

# Training material for suppliers – FAQs

## In this Quick Guide we provide you with answers to the most frequently asked questions about our cooperation.

### You ask, we answer

What do I have to pay attention to when invoicing?
What is behind the LkSG?
Why should I set myself science-based climate targets as a PwC supplier?

You can find answers to these and other frequently asked questions here.

You can jump to the main topics here

- Cooperation with PwC and invoicing
- LkSG (“German Act on Corporate Due Diligence Obligations”)
- Climate targets and certification according to science-based targets
- Contact details

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# Cooperation with PwC and invoicing

### Is a verbal commitment sufficient to place an order?

No, our procurement process is completely digitalised. Only when you have received an order by e-mail via our Coupa procurement tool is there a binding order from PwC – only then can you start providing the service.

### What do I have to pay attention to when issuing an invoice?

**It is important that you state the order number on the invoice** and use the same company name that you used on the offer.

### What do I have to pay attention to when creating invoices electronically?

- Send us your invoice to **de_xrechnung@pwc.com** in the form of a PDF file or as an electronic incoming invoice attached to your email.
  **Important:** Please send us a separate email for each invoice, with a separate file for each. For technical reasons, we are unable to process emails containing multiple invoices.
- Electronic invoices (ZUGFeRD or X-Rechnung) must comply with the technical specifications of the relevant standard and must not contain any errors when checked by the KOSIT validation process.
- Please note that we do not read the email itself, as the PDF or electronic invoice is automatically processed.
- Please do not send us invoices that have been sent by email via post as well.



### What are the legal requirements for invoices?

- Make sure that your invoices and credit notes comply with the compulsory tax information according to §14 para. 4 UStG.
- Please quote the correct PwC order number. If you do not know an order number, please state your PwC contact person or the requester's e-mail address.
- The invoice must not contain any handwritten information.
- The currency is to be indicated in the ISO code (e.g. EUR, USD).
- Please state your bank details on the invoice.
- Ensure that the invoice details correspond to the associated order in terms of price, order unit, delivery date and payment terms.

### When will my invoice be paid?

We pay invoices in accordance with the agreed payment terms. It is important that we receive the invoice promptly. As soon as payment is authorised, you will receive a payment notification.

### What information should my invoice contain?

Your invoice must include the following information:

- Correct company name
- Full name and e-mail address of the PwC requester
- Invoice number and date
- If available: PwC order number
- Full name, address, and e-mail address of your company
- Applicable description of delivery and service, quantity and type of the delivered items or scope and type of the service provided
- Price listed according to items and tax rates as well as the sales tax applicable to the price.
- Account details of your company: SWIFT/BIC, account number, IBAN
- If available: VAT ID

## LkSG – „German Act on Corporate Due Diligence Obligations”

### What is behind the LkSG?

The Act on Corporate Due Diligence in Supply Chains (LkSG) has been in effect since January 1, 2023. It requires companies with a certain number of employees to comply with specific due diligence obligations throughout the supply chain. The purpose of the LkSG is to reduce—and ideally eliminate entirely—potential risks related to human rights and environmental concerns in the various segments of the supply chain—that is within the company's own operations and in relation to the actions of direct and indirect suppliers—by adhering to specific due diligence obligations.



### What do PwC suppliers need to be aware of regarding the Supply Chain Due Diligence Act? What are their obligations?

We expect our suppliers to respect human rights and environmental rights and to comply with the Supply Chain Due Diligence Act, provided they fall within its scope.

### What is PwC's position on the Supply Chain Due Diligence Act?

PwC Germany complies with the legal requirements of the Supply Chain Due Diligence Act and consistently implements the due diligence obligations set forth in the Act to identify and minimize human rights and environmental risks along the supply chain.

### What is PwC doing to implement the requirements of the Supply Chain Due Diligence Act?

PwC Germany is implementing all requirements of the LkSG. This includes conducting risk analyses for our suppliers as well as for our own business operations, assigning responsibilities to specific personnel, establishing a complaints procedure, and implementing remedial and preventive measures. Our policy statement is updated on this basis. We also document our compliance with due diligence obligations.

## General information about the questionnaire

### I have received a Sustainability Questionnaire and, in addition, one or more questionnaires from PwC via Prewave. Some questions overlap or are very similar in content. Do I need to complete both questionnaires, or is one sufficient?

Unfortunately, it is currently necessary for you to complete both questionnaires. These are two separate processes that do not necessarily run in parallel.
This is because different requirements (such as the LkSG) may result in the respective questionnaire being sent. Additionally, PwC Germany has committed to comprehensive management of ESG criteria. Unfortunately, the current obligations can, in some cases, only be assessed separately. Consequently, the evaluation of our suppliers is also based on their respective risk profiles and on different questionnaires.

### Do sole proprietors or freelancers also have to comply with these requirements?

No, for the time being, sole proprietors and freelancers are exempt from these requirements. They do not have to complete the sustainability questionnaire.

# Climate Targets and Validation According to the Science Based Targets Initiative (SBTi)

## What is the Science Based Targets Initiative?

The Science Based Targets Initiative (SBTi) is an internationally recognized framework for setting corporate climate targets. Its goal is to align emission reduction pathways with the latest findings in climate science, thereby limiting global warming to 1.5°C above pre-industrial levels. Companies that follow the SBTi define concrete and transparent targets for reducing their greenhouse gas emissions based on this framework. The SBTi provides criteria, methods, and validation processes for this purpose. More than 10,000 leading companies worldwide have already set science-based targets.

**Further information:**

- SBTi website: https://sciencebasedtargets.org/
- Overview of companies with SBTi-validated climate targets: https://sciencebasedtargets.org/target-dashboard

## What role do Science-Based Targets play for PwC?

Science-based climate targets are a central component of PwC's climate strategy. They are designed to systematically reduce PwC's own emissions and contribute to the achievement of global climate goals. In doing so, PwC considers not only direct and energy-related emissions but also emissions along the value chain (Scope 3). These include emissions generated by purchased goods and services. Against this backdrop, the integration of suppliers is becoming increasingly important for achieving our own climate goals.

**Further information:**

- PwC's Global Net Zero Commitment: https://www.pwc.com/gx/en/about/corporate- sustainability/environmental-stewardship/net-zero.html



## What does PwC expect from its suppliers?

PwC expects its suppliers to actively engage in tracking and reducing their greenhouse gas emissions and to set their own science-based climate targets. In this regard, PwC welcomes companies that align with recognized frameworks such as the SBTi. Validation of climate targets by the SBTi can enhance the transparency and comparability of the targets, but is not mandatory. What is crucial is that climate targets are science-based, consistent with the SBTi criteria, and verifiable in an appropriate manner.

## Why should I set climate targets?

Setting climate targets enables companies to systematically track and reduce their greenhouse gas emissions. At the same time, this helps ensure compliance with regulatory requirements and meets the growing sustainability expectations of customers, investors, and employees. Furthermore, climate targets are becoming increasingly important in the context of supply chain requirements, as companies—including PwC—are paying greater attention to managing emissions throughout their value chain.

## Does our company absolutely need SBTi validation of our climate targets to qualify as a PwC supplier?

No, SBTi validation is not mandatory.
However, PwC views it favorably when companies align their climate targets with recognized standards such as the SBTi or have them validated. Alternatively, targets without SBTi validation may also be acceptable, provided they are science-based, consistent with SBTi criteria, and verifiable in an appropriate manner.

## For what company size do climate targets make sense?

In principle, climate targets make sense for every company—regardless of size. This is the only way to successfully transition to a sustainable economy.

## How does PwC assess suppliers' progress toward their climate targets?

PwC evaluates suppliers' progress toward their climate targets as part of its regular supplier assessment, based in part on the sustainability questionnaire. This assessment takes into account, among other things, existing targets, measures, and progress in reducing emissions.



## What criteria apply to science-based climate targets according to the SBTi?

The specific requirements of the Science Based Targets Initiative (SBTi) vary depending on company size, emissions structure, and target type.

In general, science-based climate targets encompass the following aspects in particular:

- System boundaries: Relevant emissions from the company's own business activities (Scope 1 and 2) must be covered almost entirely. In addition, Scope 3 emissions must be included if they account for a significant portion of total emissions. In this case, companies must define corresponding targets for their value chain or implement appropriate measures (e.g., supplier engagement).
- Time horizon: Climate targets are typically defined for a period of five to ten years (so-called "near-term targets"). In addition, companies can set long-term targets ("long-term" or "net-zero targets") that aim for extensive decarbonization by 2050 at the latest.
- Level of ambition: The target must be consistent with a pathway to limit global warming to 1.5°C.
- Methodology: Targets are defined based on standardized methods and criteria specified by the SBTi (e.g., absolute reduction pathways or sector-specific approaches).
- Transparency: Companies must regularly report on their carbon footprint and progress toward achieving their targets. This typically includes annual disclosure as well as the traceability of the underlying data and methods.

In addition, climate targets are expected to be reviewed regularly and adjusted as needed, particularly in the event of significant structural changes within the company. The specific requirements and distinctions (e.g., based on company size or sector) are defined in the current SBTi criteria and guidelines.

**Further information:**

- SBTi Standards and Guidelines: https://sciencebasedtargets.org/standards-and-guidance#3666081



**Additional information for large companies:**

- „SBTi CORPORATE NET-ZERO STANDARD Version 1.3.1 April 2026": https://files.sciencebasedtargets.org/production/files/Net-Zero-Standard. pdf?dm=1757950109
- „SBTi CORPORATE NEAR-TERM CRITERIA Version 5.3.1 April 2026": https://files.sciencebasedtargets.org/production/files/SBTi-criteria.pdf

**Further information for small and medium-sized enterprises (SMEs):**

- Definition and classification of SMEs according to the SBTi: https://sbtiservices.com/services/sme
- "SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) FAQs, Version 6.1, June 2025": https://docs.sbtiservices.com/resources/FAQsforSMEs.pdf

- “TARGET VALIDATION APPLICATION CHECKLIST FOR SMEs Version 4 Distribution: External March 2026”: https://docs.sbtiservices.com/resources/TargetValidationApplicationChecklistforSMEs.pdf
- Resources and support for SMEs for preparing a greenhouse gas inventory: https://smeclimatehub.org/how-it-works/

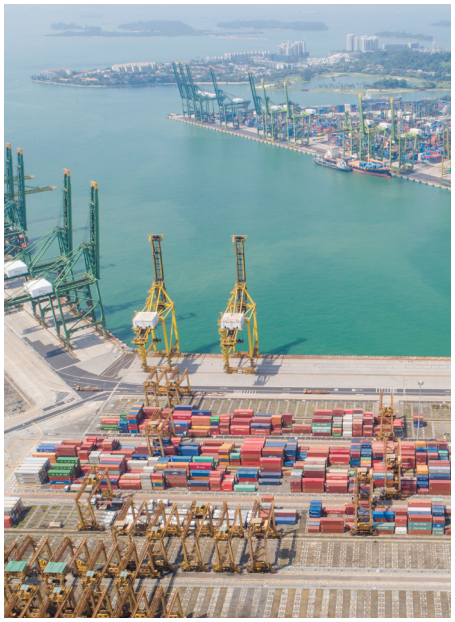
## What is the difference between the SBTi’s near-term and long-term targets?

The SBTi distinguishes between short- to medium-term and long-term climate targets:

- Near-term targets: These targets typically cover a period of five to ten years and specify concrete emission reductions during that time. They are the key lever for achieving measurable progress in reducing emissions in the short term.
- Long-term targets / Net-Zero targets: These describe a company’s long-term commitment to significantly reducing greenhouse gas emissions, ultimately aiming for net zero. The focus is on the near-complete decarbonization of the company’s own operations and its value chain.

**Further information:**

- „SBTi CORPORATE NEAR-TERM CRITERIA Version 5.3.1 April 2026“: https://files.sciencebasedtargets.org/production/files/SBTi-criteria.pdf
- „SBTi CORPORATE NET-ZERO STANDARD Version 1.3.1 April 2026“: https://files.sciencebasedtargets.org/production/files/Net-Zero-Standard.pdf?dm=1757950109



## Can I achieve my SBTi-validated climate targets by purchasing $CO_2$ credits?

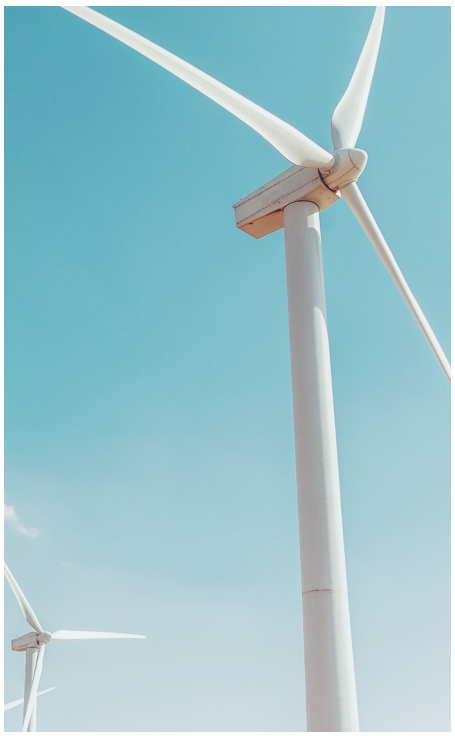
No. The SBTi clearly focuses on reducing emissions across the entire value chain. Achieving science-based climate targets therefore requires actual emissions reductions within a company’s own operations as well as across the value chain. $CO_2$ credits or offset measures cannot replace these reductions.

However, $CO_2$ credits can play a complementary role, particularly:

- to offset remaining emissions as part of long-term net-zero goals, and
- to support climate protection measures outside one’s own value chain.

**Further information:**

- „BEYOND VALUE CHAIN MITIGATION FAQ Version 1.0“: https://files.sciencebasedtargets.org/production/files/Beyond-Value-Chain-Mitigation-FAQ.pdf



## What is the difference between Scope 1, Scope 2, and Scope 3 emissions?

The classification into Scope 1, Scope 2, and Scope 3 is based on the internationally recognized Greenhouse Gas Protocol and serves to systematically record and categorize emissions.

- **Scope 1 (direct emissions):**
  Emissions from sources owned or controlled by the company, e.g., fuel combustion, company vehicles, or facilities.
- **Scope 2 (indirect emissions from purchased energy):**
  Emissions resulting from the generation of purchased electricity, heat, or cooling consumed by the company.
- **Scope 3 (other indirect emissions):**
  All other emissions along the value chain, both upstream and downstream.

In the context of the Science Based Targets Initiative (SBTi), Scope 3 emissions must be considered if they account for a significant portion of a company's total emissions. This includes all relevant emission categories across the value chain—including both upstream and downstream activities.

**Further information:**

- Greenhouse Gas Protocol Standard: https://ghgprotocol.org/standards-guidance
- „Overview of GHG Protocol scopes and emissions across the value chain ": https://ghgprotocol.org/sites/default/files/ghgp/standards_supporting/Diagram%20of%20scopes%20and%20emissions%20across%20the%20value%20chain.pdf

## Is the validation of climate targets through the SBTi free of charge?

No. The validation of climate targets by the Science Based Targets Initiative (SBTi) is subject to a fee and is carried out through a standardized validation service. The costs vary depending on the size of the company and the chosen validation pathway. For large companies, the costs amount to approximately $12,000. For small and medium-sized enterprises (SMEs), the process is significantly simplified and more affordable; the costs here are around $1,500.

**Further information:**

- „Target Validation Service Offerings Version 6.1 October 2025“: https://docs.sbtiservices.com/resources/TargetValidationServicesOfferings.pdf



## How does the validation process for SBTi climate targets work?

A prerequisite for validation is that companies systematically track their emissions and develop robust targets. In practice, the process typically involves the following steps:

- Preparation of a greenhouse gas inventory: Identification and quantification of relevant emission sources (Scope 1, Scope 2, and, where relevant, Scope 3).
- Definition of system boundaries and data basis: Determining which activities, sites, and entities are included, and ensuring a consistent database.
- Development of targets: Derivation of an emissions reduction pathway in accordance with the SBTi criteria.
- Submission and review by the SBTi: The defined targets are submitted to the SBTi and evaluated as part of a formal review process with regard to methodology, level of ambition, and completeness.

**Further information:**

- „How to set Science-Based Targets “: https://sciencebasedtargets.org/how-to-set-science-based-targets#3609528

## How long does the validation process take for large companies?

The duration of the validation process depends on various factors, particularly the complexity of the targets, the scope of the emissions included (especially Scope 3), and the availability of review slots at the SBTi. In practice, the overall process comprises several phases—from preparation and target definition to final validation. The actual review by the SBTi takes place within a defined timeframe (typically a few weeks) but requires a fully developed and robust target.

The entire process, from target development to final validation, can therefore take between 6 and 12 months. The typical process is as follows:

- Preparation of the greenhouse gas inventory
- Internal coordination and development of climate targets
- Submission of the targets to the SBTi
- Formal review and follow-up questions during the validation process

For PwC, the following applies: In the first step, a transparent presentation of climate targets as part of the supplier evaluation process is sufficient.

## How long does the validation process take for SMEs?

For SMEs, the process is generally less complex but essentially follows the same steps as for large companies. The submission of targets to the SBTi is done via the simplified SME process. In practice, the total timeframe for developing robust climate targets—from data collection to SBTi-validated target definition—ranges from approximately 6 to 9 months.

## Can I use standards other than SBTi to define and have my climate targets validated? Which standards does PwC accept?

PwC also accepts other approaches to setting climate targets, provided they are scientifically sound, transparent, and verifiable.

It is crucial that climate targets:

- have clear system boundaries and ensure sufficient coverage of emissions across all scopes,
- are consistent with the goal of limiting global warming to 1.5°C,
- include a defined target period, reduction pathway, and measures through 2030,
- have been independently verified or validated, or are subject to an equivalent review mechanism,
- are transparently documented and publicly accessible, including regular reporting on emissions and progress.



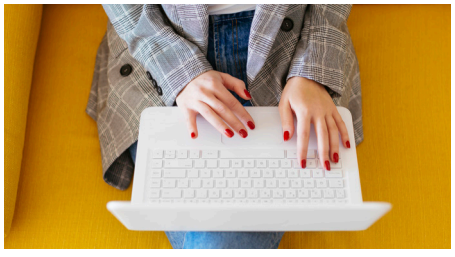
These aspects are also considered in the sustainability questionnaire and must be supported by verifiable evidence. Alignment with the Science Based Targets Initiative (SBTi) is recommended, as it provides an established and internationally recognized framework and ensures the comparability and transparency of climate targets.

## What is the relationship between SMEs and large companies when it comes to climate goals?

Setting climate targets has become a priority for companies of all sizes. In addition to large corporations, SMEs are increasingly focusing on tracking and reducing their emissions. These requirements stem from regulatory developments and the growing expectations of stakeholders, among other factors.

## Does PwC offer consulting services for setting climate targets?

Yes. PwC has extensive experience in sustainability and climate strategy and helps companies of all sizes set climate targets. If you have any questions, please contact Ann-Sophie Groos (ann-sophie.groos@pwc.com).



## Contact information

If you have any questions **regarding procurement-related matters at PwC**, please contact de_einkauf_lieferantenmanagement@pwc.com

If you have any questions **regarding sustainability at PwC**, please contact de_kundenanfragen_nachhaltigkeit@pwc.com

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