia  
• China/Hong Kong  
• The Netherlands  
• UK  
• US |
| Principle 2: make sure that they are not complicit in human rights abuses. | | | | |
| Principle 3: Businesses should uphold the freedom of association and the effective | | | | Local human rights policies:  
• UK  
• Australia  
• Brazil |
<table>
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<tr>
<th><strong>Principle 4:</strong> the elimination of all forms of forced and compulsory labour;</th>
<th>rights throughout their business activities, and work to guard against complicity in human rights abuses, comply with applicable labour and employment laws, and draw on internationally recognised labour principles in how we do business. The Policy and Guidance build on the Global Code of Conduct, which sets out our commitment to respecting human rights, by providing more details on the requirements to which Member firms must adhere. This policy forms part of the expectations set out in the Network Standards.</th>
</tr>
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<tr>
<td><strong>Principle 5:</strong> the effective abolition of child labour; and</td>
<td>The Human Rights Policy and related statement further supports the commitment to the Global Code of Conduct and outlines the principles and commitments by which Member firms respect human rights throughout their business activities. It embodies our understanding of the significance of human rights for a global professional services network.</td>
</tr>
<tr>
<td><strong>Principle 6:</strong> the elimination of discrimination in respect of employment and occupation.</td>
<td>In addition, our values drive the way we behave with each other, our clients, and our communities. They are: act with integrity; make a difference; care; work together; and reimagine the possible.</td>
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**Labour**

**Child labour:** We will only employ workers who meet the applicable minimum legal age requirements and

- **Protecting our people:** For additional information on our approach to Network security please see Appendix I for

- China
- Germany
- Mexico
- South Africa

- UK - Corporate sustainability
document download centre:
  - Health and safety policy
comply with all other applicable child labour laws.

**Forced labour:** We will not use any involuntary labour of any kind, such as prison, bonded or forced labour.

**Health, safety and hygiene:** Our employees work in an environment that is both safe and healthy, in line with local firm health and safety policies, and in compliance with applicable laws and regulations regarding working conditions.

**Freedom of association:** We recognise that all of our people have the right to form and join organisations of their own choosing, subject to local laws and regulations, as long as this activity does not contravene the local firm’s external appointments policy, which seeks to ensure our independence, in line with the regulatory requirements of our business.

**Flexible Working and wellbeing:** We recognise that people are most successful when they prioritise wellbeing and have the everyday flexibility they need to shape their experience and empower them to be their best both inside and outside of work.

**Wellbeing** Creating a culture where our people can achieve their best selves across personal and professional dimensions. Providing tools, training, and resources on how to better manage self and team wellbeing across the four dimensions of energy

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**Flexible Working**

- **US Flexibility**
  - Flexibility at PwC - Begins with trust
  - Flexibility at PwC - DiversityInc
  - Flexibility Placemat
  - The power of our differences
- **Malaysia "Flex+ at PwC"**
- **Australia "All Roles Flex"**
Several of our firms have flexible working policies and practices in place. We have launched a network-wide flexible working leadership commitment and a wellbeing program with accountability measures for success.

**Development**: The foundation of our leadership development experience is our global career progression framework, PwC Professional. This is a single set of expectations across our organisation that clearly identifies the attributes and behaviours our people need to solve important problems and realise new opportunities. Opportunities are at the heart of a career with us. Opportunities for our employees to grow as individuals, to build lasting relationships and make an impact in a place where people, quality and value mean everything.

This framework is underpinned by national and international training programmes, on the job training, mentoring and shadowing programmes. They have been designed to ensure our people achieve their full potential.

*Enable our people to develop a digital mind-set* - our clients operate in a landscape that’s becoming more (physical, emotional, mental, spiritual).

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<th>Development</th>
<th>Wellbeing</th>
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<tr>
<td><strong>Our Leadership Development Experience</strong></td>
<td><strong>UK Green Light to Talk?</strong></td>
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<tr>
<td><strong>Measuring our people’s engagement and listening to their feedback – Global People Strategy</strong></td>
<td><strong>Switzerland “Energy to grow your own way”</strong></td>
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<td><strong>Global careers website</strong></td>
<td><strong>Malaysia 'FitPwC' programme</strong></td>
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**Digital Fitness** - upskilling our people in skills that will be critical in the future, such as understanding AI, VR, data analytics, and building inclusive leadership skills. To date the programme has been rolled out in the US, UK and Europe.

*US Digital Fitness demo and framework*
and more disrupted by digital technology. To help them convert this disruption into opportunity, it’s essential that we remain ahead of the digital curve. Our new Digital Fitness solution aims to do just that, keeping our people on top of the latest digital innovations.

**Engaging with our people:** To create the most value for their businesses and communities, firms in our network consult with their stakeholders and their own people to help decide business priorities.

| Diversity and Inclusion | Diversity is a business priority for us and ties directly to our values. We’re committed to cultivating an environment where our people feel a sense of belonging. This means we can bring our whole selves to work, we can lead and grow through diverse experiences, and we can make a difference.

Our global approach and strategy on Diversity and Inclusion has 2 consistent focus areas of Gender and Valuing Differences with a plus 1 which differs for each territory depending on their business / talent strategy or legislative requirements. This approach recognises, respects and enhances the strength of our diverse workforce & inclusive culture across our network. |

|   | Global Annual Review: **Our people overview** and statistics |
|   | Global Diversity and Inclusion website |
|   | HeForShe PwC-UN Gender IQ Online Course offered as part of our learning and development activities. |
|   | HeForShe: Our commitment to the UN’s HeForShe campaign |
|   | HeForShe proven solutions report - achieving parity at global leadership: Our journey |
|   | HeforShe-2018 Emerging Solutions report: |

|   |   |
|   |   |
|   | Community engagement around our network |

|   | South Africa’s approach to diversity and inclusion |
|   | Australia: |
|   | Diversity and inclusion strategy |
|   | “Where are all the women?” (Publication) |
|   | Malaysia Global Diversity Week the Human Library |
|   | Canada’s approach to diversity and inclusion |
|   | Japan’s approach to diversity and inclusion |
Our global priorities and focus areas include tracking progress through predictive analysis—arriving at targets and creating accountability, gender proportionality in promotions, conducting pay equity reviews, inclusive recruitment efforts for experienced hiring, representation of women in leadership programs and succession planning, increasing the level of awareness and addressing biases by continuing education.

These focus areas support gender equality across all levels thereby building a healthy pyramid, enhancing women in leadership and creating an environment strengthened by our policies and initiatives. And leveraging that diversity to deliver the highest value for our people and our clients.

We are a signatory to the UN Women’s Empowerment Principles

- As of January 2019, 96,215 of our people had made their HeForShe commitment.
- We contributed to the first-ever Proven Solutions report to HeForShe and was recognised at the UN Women “HeForShe” anniversary event for almost 50% female representation at the global top leadership team level within the network. The report highlighting our performance.

- UN Women’s Empowerment Principles: We are a member of this community
- Moving Women with Purpose: Publication
- Our Diversity Journey
- Winning the Fight for Female Talent: Publication
- Time to talk- What has to change for women at work: Publication
- IWD Chairman’s Blog: 3 Things Women Need to Succeed in Their Career - According to Women (March 2018)
- The Netherlands approach to diversity and inclusion
- Singapore:
  - Diversity at PwC Singapore
  - Enhancing board diversity disclosures in Singapore: Taking the next steps
  - International Women’s Day 2018 #whatshe said
  - British Chamber of Commerce Singapore (BritCham) Embracing Diversity and Inclusion award 18th Annual Business Awards
- Switzerland’s approach to diversity and inclusion
- US
  - PwC US’ commitment to diversity
  - DiversityInc Top 50 Companies for Diversity, 2017 Working Mother 100 Best Companies, 2017 Best Companies for Multicultural Women
  - Members of the CEO Action for Diversity
  - Outsmarting Human Minds: PwC publication
- UK
  - Diversity and inclusion open mind e-learning
  - Diversity and inclusion gender pay gap audits and results
covered the proven practices we have employed to drive gender parity on the Global Leadership Team.

- To enhance awareness and insights on “Unconscious bias” and its impact on decision making, we created Outsmarting Human Minds (OHM). A research-based learning module to showcase the science of how human minds work and shape the decisions we make in the workplace and in life. It supports by applying insights from psychological science to help us improve the decisions we make in life and at work.

The key highlights for FY18 from Diversity & Inclusion perspective are-

- The release of “Time to Talk” *What has to change for women at work*, thought leadership that reveals the career development of women at work and highlights the key essential elements that leaders must focus on to advance gender equality and help women’s career progression. This received our highest media coverage to date with 501 media mentions and 30,500 visits to the

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<th>Brazil</th>
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<td>The People with Disability award received <strong>2nd place on the great place to work for people with disability award</strong> from local State Government.</td>
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website in only the first 4 weeks of the campaign.

- Our team in Switzerland, obtained the EQUAL-SALARY certification from the EQUAL-SALARY Foundation.
- We monitor people perceptions on the actions taken by our leaders to create a diverse and inclusive environment through an annual survey.
- For FY18, the global survey scores on the inclusion quotient is improving demonstrating that Diversity & Inclusions practices and strategies are creating an impact and the numbers and the representation of women in the PwC territories is improving.

Our professionals across the Network received accolades and awards for their work in Diversity and Inclusion-

- Our UK Diversity and Wellbeing Leader was named an Officer of the Order of the British Empire on the Queen’s list of New Year’s Honours 2018.
- Our Australian Leader won the Australian Workplace
<table>
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<tr>
<th>Examples of our work with clients which support UNGC’s principles</th>
<th>In addition to the work we undertake in our own organisation, we also look to encourage our stakeholders including our clients to adopt best practice labour, human rights and diversity practices. This means we can go above and beyond the positive impact we can have through our own operations.</th>
<th>Support for humanitarian relief and disaster resilience – our firms contribute to humanitarian relief in many ways:</th>
</tr>
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</table>
| Equality Index CEO of the Year award.  
- The US Assurance Leader, was named one of Fortune Magazine’s Most Powerful Latinas in Business.  
- In Canada our, CEO and Chief Inclusion officer, conferred with 2018 Catalyst Canada Honours Champion. | **Helping our clients to manage their people**  
**Stimulating debate and sharing best practice on issues including human rights and international development**  
- Spotlight on human rights reporting  
- Our blogs- the people agenda  
- International development |  
- **Helping the Kenya government to transform reproductive health for poor mothers in rural areas.**  
- **Teaming up with the UN to support HeForShe**  
- **UNISDR** – working with the UN and other key stakeholders to embed disaster risk management into business investment decisions  
- **Our Global Crisis Centre**  
- **Supporting girls education through the Girls Education Challenge**  
- **Our Aspire to Lead programme brings gender equality content** |
### Environmental Principles

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<tr>
<th>Principle 7: Businesses should support a precautionary approach to environmental challenges;</th>
<th>Key Areas</th>
<th>Global Approach</th>
<th>Global Examples</th>
<th>Firm Level Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our strategy, policies and programmes</strong></td>
<td>We are committed to understanding and reducing our environmental impact on the world - starting with our own footprint through to working with our clients and advocating for change.</td>
<td><strong>Global CR website</strong>&lt;br&gt;<strong>A summary of our environmental stewardship activities</strong>&lt;br&gt;<strong>Our network environmental statement</strong>&lt;br&gt;<strong>Our network’s GHG footprint</strong>&lt;br&gt;<strong>Public statement urging governments to take more ambitious action against climate change</strong> - signed by our global chairman</td>
<td><strong>Environmental policies:</strong>&lt;br&gt;• Australia&lt;br&gt;• Canada&lt;br&gt;• China/Hong Kong&lt;br&gt;• UK</td>
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### Principle 8:
undertake initiatives to promote greater environmental responsibility; and

### Principle 9:
encourage the development and diffusion of environmentally friendly technologies.

| **Our strategy, policies and programmes** | Our global environment strategy is a key element of our broader corporate responsibility strategy. Member firms are guided by the Network Environmental Statement and are encouraged to align their environmental strategies with the global strategy, as well as take action on local issues. | **Our network environmental statement**<br>**Our network’s GHG footprint** | **Environmental strategy and programmes:**<br>• China/Hong Kong<br>• Malaysia<br>• US<br>• UK<br>• Circular Economy | **Environmental reporting and outcomes**<br>• China/Hong Kong<br>• Brazil<br>• UK<br>• [Sustainability scorecard](#)<br>• [Responsible technology](#)<br>• [Peas please](#)<br>• [PwC Netherlands](#) |

In 2018 we launched our first global environment ambition. 22 of our largest firms (representing nearly 90% of our global revenue) signed up to this global commitment:

While driving efficiency to reduce our absolute carbon impact, we commit to offsetting air travel emissions from FY19 and to sourcing 100% renewables for our electricity consumption and offsetting residual energy use by FY22.
Outlined below is an overview of our approach: and progress:

- **Driving efficiencies:** The first step of our environment ambition is to drive efforts to reduce our absolute carbon impact. Member firms are achieving this by choosing to house their offices in more efficient buildings, implementing energy efficiency measures, and choosing more sustainable car fleets.

- **Going 100% renewable:** For the energy we do consume, we have committed to go 100% renewable. Our aim is to do this by transitioning our largest firms first, with a slightly longer ramp-up for smaller offices. As part of this commitment we proudly joined RE100 - a group of influential businesses committed to 100% renewable energy.

- **Offsetting air travel emissions:** While our priority is to reduce our absolute carbon impact, we have decided to purchase carbon offsets to mitigate the impact of emissions from air travel. Our carbon offset purchase is underpinned by a strict quality criteria and aims to drive multiple co-benefits beyond emissions reductions. Co-benefits refers to

### Driving efficiencies:
- While our network continues to grow, our per capita emissions have decreased by 14% between FY16 to FY18.

- **Going 100% renewable:** In FY18, 60% of electricity consumption from [Strategy Council](https://www.strategycouncil.org) Member firms was from renewable sources.

### Offsetting air travel emissions:
- The projects we are supporting, in collaboration with other organisations, have collectively impacted nearly 3 million people, protected or restored 656,000 hectares of forest, generated 209,000 MWh of clean energy and created over 570 new full time jobs. Click [here](https://www.pwc.com) to find out more about the

### Driving efficiencies:
- Our UK team has more than halved their energy consumption over the last 10 years, and reduced their absolute operational emissions by 20%.
- In the US - 54% of our office office space is 'LEED certified'.
- The Netherlands team - have committed to a fully electric car fleet by 2025.
additional social, economic and environmental value created by these projects. Projects we are supporting.

Our ambition sets a strong and consistent minimum commitment across our network. At a local level several member firm efforts extend beyond this. Looking to address issues around circular economy, responsible technology and supply chain impacts.

| Examples of our work with clients and partners who support UNGC’s principles | The greatest impact we can have is through supporting our clients to improve their environmental outcomes and working with all our stakeholders to find new innovative solutions to environmental challenges in our areas of expertise. A few areas we have focused on this year have been the SDGs, climate change and the Paris agreement, sustainable cities and circular economy.

We want all of our people to consider environmental opportunities in their work every day, and we support them with our global network of sustainability & climate change subject matter experts. | ● **How to Set Up Effective Climate Governance on Corporate Boards: Guiding principles and questions** (Our collaboration with the WEF)

● **Integrating natural capital in risk assessments: A step-by-step guide for banks** (Natural Capital Finance Alliance and us)

● **Global states and regional annual disclosure: How 120 states and regions are stepping up their climate action** (Published by CDP, with our contribution as knowledge partner)

● **Innovation for the earth**

● **Intelligent digital** |
- Harnessing the 4th Industrial Revolution for Sustainable Emerging Cities
- Our Low Carbon Economy Index
- Private equity and the responsible investment journey
- Taking action on SDG reporting
- Developing thought leadership and practical ways for our clients to respond to the SDGs
- SDG Reporting Challenge 2018
- Circular business models
- Building the largest solar farm in the southern hemisphere
- Helping clients in the forestry, paper and packaging sector
- Supporting the Paris agreement
- Supporting the development of water management best practices
<table>
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<tr>
<th>Anti-corruption principles</th>
<th>Key Areas</th>
<th>Global Approach</th>
<th>Global Examples</th>
<th>Firm Examples</th>
</tr>
</thead>
</table>
| Principle 10:             | Anti-corruption overview    | **Strategic partnerships** – We work extensively with numerous international agencies and national governments (e.g. UN, OECD, World Bank, IMF, European Commission, the Commonwealth Secretariat, the World Economic Forum PACI, Transparency International, etc.) to:  
  - Build capacity of countries to detect and reduce corruption - for example undertaking forensic audits and investigations, conduct training initiatives regarding AML, corruption and other key initiatives  
  - Enhance implementation of anti-money laundering (AML) regulations, and procedures for the recovery of stolen assets  
  - Extend work on tax reform, IFFs, procurement reform, and preventing corrupt companies from winning public contract | **We are a strategic partner to the World Economic Forum (WEF)** and our Chairman, Robert Moritz is active on the board of the Partnering Against Corruption Initiative (PACI) |                                                                                     |

- Global Code of Conduct
- UK quality and ethics scorecard
<p>| Our Standards and internal quality control measures at territory and network level – | Global Third Party Code of Conduct |
| ● Compliance with and as appropriate voluntarily adopting of national and international initiatives to prevent corruption | Global Tax Code of Conduct |
| ● Established network level standards, policies, guidance and procedures which require compliance by every Member firm, including Network Code of Conduct and the Global Tax Code of Conduct - principles-based guidance to help our personnel ‘do the right thing’, as well as detailed policies and guidance supporting the Code(s) | Governance and transparency in the PwC network |
| ● Compliance with our Network Standard on anti-money laundering and anti-corruption, which require each Member firm to appoint a Partner responsible for its implementation and monitoring of performance against its requirements | Network Standards |
| ● All professional staff required to undertake annual training in requirements, procedures and processes in key areas including ethics, anti-corruption, anti-money laundering | Ethics and compliance complaints and allegations reporting policies and processes |
| | Global e-learn: Combating Corruption and Money Laundering |
| | Territory Transparency reports |
| | - EU Transparency reports |
| | - US |
| | - Our UK AML Centre of Excellence (Belfast) providing services to our firms &amp; clients |</p>
<table>
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<tr>
<th>Examples of our work with clients which support anti-corruption initiatives</th>
<th>We do extensive work with and for our clients to support anti-corruption initiatives</th>
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- ‘Know Your Client’ (KYC) processes in place to identify and verify clients including obligations to report suspect transactions where required in national legislation.

- Annual territory and network monitoring and remediation of the implementation and effective execution of key compliance standards including the KYC and AML standards, and anti-corruption standards.

- All personnel sign a personal annual compliance confirmation across key compliance areas including: anti-corruption, anti-money laundering, ethics and codes of conduct.

- Network wide e-learn focused on anti-corruption and anti-money laundering.

- We have developed and rolled out policies, guidance and related training (Network wide) regarding the IESBA Non-compliance with Laws and Regulations standard (NOCLAR).

- Governance, transparency and the audit committee
<table>
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<th>UNGC’s principles</th>
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<tr>
<td>● <strong>Our Fraud Academy</strong></td>
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<td>● <strong>Food supply and integrity services</strong></td>
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<tr>
<td>● <strong>Global Economic Crime Survey</strong> (biannual) - one of the broadest and most comprehensive surveys we have ever conducted. With over 5,000 global respondents, is focused not only on breaking down the facts, figures, trends and regions, but also on analysing how and where it may be affecting organisations so they can address the issue from both a preventive and strategic perspective.</td>
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<tr>
<td>● <strong>Our Forensic Services Unit</strong>: with more than 4,000 staff globally, we advise on developing anti-corruption systems and controls for our clients</td>
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Appendix I – PwC Global Security

The information below is accessible to all staff through internal systems.

We consider the safety and wellbeing of our people to be paramount, and view security as an integral – and integrated – part of every facet of our Network’s business.

Proactive risk analysis and security operations

Amid a challenging environment- with threats ranging from terrorism to climate change and environmental damage-any effort at safeguarding our people begins with identifying and assessing such threats even before they materialise. Consequently, our Global Security team work with both internal and external sources to keep a cautious eye on world events, and proactively works to develop the strategies and programmes-formally documented in our Network Standards—that can help our partners and staff steer clear of, or mitigate, the risks when they appear.

A key example is travel security for our people. Global Security, and the other security professionals in our network of Member firms, go above and beyond the basics of ‘duty of care’ by emphasising pre-travel advice; providing briefings; issuing travellers pre-emptive event notifications as necessary; tracking travel to enable real time contact with our people as needed; and working to ensure every employee is aware of the 24/7 medical and security assistance that is available to them through our arrangements with the world’s leading provider for such services. Additionally, every traveller has access to both web-based travel security information and a mobile app that delivers information and services to their mobile devices, as well as online e-learning to help them be better prepared prior to business travel. Global Security devotes considerable resources to supporting our people working in higher risk locations, enabling them to meet their obligations to clients through the application of carefully considered security protocols and risk mitigation procedures. In addition to these operational, day-to-day activities, Global Security produces regular longer term assessments on key issues and trends, helping give our network leadership a holistic view of the global threat and risk environment.

Incident management and business continuity

Regardless of the emphasis on prevention, there will always be unforeseen events that require careful response and management. Global Security works with internal stakeholders to continuously develop incident management protocols and capabilities to enable the network to deal with a wide range of possible incidents. Member firms have developed similar approaches, tailored to their individual circumstances. Additionally, Global Security supports the ongoing development of our Security Operation Centre, which provides 24/7 assistance to our business travellers as well as support to member firm’s incident management procedures. Furthermore, Member firms are stepping up efforts to further refine their existing business continuity plans in order to minimise the impact future incidents may have on operations.
Integration

Security works best when it is involved early and often in almost every aspect of the business, and security solutions are the most effective (and cost effective) when developed in tandem with the full range of stakeholders to a given issue. In this regard, Global Security works closely with colleagues in functional areas across the network, as well as with client engagement teams. In addition, Global Security chairs our Security Group, consisting of the full-time security professionals across our network, to share best practices, leverage experience, and ensure consistency of approach to issues of risk and security. To better serve Member firms across the network-in 158 countries - Global Security continues to build a regional security architecture, including supporting a network of Territory Security Leads-a security contact within every Member firm. By continuing to strive to have security professionals placed in key strategic areas, this ensures they can be closer to the people they serve and can do so with greater speed and efficiency.