# Annual Report

2023/2024

www.pwc.nl

# A personal note from our chair



It's no coincidence that the foreword for the annual report is the final piece to be written each year. It is also perhaps the hardest part to choose which topics to elaborate on and which to leave out. Let me nonetheless share some thoughts about a few moments, projects and results of the year 2023/2024.

Unsurprisingly, perhaps, my first thoughts turn to the ongoing investigation into improper answer sharing. The investigation has found that improper answer sharing has occurred within PwC Netherlands. We know that this behaviour stands in contrast to the integrity and trust that must serve as the foundation of our firm, and we are committed to addressing the issue thoroughly. See *page 11* for more details on where we stand with the investigation.

The 2023/2024 year, however, revolved around much more. Our CEO survey, conducted at the start of 2024, revealed the significant doubts that CEOs have regarding the long-term viability of their business models if the necessary adaptations are not made. The CEOs we interviewed candidly expressed these thoughts in the video series accompanying the survey. It is clear that the urgency to act is intensifying, driven by technological advances, new regulations and geopolitical shifts.

These challenges facing our clients inevitably influence our services as well. We are proud of how fast we have embraced AI, rolling out ChatPwC in September 2023 and using Microsoft Copilot across our organisation since early 2024. A couple of months ago we held a webcast where a group of colleagues explained how they use all the technological possibilities; it was impressive to see their skills and their enthusiasm was infectious. Together with our Chief Digital Officer we are looking forward to further enhancing the way we work with the possibilities of AI as part of our own business model reinvention, and to bring this to our clients.

Some 55% of Dutch CEOs consider regulations like the CSRD as a factor that will have a significant impact on their companies in the coming years. Based on our intention to be at least on par with our clients, we have issued our Sustainability statement in line with ESRS requirements as of this financial year. Although pleased with the progress made, we acknowledge that we are on a journey and still have to fully incorporate the CSRD's objectives into our strategy and way of working. It is a journey we will continue in the years ahead.

Trust is more important than ever at times of major transformation. We are grateful for the trust our clients place in PwC to help them build trust with their stakeholders and realise sustained outcomes as a community of solvers. We acknowledge that trust is something which has to be earned and lived up to, and this applies equally to our clients and ourselves. Over the past two years, we have had the second cycle of mandatory firm rotations as almost all listed organisations entered into a process of choosing a new audit firm for a cycle of a maximum of ten years. Looking at the results of the mandatory firm rotations, I am proud of the outcomes and the way we work together as a firm to present ourselves to clients in the best way possible and show them how we care about their challenges.

Our societal impact is larger than 'just' serving clients and ensuring the personal development of our colleagues. Last year's thought leadership publications focused on adding data and insights to societal issues such as the energy transition, productivity in the public sector and the growing pains of the semiconductor sector ecosystem. More recently our chief economist team developed a heatmap which expressed in 60 indicators how the Dutch business climate improved between 2013 and 2018 but deteriorated thereafter. The positive responses we received on our thought leadership publications motivate us to continue on this path.

I would like to thank all my colleagues for their dedication to our firm and clients. This annual report highlights a range of significant achievements over the past year, as well as areas for improvement. Together, we can build on our successes and work on the things we need to enhance. In doing so we will jointly improve our organisation as a true community of solvers.

I hope you enjoy reading this annual report and please don't hesitate to reach out to me with any questions or remarks you may have.

On behalf of the Board of Management,

Agnes Koops-Aukes,
Chair

# PwC at a glance 2023/2024

## Performance highlights

Navigation
Previous page
Previous view
Next page

**Strategic performance indicators**
The progress we make on our strategy is measured by strategic performance indicators. For a comparison with last year and target setting see the section Strategic context and execution. For the definitions see the Appendix.

### Client focused

Documented client listening
**815**

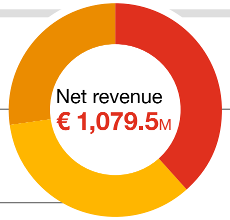
Client satisfaction
**8.3**

Revenue growth
**4.5%**

Net revenue Lines of Service

Tax & Legal
**€ 292.4M**

Advisory
**€ 371.1M**




Assurance
**€ 416.0M**

### Community of solvers

Employer of choice ranking
**#10**

Headcount as at 30 June 2024
**5,956**

Average number of FTEs
**5,569**

People Engagement Index
**85%**

Total training hours
**630,895**

Average training hours per headcount
**106**

### Human-led, tech-powered

Roll-out of ChatPwC and Microsoft Copilot

Launch of our AI Lab

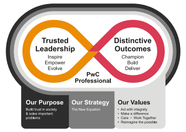
Won SAP Innovation Award with ESG Reporting Manager CSRD

Won Pinnacle Award with Business Process Transformation

### High quality

% compliance EQRs/ECRs
**97%**

Improper answer sharing




Roll-out Evolved PwC Professional

### Sustainable growth

Operating profit Lines of Service

| Assurance | Tax & Legal | Advisory |
|---|---|---|
| 34.9M | 89.7M | 66.5M |

Environmental impact ($tCO_2e$)
**9,556**

Reduction GHG emissions (compared to 2018/2019)
**52%**

Women in new partner/director appointments
**25.0/35.4%**

Non-Western in new partner/director appointments
**20.0/7.0%**

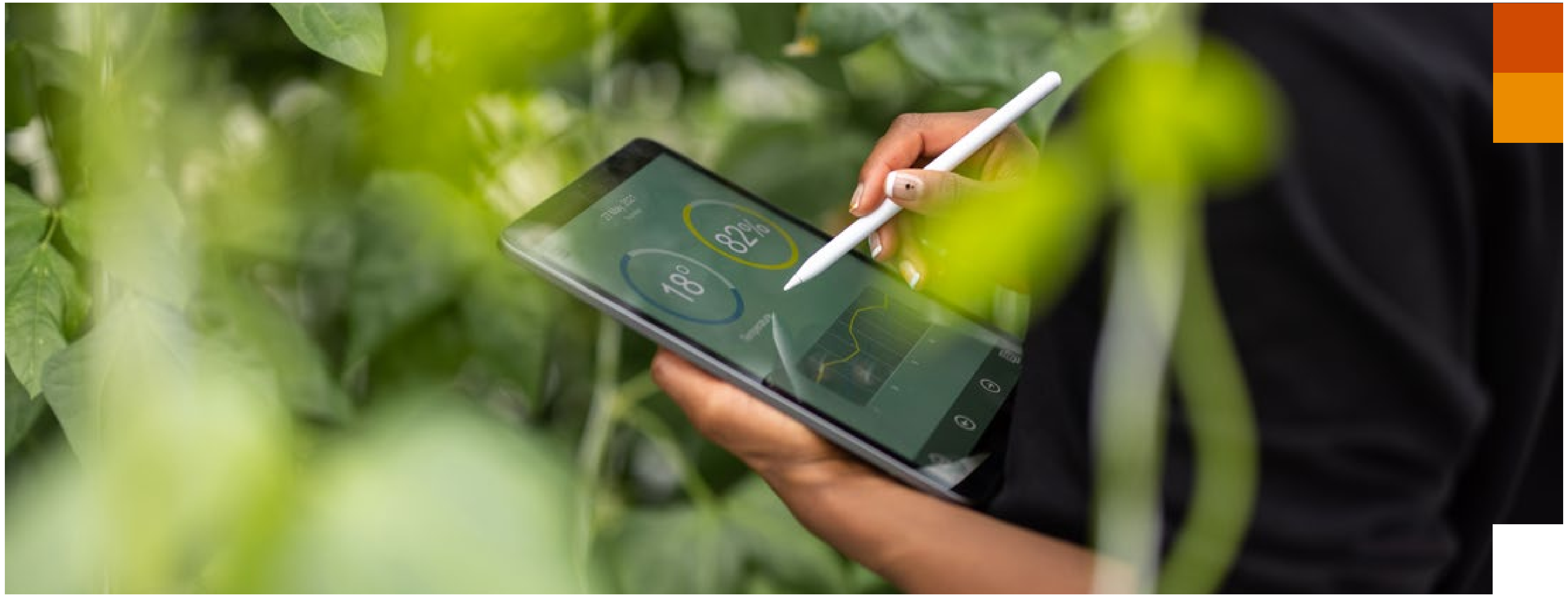
# Five-year summary of financial and non-financial performance

| | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|---|
| **Net revenue** | | | | | |
| Net revenue Lines of Service (€ million) | 1,079.5 | 1,033.0 | 931.0 | 936.3 | 949.8 |
| • Assurance | 416.0 | 393.6 | 348.3 | 341.7 | 344.8 |
| • Tax & Legal | 292.4 | 267.5 | 287.8 | 308.1 | 305.2 |
| • Advisory | 371.1 | 371.9 | 294.9 | 286.4 | 299.4 |
| • Other | 0.0 | 0.0 | 0.0 | 0.1 | 0.4 |
| Increase/decrease | +4.5% | +11.0% | -0.6% | -1.4% | +7.4% |
| Net revenue per FTE (€ x 1,000) | 193.8 | 192.5 | 181.4 | 178.7 | 178.7 |
| Increase/decrease | +0.7% | +6.1% | +1.5% | +0.0% | +2.0% |
| **Results** | | | | | |
| Operating profit (€ million) | 189.7 | 192.6 | 233.6 | 203.3 | 167.4 |
| • Assurance | 34.9 | 55.4 | 52.1 | 60.7 | 37.8 |
| • Tax & Legal | 89.7 | 71.6 | 111.3 | 84.0 | 74.6 |
| • Advisory | 66.5 | 64.0 | 63.9 | 54.9 | 53.4 |
| Increase/decrease | -1.5% | -17.6% | +14.9% | +21.4% | +0.1% |
| % investment of revenue | 5% | 5% | 5% | 4% | 5% |
| **Client listening** | | | | | |
| Client satisfaction | 8.3 | 8.2 | 8.2 | 8.1 | 8.2 |
| Documented client listening | 815 | 589 | 614 | 692 | 587 |
| **Community of solvers** | | | | | |
| Headcount as at 30 June | 5,956 | 5,808 | 5,425 | 5,431 | 5,699 |
| Average number of FTEs | 5,569 | 5,367 | 5,132 | 5,252 | 5,315 |
| • Partners | 296 | 288 | 284 | 281 | 282 |
| • Professional staff | 4,165 | 4,010 | 3,836 | 3,986 | 4,076 |
| • Support staff | 1,108 | 1,069 | 1,012 | 985 | 957 |
| Global People Survey – People Engagement Index | 85% | 87% | 86% | 83% | not available |
| Employer of choice | #10 | #8 | not available | not available | not available |
| Total training hours | 630,895 | 589,464 | 548,311 | 566,511 | 610,645 |
| Average training hours per headcount | 106 | 101 | 101 | 104 | 107 |
| **High quality** | | | | | |
| % compliant EQRs/ECRs | 97% | 95% | 97% | 96% | 99% |
| % compliance personal independence testing | 89.0% | 86.5% | 88.5% | 92.2% | 92.6% |

For some indicators the comparative figures are changed due to an adjustment in definition. See the *sustainability statement* for the explanation of the changes per indicator.

| | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|---|
| **Environmental impact** | | | | | |
| Environmental impact ($tCO_2e$) | 9,556 | 11,138 | 7,622 | 2,778 | 15,287 |
| Reduction GHG emissions (% compared to 2018/2019) | 52% | 45% | 62% | 86% | 24% |
| **Equal treatment and opportunity** | | | | | |
| Women in new partner/director appointments | 25.0/35.4% | 25.0/30.4% | 34.8/37.0% | 30.4/32.1% | 25.0/42.4% |
| Non-Western migration origin in new partner/director appointments | 20.0/7.0% | 13.3/11.1% | 10.0/8.3% | 11.8/14.3% | 0/3.4% |
| Equal pay (male/female, Dutch/Western/non-Western) | 32.1/12.8/37.2% | 35.5/16.9/41.4% | 37.3/15.7/43.1% | not available | not available |
| **Governance** | | | | | |
| Incidents of corruption | 0 | 0 | 0 | 0 | 0 |
| % compliance Update Annual Ethics and Compliance training | 92.2% | 88.7% | 97.2% | 98.7% | not available |

For some indicators the comparative figures are changed due to an adjustment in definition. See the *sustainability statement* for the explanation of the changes per indicator.



# Who we are and what we do




With more than 370,000 people in 149 countries, PwC is a leading global services provider. It has three Lines of Service in the Netherlands, namely Assurance, Tax & Legal and Advisory, supported by Internal Firm Services. Coöperatie PricewaterhouseCoopers Nederland U.A. (Coöperatie) and its group companies in the Netherlands are members of a worldwide network of independent member firms. The increasing cross-border nature of our clients and the services we provide are enhancing collaboration within the PwC Network at a regional and global level, leading to far greater investment and innovative power as a network.

**The New Equation**
We aim to contribute to building trust in society and solving important problems (see 'Value-creation model' on *page 33* of the sustainability statement). This is our *purpose* and our licence to operate.

We realise that finding the best solutions requires collaboration and the building of trust-based relationships with our clients, technology alliances and other business partners and with each other. This is crucial if we are to provide high-quality services. Combining those relationships, knowledge and expertise with the right technology generates unprecedented opportunities. We arrive at sustainable solutions when we examine complex issues from all angles. That is exactly what our people do and why we are a community of solvers.

We cherish the power of our people, who are at the heart of PwC's The New Equation strategy. This strategy makes our purpose concrete: helping our clients build trust with their stakeholders and realise sustainable outcomes. We achieve this leveraging on the passion and commitment of the different perspectives found within our community of solvers. The foundation for realising our strategic priorities consists of continuously striving and delivering high-quality services and realising sustainable growth.

**Assurance** focuses on the auditing of financial statements and the provision of assurance on other information and systems. Statutory audits of financial statements constitute most of our Assurance practice. Another part of the Assurance practice focuses on the design, implementation and provision of assurance on systems and other information, and advice on accounting issues, ESG and risk management.

**Tax & Legal** supports organisations and individuals with their tax strategies and compliance with laws and regulations, and provides advice in the area of taxation. It offers legal advisory and compliance services and specialists related to workforce transformation, providing advice on matters such as remuneration structures, pension plans, cross-border deployment and HC cloud transformations.

**Advisory** (including Strategy&) focuses on assisting organisations in their (digital and ESG) transformation as well as reinvention of their business models, from strategy to execution. It also provides services related to mergers and acquisitions, from strategy advice to assistance with business (unit) integration or carve-outs. Advisory also includes crisis prevention and crisis management services to organisations or institutions affected by fraud, disputes, cybersecurity breaches and near-insolvency.

Strategy& is our global strategy consulting business and is uniquely positioned to help deliver an organisation's best future: one that is built on differentiation from the inside out and tailored exactly to clients. As a part of PwC, Strategy& builds the winning systems that are at the heart of growth, combining its powerful foresight with tangible know-how, technology and scale to help organisations create a better, more transformative strategy from day one.

**Internal Firm Services** is the business partner of and provides support to PwC's Board of Management and Lines of Service. The functional departments of Internal Firm Services include specialists in the areas of corporate strategy, markets, people, workplace, business operations, technology, risk, legal and quality.

strategy&
*Part of the PwC network*


## The priorities of The New Equation

To bring our strategy further to life we have chosen the following priorities:

**Client focused**
As a service provider we aim to be the first choice for our clients in helping them address the challenges that are important to them and their stakeholders. This requires a focus on our clients and their stakeholders, and an understanding of the broader context in which they operate. This focus also enables us to deliver high-quality services.

**Community of solvers**
We find valuable solutions when we look at what can be done smarter, better and differently based on a wide range of backgrounds and perspectives. That is the power of our community of solvers. We encourage an inclusive and diverse collaborative culture, where people feel they can speak up, are valued and work with purpose. This helps our colleagues be authentic and use their expertise together. Such a culture also allows us to attract, develop and retain the best and most diverse talent.

**Human-led, tech-powered**
People and technology go hand in hand. Combining human ingenuity with technology enables us to develop valuable solutions faster while at the same time building trust across the entire value chain. We make use of technology in our services, innovate our way of working and work together with (tech) alliance partners to make a difference for our clients.

**High quality**
Trust in what matters is more essential than ever. Therefore, our focus is on being trusted as an organisation, delivering on our promises in a manner consistent with our purpose and values and ensuring commitment to high quality in everything we do. Trust needs to be embedded in our services across all Lines of Service. Because only when we are trusted ourselves, we can add trust to what matters for our clients and for society.

**Sustainable growth**
Financial means are required if we are to enable sustainable investments and successfully deliver on our purpose and strategy. We drive profitable growth as an enabler for investments and long-term competitiveness. Sustainable growth is also about achieving our goals in the field of ESG (e.g. diversity). Because we can only achieve financial growth if we practise what we preach.

The strategy context and execution chapter explains the progress made on the strategic priorities and foundations for the five priorities: Client focused, Community of solvers, Human-led, tech-powered, High quality and Sustainable growth.

The table on the next page gives an overview of our ambitions and targets for the short, medium and long term relating to our strategic priorities.

A personal note from our chair

PwC at a glance 2023/2024
Performance highlights
Five-year summary of financial and non-financial performance
Who we are and what we do

Report of the Board of Management

Report of the Supervisory Board

Financial statements

Appendices

## Indicators per strategic objective

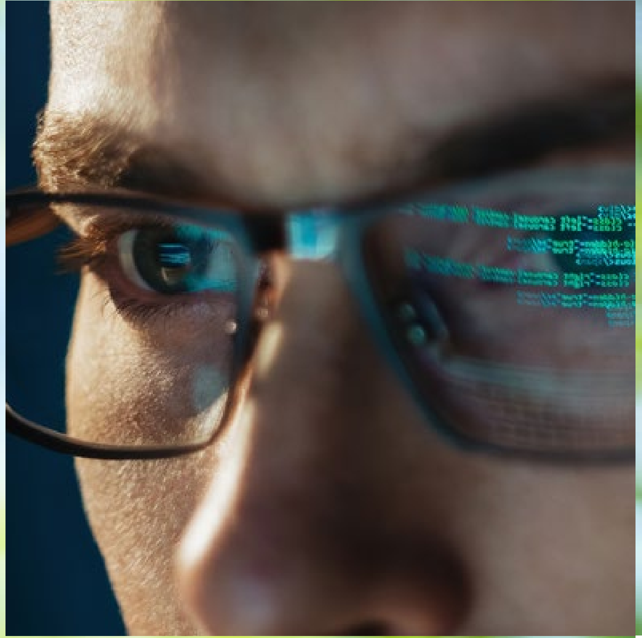
| Strategic objective | Performance indicators | Actual 2022/2023 | Actual 2023/2024 | Target 2023/2024 | (Short-term) target 2024/2025 | (Mid-term) target 2025/2026-2029/2030 | (Long-term) ambition >2030 |
|---|---|---|---|---|---|---|---|
| Client focused | • Client satisfaction<br>• Documented client listening<br>• Net revenue LoS<br>• Revenue growth | • 8.2<br>• 589<br>• €1,033.0m<br>• 11.0% | • 8.3<br>• 815<br>• €1,079.5m<br>• 4.5% | • >8.0<br>• 800<br>• growth<br>• growth | • >8.0<br>• 1,000<br>• growth<br>• growth | We will measure and report insights of our impact through our client work. This will also be part of implementing CSRD for our own organisation | Achieve sustainable growth within the boundaries of social and environmental systems |
| Community of solvers | • Headcount as at 30 June<br>• Average number of FTEs<br>• People Engagement Index<br>• Employer of choice<br>• Total training hours<br>• Average training hours per headcount | • 5,808<br>• 5,367<br>• 87%<br>• #8<br>• 589,464<br>• 101 | • 5,956<br>• 5,569<br>• 85%<br>• #10<br>• 630,895<br>• 106 | • 6,038<br>• 5,391<br>• >80%<br>• Not available<br>• 635,000<br>• 110 | • 6,019<br>• 5,357<br>• >80%<br>• Not available<br>• 635,000<br>• 110 | | |
| Human-led, tech-powered | • Use of Alternative Delivery Models (audit)<br>• Outsourced hours | • 17%<br>• 276,000 | • 18%<br>• 336,511 | • Not available<br>• 465,000 | • Not available<br>• 443,000 | | |
| High quality | • % compliant EQRs/ECRs<br>• % compliance personal independence testing | • >95%<br>• 86.5% | • 97%<br>• 89.0% | • >95%<br>• >85.0% | • >95%<br>• >85.0% | | |
| Sustainable growth | • Operating profit LoS<br>• % investment of revenue<br>• Environmental impact ($tCO_2e$)<br>• Reduction GHG emissions (% compared to 2018/2019)<br>• Women in new P/D appointments<br>• Non-Western in new P/D appointments<br>• Equal pay<br>• Sick leave | • €192.6m<br>• 5%<br>• 11,138 $tCO_2e$<br>• 45%<br>• 25.0/30.4%<br>• 13.3/11.1%<br>• 35.5/16.9/41.4%<br>• 4.0% | • €189.7m<br>• 5%<br>• 9,556 $tCO_2e$<br>• 52%<br>• 25.0/35.4%<br>• 20.0/7.0%<br>• 32.1/12.8/37.2%<br>• 4.3% | • growth<br>• >4%<br>• 10,959 $tCO_2e$<br>• 45%<br>• 25/35%<br>• 15/15%<br>• Not available<br>• 3% LoS/4% IFS | • growth<br>• 5%<br>• 9,132 $tCO_2e$<br>• 55%<br>• 25/35%<br>• 15/15%<br>• Not available<br>• 3% LoS/4% IFS | • Reduce scope 1 and 2 absolute emissions by 50% from a 2018/2019 base by 2029/2030<br>• Reduce absolute business travel emissions by 50% from a 2018/2019 base by 2029/2030<br>• Transition to 100% renewable electricity<br>• Commit that 50% of our purchased goods and services suppliers (by emissions) have set science-based targets to reduce their own climate impact by 2025<br>• Yearly target of 30/35% intake and 25/35% promotion of female partners and directors, respectively<br>• Yearly target of 15% intake and 15% promotion of non-Western origin partners and directors | • Achieve a positive environmental impact across our value chain<br>• Achieve gender balance and equality of opportunity<br>• Achieve an inclusive and diverse culture and equality of opportunity irrespective of age, disability, cultural background, sexual orientation or other status |
| The New Equation | *We aspire to be the most trusted and relevant professional service firm in the Netherlands and aim to grow our market share.* | | | | | | |

From 2024, the EU Corporate Sustainability Reporting Directive (CSRD) requires companies to report on their environmental and social impact activities. This is expected to be implemented in Dutch law in 2024. A set of European Sustainability Reporting Standards (ESRS) has been adopted by the EU.

PwC is committed to voluntarily implementing these ESRS requirements with the use of the phase-in options. PwC is expected to be obliged to report under ESRS as of 2025/2026. Our ambition is to transparently disclose the incremental progress in our Annual Report.

This year's sustainability statement has been prepared with reference to the ESRS. The ESRS are supplemented by the International Framework of the International Integrated Reporting Council (IIRC).

# Report of the Board of Management



# Strategic context and execution



## Introduction: a year of transformation and trust

'The world around us is changing faster than ever' may be a cliché but, as is often the case with clichés, it contains a kernel of truth. The growth of generative artificial intelligence (GenAI), changing geopolitical relations, the impact of climate change… these and other developments are rapidly transforming our world and also lead to an increase in (new) laws and regulations. Not that rapid change is a new phenomenon: those of us who experienced the spectacular growth of the internet in the 1990s will know that change can occur at a fast pace in every era.

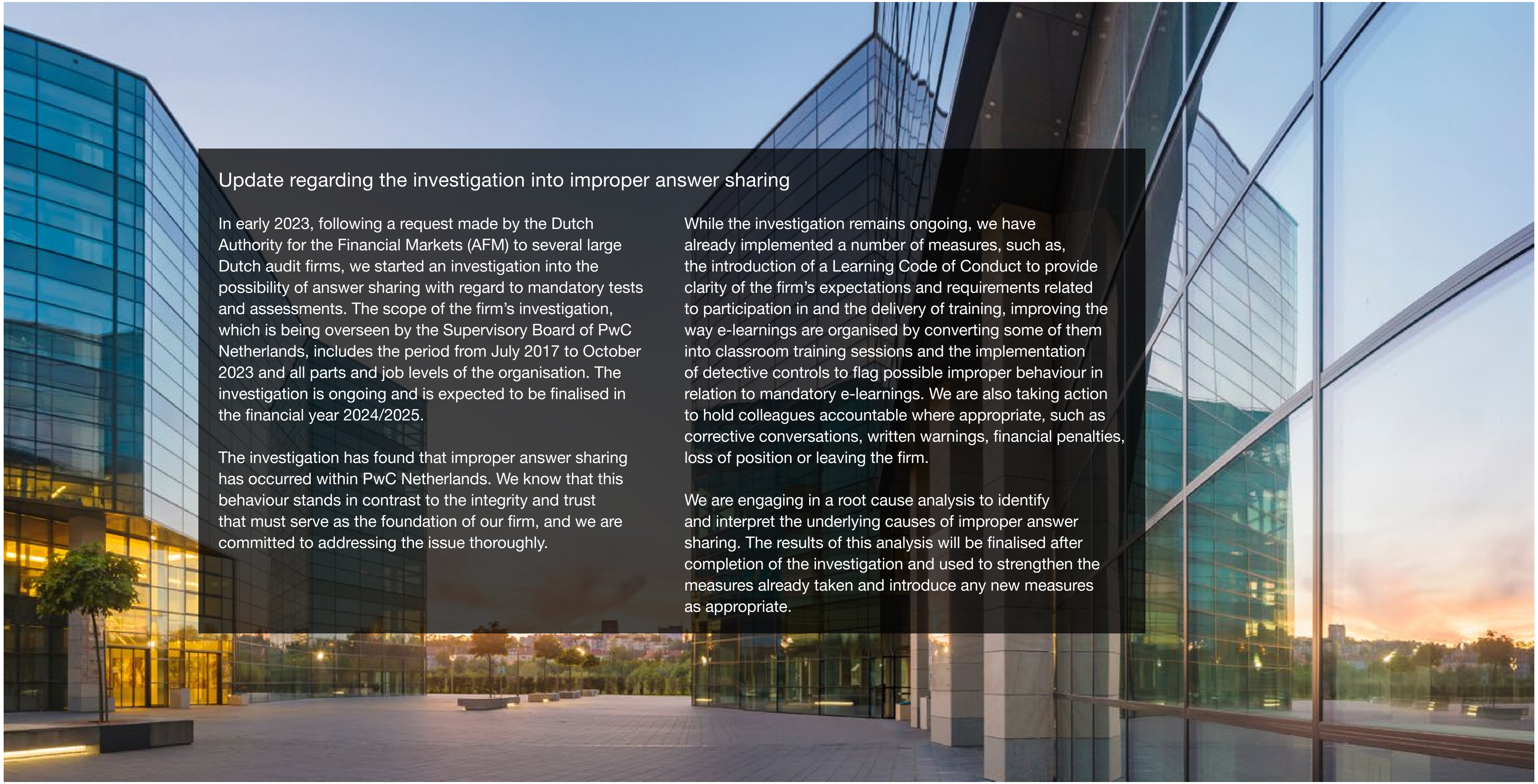
Ultimately, it is the interconnectivity of these developments that is the defining feature of the changes in our time rather than the speed per se. Business models are being fundamentally impacted due to the increasing application of GenAI and the impact of climate change. This presents both challenges and opportunities for businesses and society. In addition, technological changes partly determine geopolitical dynamics in the world. The use of GenAI – for example in election campaigns worldwide – could directly impact the public's trust in institutions.

These changes have an impact on the current and future challenges faced by our clients, which are fundamental in nature. Business models, supply chains and partnerships will need to be redesigned to stay ahead in an international market. The fundamental challenges faced by our clients inevitably have an impact on PwC's services too.

These developments demand the utmost of PwC's ability to adapt and transform. The use of technology is changing the way we think and work along with the skills we develop. The transition to sustainability requires us to show ingenuity as we continue delivering sustained outcomes for our clients' and society's most pressing challenges. The complexity of the issues requires collaborations both within and outside PwC. These changing times not only impact the services we can add to our existing offering, but they impact our core services too. This way, the changes we face make us reinvent our own business model too.

The larger transformations occurring around us and close to home highlight a task that is certainly *not* changing: building trust for our clients and for society. It is *the way* we build that trust which is changing but earning and living up to this trust remains our first and foremost mission. This starts with delivering quality work to our clients and living up to our core values: act with integrity, make a difference, care, reimagine the possible and work together. Every day anew.

This Annual Report looks back over the year 2023/2024. It is a retrospective that hinges on the two words that characterise this period, namely trust and transformation. We see how these two both interact and, on occasions, clash with each other. As the world changes, so do the demands from our clients. But as this report makes clear, delivering trust and sustained outcomes remains as important as ever. To do that, we must also scrutinise our own behaviours.



## Update regarding the investigation into improper answer sharing

In early 2023, following a request made by the Dutch Authority for the Financial Markets (AFM) to several large Dutch audit firms, we started an investigation into the possibility of answer sharing with regard to mandatory tests and assessments. The scope of the firm's investigation, which is being overseen by the Supervisory Board of PwC Netherlands, includes the period from July 2017 to October 2023 and all parts and job levels of the organisation. The investigation is ongoing and is expected to be finalised in the financial year 2024/2025.

The investigation has found that improper answer sharing has occurred within PwC Netherlands. We know that this behaviour stands in contrast to the integrity and trust that must serve as the foundation of our firm, and we are committed to addressing the issue thoroughly.

While the investigation remains ongoing, we have already implemented a number of measures, such as, the introduction of a Learning Code of Conduct to provide clarity of the firm's expectations and requirements related to participation in and the delivery of training, improving the way e-learnings are organised by converting some of them into classroom training sessions and the implementation of detective controls to flag possible improper behaviour in relation to mandatory e-learnings. We are also taking action to hold colleagues accountable where appropriate, such as corrective conversations, written warnings, financial penalties, loss of position or leaving the firm.

We are engaging in a root cause analysis to identify and interpret the underlying causes of improper answer sharing. The results of this analysis will be finalised after completion of the investigation and used to strengthen the measures already taken and introduce any new measures as appropriate.

## How changes lead to transformation

The fact that the world is transforming is not news – change is a continuous process. Take the application of GenAI, for example. Artificial intelligence has been around for decades and deployed in a variety of ways over that timeframe, sometimes without us even realising it. Nonetheless, it is clear that the application of GenAI has gone into overdrive over the past two years. Since the introduction of ChatGPT at the end of 2022, artificial intelligence (AI) has visibly and tangibly entered the lives of many people, including our PwC colleagues and clients. The application of this tooling has sped up enormously during this period. It is this acceleration in the use of GenAI and the realisation of the profound impact it will have on our way of doing business that characterises our time, with the past year being a turning point in this development.

Another topic that sped up is the action to combat climate change. While this too has been going on for decades, it had long been the domain of a small group of pioneers from business, politics, societal organisations, the scientific community and society. The Paris Agreement of 2015 can be seen as the tipping point in this movement, the first binding treaty that saw all countries agree to reduce $CO_2$ emissions. The European Union's Green Deal (2019) and the Inflation Reduction Act (IRA) in the United States (2022) greatly accelerated the process of mobilising investments in the sustainable transition, both public and private. The world is transforming at a rapid pace when it comes to combating climate change, although according to experts by no means fast enough.

The current era is also characterised by the way today's major trends are intertwined. The rise of GenAI is causing an explosive growth in demand for computing power (and therefore electricity) while at the same time its application is crucial in discovering new ways to combat climate change. Melting polar ice caps have a tremendous impact on biodiversity. It creates other shipping routes too, directly impacting geopolitical relations in the world.

The developments of and trade in technology are now dominated by large power blocs such as the US, EU and China. This in turn places greater demands on the business climate in the EU and the Netherlands. The fight against climate change has become a popular – and populist – topic in the post-truth era, where 'gut feelings' regularly prevail over science-based facts in public debate. The application of AI to create fake news fuels this development and this may further erode trust in public institutions.

All these developments affect our clients too, leading to calls for reflection in the boardrooms and new skills at all levels of an organisation. The winners of tomorrow are already thinking about how to reinvent their business models, ensure the resilience of their supply chains and initiate the collaborations required to tackle complex challenges. The results of PwC's 27th CEO Survey underline these developments, confirming the need for companies to reinvent themselves to remain relevant in the market of the future. This applies equally to PwC.

## Key messages of stakeholder dialogues

To communicate our approach and the outcomes of our stakeholder engagement, we maintain a dedicated page on our external *website*.

**Contribute to accelerating the transition to a sustainable economy**
Stakeholders see an important role for PwC in helping clients with their sustainability journey, something with which they are struggling. They state that we can have the greatest impact on sustainability through our client services and delivery rather than through our own operations. Stakeholders therefore recommend that we continue to focus on services related to ESG (environmental, social, governance) and to challenge our clients on these themes. This role is in good hands with PwC as we have also set ESG objectives for ourselves and communicate transparently about them. Stakeholders find it positive that we do this both as an organisation ourselves and also in connection with others, for example by embracing the VNO-NCW Tax Governance Code.

**Be an active voice in the public debate**
Our stakeholders find PwC an interesting voice in the public debate because we advise and audit many different types of organisations and therefore have a good idea of the challenges that both public and private organisations face. Stakeholders not only ask us to share these perspectives but also the solutions we see for those challenges. They insist on the urgency of getting involved in the societal debate and sharing knowledge because they are concerned about polarisation, the decline in societal trust, the speed and, therefore, unpredictability of policy changes and the increasing complexity of legislation. Stakeholders point out that sticking your neck out in the societal debate also means being held accountable for things that PwC itself is not doing or has not done properly. Those things inevitably exist as mistakes will always be made. Stakeholders therefore recommend communicating proactively about them.

**Focus on innovation from a human perspective**
Stakeholders see how PwC is changing its way of working, for instance by using AI. They appreciate that PwC is upskilling its employees. In particular, they challenge us on the use of innovation by auditors, as there can be a tendency to keep things the same in regulated professions. The use of technology and innovation is important for stakeholders, but always from a human perspective. Stakeholders see that PwC adopts an open and vulnerable attitude in discussions with clients and stakeholders, shares dilemmas and strives to learn from each other and from other organisations. PwC's strength lies in these various ways of seeking connections, they say. Some stakeholders also are encouraging auditors to demonstrate more courage during AGMs.

Within this changing world, the expectations of our stakeholders have remained stable. For several years now, politicians, civil servants, scientists, societal organisations, opinion makers and board members have been among those calling on us to accelerate the sustainable transition by supporting our clients. As they rightly point out, this is where we can have the greatest impact. We are also being asked to make our presence felt in the public debate on topics where PwC can offer added value. Last but not least, people require us to keep innovating with a human perspective. This seamlessly matches our 'human-led, tech-powered' approach.

## Artificial intelligence

The year 2023/2024 was pivotal with regard to the adoption of GenAI. ChatPwC and Microsoft Copilot were rolled out to a significant part of the organisation, we set up our AI Lab, and new applications and use cases were conceived, developed and applied in audit and advisory work.

The deployment of GenAI initially means less repetitive work and more and better insights. This makes our work more enjoyable and easier, improves the quality of the work and can add more value for our clients and society. It serves as a pleasant enhancement to what we already do and are capable of doing.

At the same time, we are already seeing how the use of tooling requires a fundamental reassessment of how we work, offer value to clients and price this value. Applying advanced digital tooling affects our current business model and also requires an answer to the question of what kind of talent we wish to attract. The competition for scarce talent with specialist knowledge is therefore becoming ever fiercer.

With our organisation embracing a digital mindset, the year 2023/2024 can be seen as accelerating the needs of a fundamental transformation. It has made us one of the frontrunners in the global PwC Network and that is something we are proud of. To ensure a smooth transformation, we have invested in upskilling our colleagues over the past year. Our Digital Accelerator programme trains people to guide others when working, for example, with applications.


### AI Lab

In a rapidly evolving landscape, merely embracing AI is not enough. It is about leveraging its power to reinvent operations, fostering efficiency, agility, and ultimately, driving growth. Our AI Lab is equipped to help navigate and drive transformation in how we create, deliver and capture value for our clients. Through our commitment to innovation, we offer a space to explore, interact and learn about AI and its impact on business.

**The AI Lab is a place for everyone...**

Through the AI Lab, our visitors can:

1. explore, interact and create tailored AI roadmaps, strategies and relevant AI solutions;
2. explore PwC's and tech alliances portfolio of AI solutions implemented to solve complex problems and enhance operational processes in various industries and sectors;
3. get hands-on experience with cutting-edge AI technologies (NLP, GANs, Autonomous Systems, Explainable AI, Quantum Machine Learning);
4. craft a high-level AI implementation and integration roadmap that is representative of their strategy.

## Harvey

Our alliance with Harvey gives us exclusive access to the AI platform Harvey. PwC's Legal Business Solutions and Deals specialists are currently working with AI startup Harvey. Harvey is built on OpenAI and Chat-GPT technology. The platform uses natural language processing, machine learning and data analytics to automate and improve various aspects of legal work. This combined with a base of big data, generates insights and recommendations. The information, which is subsequently verified and reviewed by PwC professionals, delivers faster and strategic solutions.

We are using Harvey to advise our clients in a wide range of areas, including contract analysis, regulatory compliance, claims management, due diligence and broader legal advisory services and legal consulting.

## Roll-out Copilot and ChatPwC

We provided ChatPwC: a generative AI tool made available in our own secure PwC environment. It acts as a conversational AI assistant that makes our colleagues' life easier by helping with tasks like chat, translate and summarise.

With more than 5,000 unique users, ChatPwC has become indispensable for our daily work. That is why PwC took the step this year to provide our colleagues with Microsoft Copilot for Microsoft 365, an everyday AI Assistant designed to boost productivity and creativity. Microsoft Copilot provides real-time intelligent assistance, enabling creativity, productivity and skills by leveraging generative AI capabilities across Outlook, Teams, Word, Excel and PowerPoint. It is designed to assist with a wide range of tasks, from summarising important documents and catching up on communications, to generating draft emails and documents.

## Next Generation Audit

PwC NL has an active role in creating the globally Next Generation Audit (NGA), which is human-led, tech-powered and data-driven. PwC is reimagining the audit profession. Leveraging the latest technology from Microsoft in the GenAI and agent space, we are building the first AI agent-powered audit platform that will fundamentally change and enhance the way auditors work.

AI agents can reason, self-reflect, operate autonomously and interpret natural language. Our auditors can instruct them to execute complex tasks, analyse data and automate processes using plain language prompts. Combining the skills of AI agents with our people's extensive industry knowledge will result in enhanced audit quality and supercharged capabilities.

These new techniques deliver faster anomaly detection, earlier risk identification, deeper benchmarking, easier global collaboration, digital quality checks and more. These innovations will be rooted in PwC's rigorous risk and governance standards.

## Junction

The deals landscape is changing, so we need to adapt to the world around us and move with our clients to generate actionable insights faster and in a way that enables them to make informed decisions, at pace. The increasing complexity of engagements, the advancement of technologies such as AI and masses of data place new demands on us to be well-connected and leverage previous projects and findings, across borders.

To adapt to these changes, we have created the PwC Connected Deals Experience (CDE). At the CDE's core, our reporting platform Junction serves as a single point of access by bringing together familiar tools (like the Microsoft 365 suite and Power BI, etc.) into a single location to work from throughout a deal, providing an intuitive way to interact and collaborate with clients and colleagues.

By making data interactive, Junction provides clients with a deeper understanding of our perspectives, thereby giving them greater confidence in our recommendations. By providing a truly unique and dynamic way of working, Junction delivers on our promise of a modern deals experience.

# World Economic Forum

*Read the whole story on pwc.nl*

**PwC joins forces with World Economic Forum to produce major report on GenAI's global impact on job augmentation and productivity**

## 'The choices we make now will shape the future of our work'

How is Generative Artificial Intelligence, GenAI for short, impacting work world-wide? How can we use GenAI to enhance both the quality and productivity of our work? What investment decisions do companies face in this area? The World Economic Forum (WEF) will publish one of the first major global research reports offering answers to these questions this November.

A multidisciplinary team is currently preparing the report under the supervision of Marlene de Koning, Director Workforce Transformation within PwC Netherlands, and Till Leopold, Head of Future of Work, Wages and Job Creation at the WEF. The report will help global organisations, corporates, policymakers and other stakeholders make the best possible decisions for employees, organisations and society as a whole with regard to the use of GenAI.

**A new era**
'It is clear that GenAI is influencing how we work and significantly impacting organisations, business models and the tasks of employees,' says De Koning. 'We need technologies like this. A key question is: how can we anchor so-called ethical AI, and ensure that the technology does not just improve efficiency, productivity and quality at work, but also increases work enjoyment and fulfilment?' Leopold adds, 'We are at the beginning of an era, which makes it all the more important to make the right decisions now. We hope to contribute to this with our report.'

**Scenario planning and actionability**
Given the rapid development of GenAI, the research is not aimed at making long-term predictions. The goal is to offer decision-makers concrete, actionable insights into the immediate future, say, between now and 2027. 'We aim to present a comprehensive, realistic, and nuanced picture of where we currently stand globally, and of the developments unfolding before our eyes,' explains Leopold. 'What is the most optimistic scenario for organisations, employees and society with regard to GenAI? What options do we have if GenAI leads to less favourable effects and developments? What can we do today to shape the workplace of the future? This report is intended for everyone operating at the centre of thinking and decision-making on this topic.'

**Global data and a holistic approach**
The research team have gathered insights from science, economy and psychology, and from experts around the world. They've consulted scientific articles, carried out case studies in various sectors, and held numerous interviews with leaders of global companies. 'What struck me was the willingness among leading organisations to collaborate with us, even at very short notice,' says De Koning. 'There is clearly a huge need for broad, in-depth insights.'

**Choices shape the future**
Leopold stresses that 'Generative Artificial Intelligence is not just happening to us, or autonomously imposing itself on us: it's a development that businesses, policymakers and society can and must take control of.' De Koning adds that research, education and awareness-raising are a crucial part of this. 'They will help us to build trust in society, while also tackling important, complex challenges. Policymakers and large organisations must take responsibility and this report will give them new tools to do just that.'

> 'Generative Artificial Intelligence is not just happening to us, or autonomously imposing itself on us: it's a development we can and must take control of.'
>
> **Till Leopold**, Head of Future of Work, Wages and Job Creation, World Economic Forum (WEF)

*The report on the impact of GenAI on job augmentation and productivity will be published mid-November 2024.*

## Corporate Sustainability Reporting Directive (CSRD)

The transition to sustainability has many facets, such as reducing $CO_2$ emissions, conserving and restoring biodiversity, the route to a circular economy and respecting human rights in supply chains. Each of these facets requires a fundamentally different outlook and a new way of acting from politicians, businesses, civil society organisations and citizens.

These different facets come together in the new reporting rules that came into force: the CSRD. It modernises and strengthens the rules concerning the social and environmental information that companies have to report. A broader set of large companies, as well as listed SMEs, will now be required to report on sustainability. The first group of companies must include their first CSRD-compliant sustainability report in 2025, covering the 2024 financial year.

### CSRD gap assessment

Complying with the CSRD disclosure requirements brings both opportunities and major challenges to organisations. It starts with an assessment to see where an organisation meets the requirements and where it needs to disclose more information. While performing this manually takes lots of time, our CSRD gap assessment tool can speed things up significantly. It analyses hundreds of pages of an organisation's documents and compares them with around 1,300 CSRD requirements. The outcomes of this analysis are then checked and reviewed by PwC specialists, enabling PwC colleagues to add value and focus on helping clients bridge the gaps.

The CSRD marks a new era for organisations, including PwC. The requirements of this EU directive are very detailed and being applied for the first time. While the directive has yet to be implemented in Dutch law, it will lead to new opportunities for many organisations as well as major challenges. It requires reliable data, a streamlined process, expertise in a wide range of sustainability aspects and the right technology.

The implementation of the CSRD is more than a step towards greater transparency… It is a journey to integrate sustainability into a business strategy and everything a company does. Crucial to the CSRD is the concept of double materiality, i.e. that companies must evaluate and report on the environmental, social and governance impact of their activities as well as the financial impact of these factors on the organisation itself. As a result, sustainability is becoming more relevant strategically and is being integrated within company processes and structures at an accelerated pace.

Over the past year, PwC has assisted companies in their transformation by using the broad knowledge we have in-house – from auditors to human rights specialists – to support companies with implementing the CSRD.

Although we are not yet obliged to do so, we have chosen to *practise what we preach* and comply with the reporting requirements of the ESRS as of this annual report. Doing so has tested PwC's ability to transform, as is the case with our clients. The CSRD implementation affects the entire organisation: from strategy to reporting, from the finance department to procurement, from client services to our own energy consumption and travel policy and behaviour.

Implementing CSRD also means that we will need to reconsider the requirements we set for our client and engagement acceptance, how often and by what means we travel and the way we buy goods and services.

Environmental impact ($tCO_2e$)
**9,556**
(2022/2023) **11,138**

Reduction GHG emissions (compared to 2018/2019)
**52%**
(2022/2023) **45%**

Women in new partner/director appointments
**25.0/35.4%**
(2022/2023) **25.0%/30.4%**

Non-Western in new partner/director appointments
**20.0/7.0%**
(2022/2023) **13.3%/11.1%**

Equal pay
**32.1/12.8/37.2%**
(2022/2023) **35.5/16.9/41.4%**

*For more details see the section sustainability statement.*

## VDL Groep

*Read the whole story on pwc.nl*

# Adding value as a starting point for CSRD implementation

VDL Groep, an international industrial family business based in the Netherlands, will need to start complying with the CSRD requirements in 2025. The company has chosen to approach compliance as an opportunity to generate sustainable value. Ton Wijnen, a member of VDL Groep's management, and MarkTesselaar from PwC, who is supporting VDL Groep in this process, share their experiences and insights to date. 'We are establishing a link to passing the company on to the next generation.'

VDL Groep is an authentic Dutch family business, founded in 1953 in Eindhoven by Pieter van der Leegte. With DAF and Philips as its first customers, the company has grown into a conglomerate made up of more than a hundred subsidiaries across twenty countries with around 15,000 employees. The company's common denominators are high-tech, mobility, energy, infrastructure tech and food tech.

**Seamless integration**

Wijnen has been part of the group management team since September 2023 and is responsible for the process of implementing the CSRD. VDL Groep has opted to integrate CSRD into its business strategy and to add value in terms of sustainability. 'Our decision to take the CSRD seriously fits seamlessly within our culture and vision as a family business,' he explains. 'At VDL we do not just see the next generation as the future of the company – it literally involves passing the baton on from generation to generation. This long-term approach means that sustainability is deeply rooted in our corporate culture, without directly labelling it as ESG or CSRD.'

**Focus on ambition**

'We also realised that seeing the implementation of CSRD solely as a compliance issue would stop it being fully embraced by our organisation. It certainly doesn't suit a bureaucracy-averse organisation like VDL. We have therefore actively chosen to emphasise the ambitions and opportunities that sustainability offers. In doing so we can make a difference for the world of tomorrow. Focusing on ambitions and the difference you can have makes it far easier to get everyone on board.'

VDL Groep's approach includes a wide range of sustainability initiatives, ranging from technological innovations to strategic partnerships that pave the way for a greener future. Examples include the development of eco-friendly solutions, which drive market transformation such as electric buses and advanced robotics for the greenhouse horticulture sector.

**Compliance**

While the right initiatives and prerequisites for CSRD implementation are now in place, Wijnen recognises that this alone is insufficient for a company. 'The ongoing challenge remains how best to link our future vision to compliance. Although we have a positive focus on the areas where we can have an impact, we still have to comply with the regulations. We need to convince all managers to become involved so they do not presume that "head office will sort it out".'

**The role of PwC**

'Taking a standard approach is not enough,' says Tesselaar with regard to PwC's role in this trajectory. 'We have to carefully consider what fits the culture and needs of the company, and it is important that our guidance aligns with the organisation.

In my eyes, what makes VDL truly unique is that, especially considering the size of the company, they stay so true to themselves. We at PwC respond to this by not bringing in an endless number of templates and planning documents, which can cause a company to lose grip and insight. Instead we get things moving via conversations with the various stakeholders, enabling the organisation to proceed on its own with the various topics.'

**Awareness and value**

So what advice does Wijnen have for other companies working on implementation of the CSRD? 'A key issue is the awareness that this is an irreversible transition, which is sure to happen. I would also advise having "adding value" as the starting point for implementing the CSRD.'

## Our own transformation

Changing client demands in a changing world demand a great deal of our own transformation journey. The degree to which we can continue to help our clients to build trust with their stakeholders and realise sustained outcomes for our clients' most pressing challenges depends largely on the extent to which we reinvent ourselves, including our business model.

We recognise that a process of continuous transformation requires a lot from us. Making this a reality requires dedication, ingenuity and an intrinsic willingness to continue developing and collaborating. Transforming is not easy.

We are therefore committed to being a good employer, supporting the ongoing development of colleagues and ensuring their physical and mental well-being. With that comes another key to a successful transformation… employee satisfaction. Colleagues can join a range of training courses as they develop on-the-job and can also benefit from secondments abroad, experiencing life and work outside the Netherlands and learning from the wider PwC Network. All our people have access to the well-being platform OpenUp and receive an annual well-being budget (see sustainability statement (from *page 30*) for more details).

| Employer of choice ranking | Headcount as at 30 June 2024 | Average number of FTEs | People Engagement Index | Turnover (number of leavers) | Number of new hires |
|---|---|---|---|---|---|
| **#10** | **5,956** | **5,569** | **85%** | **916** | **1,125** |
| (2022/2023) **#8** | (2022/2023) **5,808** | (2022/2023) **5,367** | (2022/2023) **87%** | (2022/2023) **904** | (2022/2023) **1,356** |

*For more details see the section sustainability statement.*

Total training hours
**630,895**
(2022/2023) **589,464**

Average training hours per headcount
**106**
(2022/2023) **101**

*For more details see the section sustainability statement.*

**Skills**
Upskilling programmes develop the knowledge and skills we need to lead the way in a changing world with our services. We ask our colleagues to continue developing, regardless of their age, role or the number of years they have been with PwC.

For example, we expect colleagues to master new AI tools and to think outside the box and be curious. To have the courage to transform themselves in order to help clients do the same. It is for a reason that ‘reimagine the possible’ is one of our core values.

A changing world therefore requires us to transform so that we continue to deliver on building trust and realising sustained outcomes. The new framework of the Evolved PwC Professional clarifies the behaviours associated with a world in transformation.

**Safe working environment and an inclusive culture**
While change is underway, we are continuously transforming to ensure a safe, open working environment and a diverse, inclusive culture. For PwC this starts with being a strong community that helps each other solve problems, provides support and educates one another. A community’s strength lies in strong relationships and we are building these by focusing on psychological safety and inclusion.

Employees are encouraged to freely express themselves, share dilemmas and raise concerns, free from judgement, retaliation or discrimination. PwC actively encourages employees and leadership to speak up and address behaviour that is not in line with our Code of Conduct when they see it. Speaking up when something does not seem right demonstrates the courage to do the right thing. Moreover, PwC asks everyone to be an ally and advocate for those who do speak up.

Delivering high-quality service to clients begins with prioritising respectful interactions that encourage diversity of thought and mutual respect. PwC empowers diverse perspectives and underscores the importance of respectful communication for knowledge sharing and idea development. The Evolved PwC Professional framework is at the heart of our approach, generating continuous awareness of our Code of Conduct and the behaviours that foster a safe environment and inclusive culture in our day-to-day work.

**Evolved PwC Professional**
The world we live and work in is changing at an incredible pace. And being PwC, it is our obligation – and opportunity – to work together for a better tomorrow. This asks for a different mindset and behaviours. Whether it is about the way we innovate, the way we work together, the way we connect to what matters to clients: it requires us to rethink who we are and how we add value as PwC Professionals. This is why we launched the Evolved PwC Professional.

The EPP framework connects our purpose, values and strategy into one single, powerful framework that guides us into the future. In every interaction, every day. We focus on what truly matters and set the aspiration for our culture with two interconnected dimensions: Trusted Leadership and Distinctive Outcomes. We hold on to behaviours that are familiar to us (I perform quality work, with objectivity and professional competence’) and add behaviours that may be more of a stretch (‘I am comfortable not having all the answers’).

It is inspirational: this is about the leaders we want to be and the leaders we want to have. It is about being a great place to work where you can develop yourself, make impact and be recognised for the value you create. Ultimately, the EPP framework allows us to make a difference for our clients and for society as we step up as leaders in our field and enhance our impact.

This collaboration is how PwC makes a meaningful difference for our clients.

PwC actively cultivates an inclusive culture that celebrates diversity and champions equal opportunities, ensuring every employee thrives and succeeds regardless of their background, race, gender or abilities (see *page 83* of the sustainability statement for our other actions). PwC has policies and procedures in place that help prevent and address any form of harassment, bullying or discrimination in the workplace.

### Client listening

Our own transformation hinges on how well we listen to our clients and society. Only by listening can we get to the heart of their questions and explore the more fundamental query or challenge that lies beneath. In combination with an in-depth knowledge of the client and sector, listening – or as a client's CFO called it: 'thinking together' – is the foundation for building trust and realising sustained outcomes for our clients.

In 2023/2024, we conducted a total of 308 'client listening' conversations about our clients' challenges and opportunities, how they experience PwC's services and how we can improve. A number of these conversations saw the agenda broaden to include social issues that affect us both and we asked for their views and thoughts on the role they see PwC playing in society. It is hard to understate the value of these conversations, since each conversation gives us valuable insights into where we can improve.

### Collaboration

The major challenges of our time can no longer be solved by individuals alone. Collaboration is key, within our own organisation in the Netherlands, across the international PwC Network and via partnerships and alliances (without harming independence requirements).

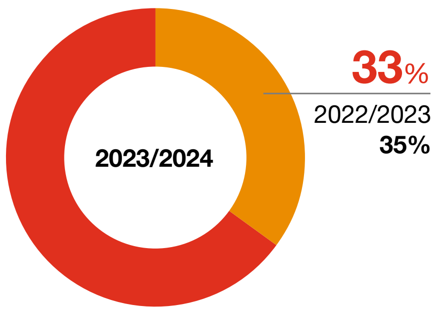
Complex client transformations require more and more the deployment of colleagues with specific knowledge that is not present in every PwC member firm.

**Client listening**

| Client satisfaction score | | | Recommendation | | |
|---|---|---|---|---|---|
| 2023/2024 | Target | 2022/2023 | 2023/2024 | Target | 2022/2023 |
| 8.3 | 8.0 | 8.2 | 8.2 | 8.0 | 8.2 |

| | 2023/2024 | Target | 2022/2023 |
|---|---|---|---|
| Number of client surveys | 507 | - | 364 |
| Number of conversations | 308 | - | 225 |
| **Total documented client listening** | **815** | **800** | **589** |

### Integrated service delivery




This percentage represents the level of collaboration among the Lines of Service, expressed as a percentage of revenue. In the current year, 33% of the revenue was generated from clients that have been serviced by every Line of Service. This reflects a small decrease in comparison to last year. However, at an engagement level we see a slight increase in the level of collaboration among the Lines of Service (as measured by the proportion of revenue that was generated from projects that are delivered by more than one Line of Service).

This can range from expertise on biodiversity, human rights and the application of specific technology to having an in-depth understanding of a niche sector. Such specialists were deployed more often in 2023/2024, a development we expect to increase in the coming year.

Over the past year we also have seen an increase in the deployment of delivery centres. These feature colleagues from other PwC territories who are used in all Lines of Service, but mainly within our audit practice. They assist our (engagement) teams virtually by delivering specific requested services (mainly repetitive operational activities). This allows our colleagues to focus more on the relationship with their clients. We greatly value this type of collaboration and expect such deployments to further increase in the coming year.

Lastly, collaborating outside our firm is key if we are to deliver the best solutions for our clients. We put great store on the importance of our partnerships, particularly with technology alliance partners such as Microsoft, SAP, Oracle, Workday and Salesforce. These alliances bring together the best of both worlds: the technological skills and experience of our partners and PwC's expert subject matter expertise on topics like strategy and performance management and industry knowledge. We will continue to invest in these relationships and work collaboratively to deliver innovative solutions to our clients.

| Outsourcing | 2023/2024 | 2022/2023 |
|---|---|---|
| Use of Alternative Delivery Models (audit) | 18% | 17% |

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Outsourced hours | 336,511 | 276,000 |

## Complexity of audits is increasing - overcoming challenges

All professionals in the audit are faced with a lot of upcoming changes, particularly in the areas of innovation and the audit of sustainability information, known as the CSRD. These changes bring both excitement and challenges. It is a huge transformation.

Sustainability reporting, and providing assurance on this, is finally there. We believe our work is becoming even more relevant with this important step, and take the investment from our side very seriously. Auditing sustainability information will require both upskilling from us as auditors, but also additional capacity.

Our first clients have to comply with the CSRD standards in the upcoming year, and the way our teams are built has changed a lot. CSRD demands not only upskilling our people to properly assess non-financial information but also significant additional capacity from audit firms, capacity that is not always available from starters leaving university or intake from other audit firms. But that capacity is really needed, also to provide the best offerings to our new clients whom we welcome after a successful mandatory firm rotation process. This is why we are using alternative delivery models (ADMs) to make sure we have the people to perform the audits (see *page 25*).

But as you can expect, changing the way we work also comes with challenges. Working with remote team members, often in other timezones and other cultures and backgrounds, is taking some adjusting and learning time.

And technology is an important element in this as well. Several initiatives have already been implemented. Throughout the year, we started using Generative Artificial Intelligence tools such as ChatPwC, and we are currently in the process of developing the Next Generation Audit (NGA) (see *page 14*) and we developed an innovative tool to do the CSRD Gap assessment (see *page 16*). While these innovative projects show great promise, they are not yet ready for full implementation.

Above all, we are working on doing things smarter by embracing technology as part of our daily work and adopting ADMs to deliver our services. We are very grateful for everyone adapting digital solutions, and the curious mindset to take this a step further in the upcoming year, and make a lot of impact to our clients and society.

## Transformation and trust

The extent to which we can build trust and realise sustained outcomes depends partly on how well we keep up with the pace of the changing demands from our clients and the big transformations we see happening in society. To stay relevant in the market, we need to be ahead of the curve.

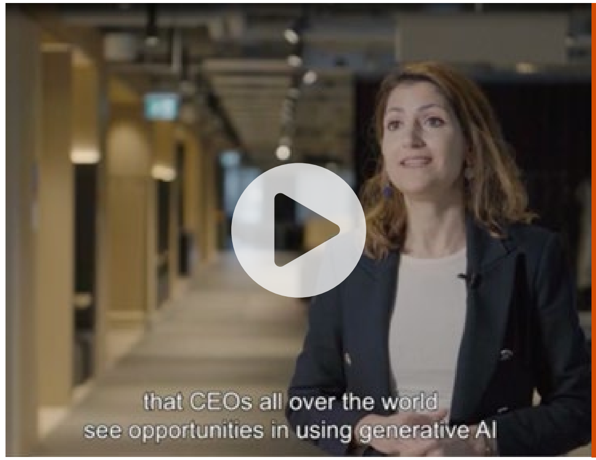
However, if the speed of change outpaces the necessary degree of reliability and quality, we will end up eroding trust rather than building it. A good example is the application of GenAI in our work as auditors and consultants.

Rushing the implementation could make us be ahead of the curve, but it also could harm our ambition to build trust. An algorithm that is

'biased', an analysis tool that relies on incorrect online sources or the use of an application that lacks crucial data security principles… Only by being conscientious and ensuring sufficient safeguards are in place we can deliver the trust and sustained outcomes we want to deliver.

The speed at which we integrate applications into our daily work and the willingness to experiment can therefore be at odds with the quality that clients and society expect from us.

At the same time, many organisations struggle with the balance between speed and diligence when adopting new technology. This offers opportunities for PwC services as we respond to market needs for support with the adaptation of new business applications, especially GenAI.




### PwC's 27th CEO Survey

In 2023, only a minority of CEOs implemented generative AI (such as Chat-GPT) in their own organisation. However, a large majority expects that this form of AI will have a great impact on the way the company operates and its revenue model. This expected impact of AI relates to both the opportunities and the risks, as shown by *PwC's 27th CEO Survey*.

Globally, a large number of CEOs expect to benefit from the advantages of GenAI within a year, such as an increase in efficiency and profitability. On the other hand, CEOs are concerned about the possible damage that GenAI can cause, especially in the field of cybersecurity and the spread of misinformation.

At PwC we help our clients with a responsible introduction of the use of GenAI. This way, building trust and helping transformation go hand in hand. Something we are proud of.

## High quality

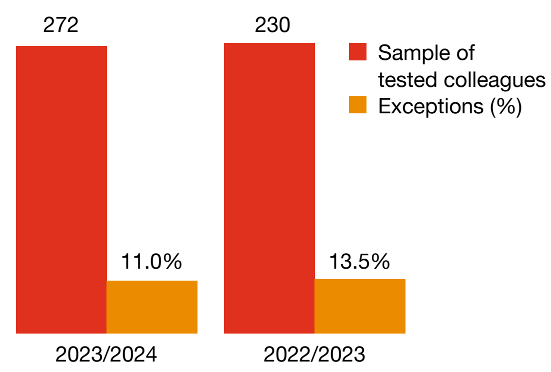
The New Equation reflects our dedication to helping organisations build trust and deliver sustained outcomes. Our services are valuable to stakeholders precisely because of our focus on quality. Delivering high-quality work must be at the heart of what we do; it is what our stakeholders rightly expect of us. Quality is about much more than complying with standards, policies and regulations; it is about being recognised by stakeholders for delivering quality outcomes and keeping the commitments we have made.

The quality of our work is the foundation of PwC's ambition to build trust with clients and in society. This high level of quality in everything we do requires our continuous attention. The quality of our statutory audits also has the ongoing attention of the oversight bodies.

Part of measuring our quality involves conducting Engagement Compliance Reviews (ECRs), that are relevant for compliance with laws and regulations (for internal and external reviews see also our *Transparency Report*). We also annually assess compliance with the personal independence requirements. The personal independence testing in 2023/2024 showed a compliance rate of 89.0% (2022/2023: 86.5%; target: >85.0%).

As in 2022/2023, the AFM has carried out theme-driven file reviews. In 2023/2024 a theme-driven review was held regarding the effectiveness of the Quality Review Partner role was performed and the AFM reported findings for one file (out of 4 files).

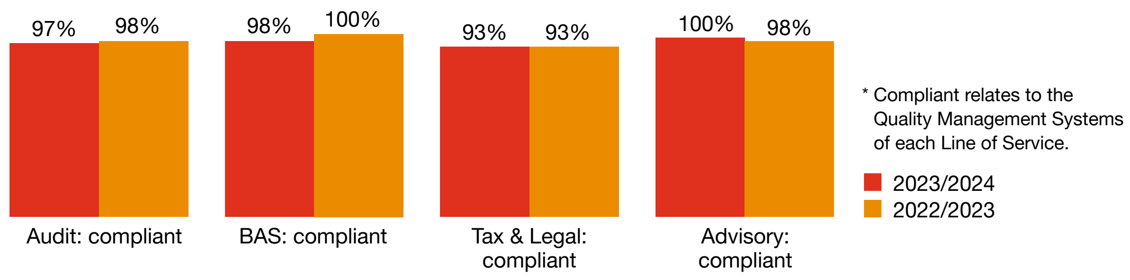
### Personal independence testing




Sanctions in the event of violation of independence requirements are dealt with by the Independence Sanction Committee, which submits its proposals to the Board of Management (see *page 100* for more details).

In May 2023, a situation regarding the use of confidential Australian government information by the PwC Australian Tax practice came to light. Publications about this matter mentioned the involvement of other PwC member firms, including the Netherlands, therefore, an investigation by PwC NL was conducted. Based on the procedures performed no facts or circumstances were identified indicating the sharing of confidential (governmental) information with (former) colleagues of PwC NL. This matter led the network, as well as PwC NL as a member firm, to reflect on where we are and whether additional actions could be taken to enhance our standards.

### Engagement Quality and Compliance Reviews (%)




| Incidents reported to the AFM | 2023/2024 | 2022/2023 |
|---|---|---|
| Number of incidents reported to the AFM | 3 | 3 |

In 2023/2024 three Wta incidents were reported to the AFM; relating to client and engagement acceptance and our ongoing investigation into improper answer sharing. Two of the three Wta incidents open as at year end 2022/2023 have been closed (without follow-up or enforcement) by the AFM in 2023/2024.

| Engagement Quality and Compliance Reviews | 2023/2024 | Target | 2022/2023 |
|---|---|---|---|
| Audit: compliant/non-compliant | 59/2 | | 44/1 |
| BAS: compliant/non-compliant* | 55/1 | *<5% non-compliant* | 9/0 |
| Tax & Legal: compliant/non-compliant | 154/11 | | 137/10 |
| Advisory: compliant/non-compliant | 94/0 | | 84/2 |

Compliant/non-compliant relates to the Quality Management Systems of each Line of Service.
* In relation to the internal quality reviews on advisory engagements within the Assurance practice, we have adjusted the process as from 2023/2024. In previous years, we performed Engagement Quality Reviews using the same approach as we did for audit engagements. We decided to adjust the quality review programme for these engagements to better align with the monitoring requirements of our network and to make monitoring more tailored to advisory engagements, which also increases the value to the engagement teams.

| External reviews | 2023/2024 | Target | 2022/2023 |
|---|---|---|---|
| PCAOB: compliant/non-compliant | 0/0 | *<5% non-compliant* | 0/0 |
| Other: compliant/non-compliant | 10/0 | | 17/0 |

| AFM reviews | 2023/2024 | 2022/2023 |
|---|---|---|
| Total number of files reviewed | 4 | 4 |
| Number of files with findings | 1 | 2 |

# PwC supports Gasunie with independent assessment of investment in hydrogen transport network

Gasunie is planning to invest in a hydrogen transport network in Germany. Hydrogen can be effectively used as a raw material and fuel for industry and transportation and is easy to store in large quantities. Director of business development Marc van der Linden sees such an infrastructure as a strong foundation for a future and sustainable hydrogen market for major industries in the Netherlands and Germany. PwC supported Gasunie with research into the concept behind these investment plans.

PwC partner Gülbahar Tezel and her team tested Gasunie's idea against economic theories 'to determine whether the investment in a hydrogen transport network could contribute to the Dutch public interest. This is vital as a strong societal foundation can contribute to public trust.'

**Transformation process**
Founded in 1963 in Groningen as a state-owned company, Gasunie manages and maintains the infrastructure for the large-scale transport and storage of gas in the Netherlands and Northern Germany. As a leading European energy infrastructure enterprise, with gas transport and storage as its core activities, how do the plans to invest in the hydrogen transport network fit within the company's strategy?

'Our goal is to facilitate a sustainable liquid hydrogen market for the Netherlands and Western Europe,' says Van der Linden, who believes that investing in hydrogen aligns well with Gasunie's ambitions in terms of transformation. 'The energy transition is essentially one large transformation process for the Netherlands. Gasunie is evolving from a natural gas company into an organisation that, in addition to natural gas, also wishes to invest in hydrogen, carbon capture and storage, and heat.'

This is a vision that fits seamlessly with how PwC helps organisations radically change the way they create, deliver and retain value. Using our 'business model reinvention framework' we collaborate closely with our clients to map out a plan that drives value creation and growth.

**Public interests**
As foreign investments by a state-owned company are often evaluated based on the public interest of the Netherlands, Gasunie asked PwC to carry out an independent assessment. PwC manager Rob Wessels, who was part of the research team, explains that the German government's plans to develop a hydrogen network, known as the *Kernnetz*, were the specific trigger for the study. 'Gasunie already has a gas network in the Northwest of Germany, which can be partially converted into a hydrogen infrastructure. The company had to make a preliminary decision on whether to participate in this *Kernnetz* network and we evaluated the plan based on facts and economic theories.'

**Trust and cooperation**
Wessels adds that things moved quickly once Gasunie put the research request on the table. 'We were in the starting blocks at the beginning of January and the first results followed soon after. Gasunie was very supportive of our research work, providing us with a specially equipped space at its headquarters in Groningen. Dubbed the "war room", this was our base for contacts with the relevant Gasunie departments and experts. All expertise and knowledge we shared there was hugely valuable for the research report.'

'We chose PwC for both its substantive expertise and sound insight into the decision-making process,' concludes Van der Linden. 'This was vital considering the various interests involved, including those of the board of directors, the supervisory board and the shareholder. Tezel's team was able to really take all these into account during what was an exciting process for us. That is only possible when you speak the same language and can strike the right tone.'

## Sustainable growth

It is impossible to quantify with a precise number the results of a year of working together to support clients with the latest technology and listening to them and other stakeholders within a safe, diverse and inclusive environment. Our financial and non-financial statements detail our performance over the past year in figures and words (see page 131 and 30 respectively).

## Financial results

Overall, we saw an increased demand for our services in 2023/2024 and a solid financial performance. The demand for all our services rose compared to 2022/2023. This resulted in an overall revenue increase of 4.1% to €1,082 million (2022/2023: €1,039 million). The total revenue of the Lines of Service amounts €1,080 million (2022/2023 €1,033 million). In the tables below we give an overview of the revenue of the Lines of Service before internal revenue eliminations. This was offset by an increase in costs, resulting in a slight decline in operating profit by 1.5% to €189.7 million (2022/2023: €192.6 million).

The main drivers for the increased costs are higher staff costs, inflation and costs related to the investigation into improper answer sharing (see page 149).

**Assurance**

The net revenue increase in our Assurance Line of Service was realised both by the Audit and Broader Assurance Services (BAS) units. We were able to grow our staff numbers, both locally hired and staff made available virtually by network firms abroad (through the so-called ADMs). We continued to see benefits from our fair pricing and healthy portfolio management programmes and further digitisation has compensated for the rise in direct costs. The main reason for the decline in profitability was costs incurred related to the investigation into improper answer sharing.

The demand for ESG services has increased and is expected to grow significantly further in the years to come, particularly due to the anchoring of reporting obligations on this topic in (European) legislation and regulations (CSRD).

| **Assurance** (€ x 1,000) | 2023/2024 | Target | 2022/2023 |
|---|---|---|---|
| Net revenue (external and internal) | 424,604 | growth | 403,135 |
| Operating costs | 389,705 | growth | 347,740 |
| **Operating profit** | **34,899** | **growth** | **55,395** |
| | | | |
| Average number of FTE: - Partners | 104 | growth | 104 |
| - Other professionals | 1,859 | growth | 1,826 |
| **Total** | **1,963** | **growth** | **1,930** |

We therefore also expect further growth of our non-audit services in 2024/2025. For this reason, investments in our workforce, digitisation and the continued scaling of ADMs are priorities. We expect to continue to grow our workforce and invest in technology by optimising the use of digital resources and further developing digital solutions to enhance our audit quality.

**Tax & Legal**

Our Tax & Legal Line of Service had a very successful year with a 8.1% increase in net revenue. This has been profitable growth as we were able to compensate for inflation by a 22.2% rise in operating profit. A significant part of the improved result was achieved through efficiency gains made by technology improvements, deployment of ADMs (i.e. acceleration centres and shared delivery centres) and the impact and broadening of our tax advisory services to clients. We specifically invested in growth areas such as connected compliance, legal business solutions, digital and sustainability advice.

We are seeing a growing need for our traditional tax, legal, and HR consulting services and our comprehensive compliance services. To further expand and improve service delivery, ongoing investments and acquisitions are being considered (through team grabs, individual hires or partnerships) throughout our Tax & Legal practice.

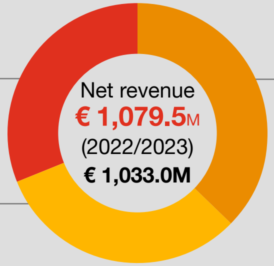
Technological advances have changed our work processes and the way we provide services to clients. The evolution of AI mandates new methods for service delivery. Our ongoing investments in technology (like Microsoft Copilot and Harvey) and innovation enable us to provide clients with enhanced insights and cutting-edge solutions.

Revenue growth
**4.5%**
(2022/2023) **11.0%**

Net revenue Lines of Service

Tax & Legal
**€ 292.4M**
(2022/2023) **€ 267.5M**

Advisory
**€ 371.1M**
(2022/2023) **€ 371.9M**




Assurance
**€ 416.0M**
(2022/2023) **€ 393.6M**

| Tax & Legal (€ x 1,000) | 2023/2024 | Target | 2022/2023 |
|---|---|---|---|
| Net revenue (external and internal) | 329,660 | growth | 304,983 |
| Other revenue | 0 | decrease | 1,181 |
| **Total revenue** | **329,660** | **growth** | **306,164** |
| Operating costs | 239,947 | growth | 234,543 |
| **Operating profit** | **89,713** | **growth** | **71,621** |
| | | | |
| Average number of FTE: - Partners | 101 | growth | 98 |
| - Other professionals | 1,013 | growth | 985 |
| **Total** | **1,114** | **growth** | **1,083** |

Investments are continuously made in digitisation to improve our operational excellence. Moreover, we continue to invest in our risk & quality agenda to meet the high societal and stakeholder expectations given our trust label and the increasing complexity of the challenges that clients face in meeting legislative and compliance requirements.

The attraction and retention of talent, employee mobility and deployment remain challenging areas. Significant efforts have been made throughout 2023/2024 to enhance our quality and adoption of technology investments and this will continue over the coming year. Flexibility, adaptability and the fostering of an inclusive culture are key pillars of our ongoing transformation. They enable us to maintain our dedication to stakeholders, our industry sectors and clients. Looking forward we continue to actively recruit and develop new talent and to invest in our people and their needs.

**Advisory**
Despite more volatile market circumstances, our revenue is in line with last year. Advisory has continued to focus on impactful engagements related to strategy, sustainability, transformation, transactions, forensics, cybersecurity and access management solutions.

Successful recruitment efforts have enabled Advisory to attract talent across all levels of our traditional business and investment areas. The aim in 2024/2025 is to capitalise on our ongoing (technology) investments, including GenAI, and further deploy ADMs (i.e. acceleration centres and service delivery centres). We do therefore not expect our workforce to see any significant changes.

We have prioritised the strategic investment areas which are most important to our clients, with investments carefully aligned with their specific requirements and demands. Through a comprehensive analysis of underlying trends, including sustainability, technological advancements and regulatory changes, we have identified clear client needs in various key areas and these have been leading for our investment decisions.

The impact of sustainability on our clients is increasing, both in relation to the CSRD and broader sustainability strategies. Data and technology are key enablers for the larger transformation agenda and support the strategic conversations with our clients.

Technological advances in general are profoundly influencing our way of working and we have started to integrate AI into our daily operations. Ongoing investments in AI, continuous upskilling of employees and close collaboration with technological partners enables us to remain at the forefront of technological advancements, providing innovative solutions for the complex challenges of clients. In addition, we have forged strategic alliances with various technology companies in order to stay at the forefront of innovation.

We have successfully supported clients in various sectors and markets with their transformation, collaborating with our technology alliances and other business partners. Mergers and acquisitions also remain a key strategic priority in our clients' transformation journeys. Given the prevailing macroeconomic conditions, organisations continue to critically evaluate their business models and growth strategies. The Cyber, Forensics & Privacy business unit continues to experience strong demand for services related to our clients' digital transformation agenda, particularly in the areas of cybersecurity, digital identity and privacy. We are committed to providing innovative solutions to address the evolving challenges in these domains.

Our commitment to supporting clients, organisations and society remains unwavering. We recognise the growing demand for economic resilience, sustainability, digital transformation and advancements in AI and other technologies. To address these pressing issues, we will continue to invest in cutting-edge technologies, including AI and ADMs, while offering distinctive propositions.

| Advisory (€ x 1,000) | 2023/2024 | Target | 2022/2023 |
|---|---|---|---|
| Net revenue (external and internal) | 395,160 | growth | 393,284 |
| Operating costs | 328,635 | growth | 329,251 |
| **Operating profit** | **66,525** | **growth** | **64,033** |
| | | | |
| Average number of FTE: - Partners | 90 | growth | 85 |
| - Other professionals | 1,290 | growth | 1,189 |
| **Total** | **1,380** | **growth** | **1,274** |

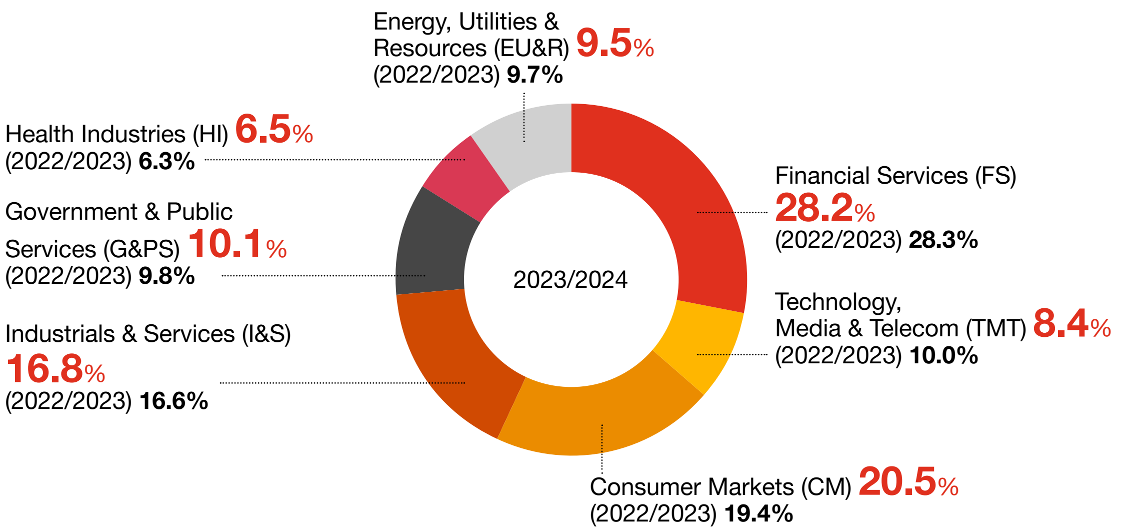
**Developments by industry segment**

With the exception of Technology, Media & Telecom, all industries managed to realise growth. The revenue growth was the highest in Consumer Markets, Health Industries and the Government & Public Services sector (all more than 8% increase). A large proportion of the revenue growth within Consumer Markets stems from assisting clients in the retail as well as transportation sector. The growth in Consumer Markets was realised in all three Lines of Service. Within Health Industries we noticed a strong growth in advisory services, especially related to strategy and transformation services for healthcare providers. Within the Government & Public Sector we experienced an increased demand for our Assurance and Advisory services. In line with our expectations, Technology, Media & Telecom was the only industry where we saw a fall in revenues, mainly attributable to Assurance as a result of mandatory audit firm rotations.

**Sustained efforts in advancing digital services**

In an era of unprecedented technological change and evolving client expectations, PwC remains committed to delivering innovative solutions and exceptional value. Over the past year, we have accelerated our digital transformation efforts to ensure that we not only meet but exceed the needs of our clients in this dynamic environment. All Lines of Service have made significant strategic investments in technology, aimed at enhancing the quality, efficiency and effectiveness of our operations. These include the standardisation and automation of key processes, which have streamlined service delivery and improved overall performance.

**Net revenue per industry**




| | 2023/2024 | Target | 2022/2023 |
|---|---|---|---|
| Investments as a % of revenue | 5% | >4% | 5% |

Furthermore, we have directed substantial resources towards the development of cutting-edge digital solutions, expanding our technical expertise and advancing our capabilities in data management and cloud infrastructure. These efforts reflect our commitment to maintaining the highest standards of service and security in an increasingly digital world. Looking ahead, PwC is poised to continue leveraging technology to drive sustainable growth and create long-term value for clients, our people and the communities we serve.

*Data & Technology*

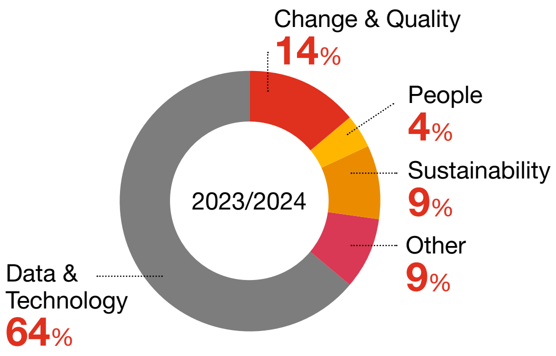
Staying at the forefront of technological innovation is crucial for sustained success in today's rapidly evolving business landscape. Over the past year, we have strategically invested in enhancing our digital capabilities, optimising operations and driving sustainable growth. Additionally, with cybersecurity threats growing in scale and complexity, we have focused on strengthening Network Information Security, developing robust capabilities to safeguard against these risks and reduce our exposure.

These investments ensure we are well-positioned for a resilient and innovative future.

*Change & Quality*

Our unwavering commitment to excellence extends beyond our core operations to encompass risk management and regulatory compliance as fundamental pillars of our business. We have significantly invested in these areas over the past year, reinforcing the quality of our service delivery to ensure it meets the highest standards. As regulatory scrutiny intensifies across industries, there is a need for robust internal controls. Our ongoing efforts in quality assurance and continuous improvement are essential to maintain trust and deliver top-tier services to clients.

**Investments per category**



*Sustainability*

Success today is measured not just by financial performance but by our impact on the environment and society. This year we continued to invest in Environmental, Social and Governance (ESG) initiatives that align with our core values and contribute to a sustainable future (see section Sustainability statement). Our dedication to sustainability extends beyond our own operations to include actively supporting clients in their energy transition journeys. Leveraging on our expertise in sustainability and technology, we provide tailored solutions that enable clients to transition to more sustainable energy practices while remaining competitive. Our role as a trusted advisor in this space underscores PwC's commitment to meeting today's environmental challenges while fostering a more sustainable future for all.

*People*

Investing in our people is fundamental to our success. This year we have prioritised recruitment, Learning & Development (L&D) and the upskilling of our workforce to meet the demands of a rapidly changing business environment. By attracting top talent and providing continuous learning opportunities, we ensure that our team is equipped with the latest skills and knowledge. This commitment to upskilling not only enhances individual growth but also drives innovation and excellence within our organisation, positioning us to better serve clients and adapt to future challenges (see section *Social Information*).

*Other*

Our dedication to excellence is reflected in investments in diverse initiatives that go beyond our core business operations. This year we have allocated resources to various areas that enhance our workplace environment, strengthen our corporate image, expand our talent pool and drive organisational growth. As organisations increasingly recognise the importance of employee well-being, corporate social responsibility, and fostering innovation, these kinds of investment are essential to our continued success and resilience.

## Cash flow and financing

PwC has no debt to financial institutions and our capital expenditures investments are funded from operational cash flows.

**Financial instruments**

Our strategy is to maintain currency exchange, interest, credit and liquidity risks at acceptable levels and, where necessary, use financial instruments. Currency exchange risks arise primarily from positions and transactions in US dollars. Significant positions will be covered by hedge contracts, while interest, credit and liquidity risks are covered primarily by internal controls rather than financial instruments.

| **Cash flows and financing** (€ x 1,000) | 2023/2024 | 2022/2023 |
|---|---|---|
| Cash and cash equivalents | 145,256 | 135,895 |
| Solvency ratio | 20.4% | 18.1% |
| Account contributions from partners | 287,444 | 296,166 |
| Average per partner | 972 | 1,026 |
| Investments in clients (work in progress and accounts receivable) | 242,817 | 254,297 |

**Going concern assumption**

The financial statements of PwC have been prepared based on a going concern assumption. The Board of Management is responsible for the continuity of PwC, including operational and financial aspects. The operational activities are expected to generate sufficient positive cashflow to meet the organisation's obligations. If additional liquidity is required, a credit facility totalling €25 million (2022/2023: €25 million) was available to PwC. None was drawn down as of the balance sheet date nor during the financial year. A budget has been prepared for PwC for the 2024/2025 financial year: based on the expected financial performance and the information the Board of Management currently has at its disposal, the organisation is expected to generate sufficient free cash flow to meet its obligations.

A more detailed description is included in the *financial statements*.

## Outlook

The year 2023/2024 was one of 'trust' and 'transformation', with a focus on the growing impact of sustainability and GenAI on society, PwC and the services we provide. It was therefore an eventful and, in many ways, pivotal year for our organisation.

How we will describe the current fiscal year in next year's annual report is difficult to predict. The world is changing rapidly, and developments are more interconnected and complex than ever before. That said, there are two certainties that will need our full attention this year and in the foreseeable future.

Firstly, 'trust'. Specifically, the extent to which PwC itself is worthy of trust and able to build trust with clients and for society. In short, that we ourselves are trusted.

An important part of this in 2024/2025 is finalising the investigation into improper answer sharing, conducting a thorough root cause analysis, evaluating existing remedial measures and – if needed – implementing new ones.

Secondly, like so many of our clients, PwC will need to reinvent its own business model. Whereas the impact of themes such as climate and the adaptation of technology was significant last year, it remained modest. These developments will challenge us far more in 2024/2025, especially with regard to placing our own business model back on the drawing board.

This business model reinvention will include the services PwC offers and the partnerships and alliances used to do this, the skills and behaviours required, and our ability to continue developing in a rapidly changing world. At the same time, it will also include the way we price our services. The deployment of GenAI is making the traditional 'rates times hours' revenue model of organisations like ours finite. We too must take steps to price investments in technology and the value that we deliver in an accurate manner, for example. The rise of GenAI therefore offers PwC opportunities to help clients transform in new ways, while simultaneously posing fundamental questions about our own business and revenue model.

How we embrace the opportunities and tackle the challenges of these times depends on our own ingenuity and our ability to adapt, change and transform. The way we build trust depends on our ability to foster the trust we already have among clients and society, but also to learn from past missteps and change our organisation for the better.

The year 2024/2025 will therefore be as eventful and challenging as last year. And that is more than enough reason to look forward to what lies ahead.

# Sustainability statement

## Sustainability statement



| Description | Value chain | 2022/2023 | 2023/2024 target | 2023/2024 | Short-term target | Mid-term target | Long-term ambition |
|---|---|---|---|---|---|---|---|
| **Environmental impact** | | | | | | | |
| *Climate change* | | | | | | | |
| Science-Based Targets initiative (SBTi) coverage | ◀○▷ | 23% | | 28% | 50% | | |
| Environmental impact ($tCO_2e$) | ◀●▷ | 11,138 | 10,959 | 9,556 | 9,132 | | 0 |
| Reduction GHG emissions (compared to 2018/2019) | ◁●▷ | 45% | 45% | 52% | 55% | 100% | 100% |
| **Social impact** | | | | | | | |
| *Working conditions* | | | | | | | |
| Headcount as at 30 June | ◁●▷ | 5,808 | 6,038 | 5,956 | 6,019 | | |
| Turnover (number of leavers) | ◁●▷ | 904 | | 916 | | | |
| Number of new hires | ◁●▷ | 1,357 | 1,400 | 1,125 | 1,050 | | |
| People Engagement Index | ◁●▷ | 87% | >80% | 85% | >80% | | |
| *Career and skills development* | | | | | | | |
| Total training hours | ◁●▷ | 589,464 | 640,000 | 630,895 | 635,000 | | |
| Average training hours per headcount | ◁●▷ | 101 | 110 | 106 | 110 | | |
| *Well-being* | | | | | | | |
| Sick leave | ◁●▷ | 4.0% | <3% LoS/<4% IFS | 4.3% | <3% LoS/<4% IFS | | |
| *Fundament: equal treatment and opportunity* | | | | | | | |
| Women in new partner/director appointments (%) | ◁●▷ | 25.0/30.4% | 25/35% | 25.0/35.4% | 25/35% | Equal ratio | Equal ratio |
| Non-Western migration origin in new partner/director appointments (%) | ◁●▷ | 13.3/11.1% | 15/15% | 20.0/7.0% | 15/15% | Equal ratio | Equal ratio |
| Equal pay (male/female, Dutch/Western/non-Western) | ◁●▷ | 35.5/16.9/41.4% | | 32.1/12.8/37.2% | | | |
| **Governance impact** | | | | | | | |
| *Business ethics and corporate culture* | | | | | | | |
| % compliance personal independence testing | ◁●▷ | 86.5% | >85.0% | 89.0% | >85.0% | | |
| % compliance Annual update Ethics and Compliance training | ◁●▷ | 88.7% | 100.0% | 92.2% | 100.0% | | |

◀ Upstream
● Own operation
▶ Downstream

* For the topics climate change services, workers in the value chain, sustainable procurement, and trusted and sustainable service delivery, several initiatives exist but no formal policies, action plans or metrics to measure progress yet.

# Basis for preparation

## Level of reporting

We report at the level of Coöperatie PricewaterhouseCoopers Nederland U.A. (Coöperatie) for the financial year ended 30 June 2024. The report is made publicly available within four months following the end of the financial year, on 11 October 2024. The scope of this report and the subsequent financial and sustainability statements is both identical to and consolidated at the level of PwC NL (Coöperatie and its subsidiaries listed on page 137), meaning the information pertaining exclusively to PwC and – where available – its value chain and business relationships. No subsidiary undertakings are exempt from consolidated sustainability reporting pursuant to Article 29a of Directive 2013/34/EU.

Below is a simplified overview of our value chain (see page 35 for a detailed graphic). This classification is used to scope policies, actions, plans and targets for the identified material topics as required in the ESRS. There have been no significant alterations in 2023/2024 within PwC in terms of size, structure, ownership or value chain.


This report offers an overview of the main developments and both the financial and non-financial performance over financial year 2023/2024. In preparing this report we have considered the expectations of our stakeholders, ensuring that we address the themes that are of utmost importance to them. No relevant pieces of information were omitted for reasons related to classified and sensitive information and information on intellectual property. Moreover, PwC has chosen not to use any exemptions provided under Article 29a of Directive 2013/34.EU of the European Parliament and of the Council of the European Union in the preparation of its sustainability statements.

The Report of the Board of Management gives an overview of the development and results of PwC's activities, as well as a description of the main risks and uncertainties confronted. It provides information about strategic context and execution in relation to short-term goal setting and long-term value creation. The detailed financial performance can be found in the financial statements on pages 131-170. The sustainability statement on pages 30-114 details our approach towards, and progress on, the sustainability topics that we deem material to PwC.

The Board of Management bears the ultimate responsibility for the contents of this Annual Report. Most of the quantitative data has been directly derived from our systems. Any data procured through alternative methods, such as estimation or extrapolation in our value chain, is clearly marked as such. Data like this includes a level of estimation uncertainty.

The basis of preparation, the resulting level of accuracy, the estimation of outcome uncertainty and, where applicable, planned actions to improve the accuracy and outcome uncertainty of sustainability information in future annual reports are disclosed for each material topic in the Definition appendix (pages 179-183).

In applying reporting requirements, PwC needs to make judgements and estimates that may be critical to the data reported. It includes prospective information such as ambitions, objectives, targets and expectations. Inherent to this information is the fact that the actual results may differ in the future and that information is therefore uncertain. Where feasible, the quantitative data in this report is presented alongside comparative data from the previous financial year for context and clarity. In case of changed definitions we restated the comparative data. No comparative data is available and disclosed for new indicators in 2023/2024. There were no errors in prior reporting years that need to be disclosed. When we say 'we', 'our' or 'us' we are referring to our organisation, our processes and our partners and employees.

We apply the following definitions regarding the scoping of time:
Short term – one year: 2024/2025
Medium term – two to five years: 2025/2026-2029/2030
Long term: after 2029/2030

## Ambition

A set of ESRS has been adopted by the EU. PwC is committed to voluntarily implementing these ESRS requirements with the use of the phase-in options. We expect to be obliged to report as of 2025/2026, with implementation in Dutch law expected in 2024.

We are on a journey to incorporate the objectives of the CSRD into our strategy and way of working. In doing so we will integrate the separate sustainability statement into our integrated report in the coming years. Going on this journey will also benefit our clients too, allowing us to share our experiences and dilemmas as well as improve our services.

Our ambition is to transparently disclose the incremental progress in our Annual Report. In alignment with the ESRS requirements, we have selected the material topics based on their impact materiality and assessment of the financial impact.

This year's sustainability statement has been prepared with reference to Article 29a of EU Directive 2013/34/EU, including:

- compliance with the requirements of the ESRS;
- compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

We disclose the mandatory disclosure requirements and refer to other parts of the Annual Report for more information: 'Incorporation by reference'. We have chosen to incorporate some of the strategy and corporate governance disclosures from the cross-cutting standard ESRS2 in other sections of this report (corporate governance, Report of the Supervisory Board, Risk management and Remuneration Report) as the information is best read in close conjunction with other information in these sections.

The ESRS serve as our primary guide, supplemented by the International Framework of the IIRC. We leverage on the standards of the Global Reporting Initiative (GRI) specifically for our tax practices (GRI 207) as the ESRS have yet to publish guidelines on the topic. *Pages 110-114* include the reference table to show our progress to sustainability reporting and references to other sections in this report.

## Assurance on sustainability information

In addition to the statutory audit of the financial statements, we requested our external auditor BDO to provide limited assurance on the sustainability statement (voluntary assignment). The disclosure requirements of the ESRS are disclosed in the 'sustainability statement' section, including references made to other parts of the report. The external auditor's assurance report is presented on *pages 169-170*.

# Strategy and governance

## Business model

PwC has three Lines of Service in the Netherlands, namely Assurance, Tax & Legal and Advisory, supported by Internal Firm Services. Coöperatie and its group companies in the Netherlands are members of a worldwide network of independent member firms. The increasing cross-border nature of our clients and the services we provide are enhancing collaboration within the PwC Network at a regional and global level, leading to far greater investment and innovative power as a network.

| Line of service | NACE code |
|---|---|
| **Assurance** focuses on the auditing of financial statements and the provision of assurance on other information and systems. Statutory audits of financial statements constitute most of our Assurance practice. Another part of the Assurance practice focuses on the design, implementation and provision of assurance on systems and other information, and advice on accounting issues, ESG and risk management. | N.69.20 Accounting, bookkeeping, and auditing activities, tax consultancy |
| **Tax & Legal** supports organisations and individuals with their tax strategies and compliance with laws and regulations and provides advice in the area of taxation. It offers legal advisory and compliance services and specialists related to workforce transformation, providing advice on matters such as remuneration structures, pension plans, cross-border deployment and HC cloud transformations. | N.69.20 Accounting, bookkeeping, and auditing activities, tax consultancy |
| **Advisory** (including Strategy&) focuses on assisting organisations in their (digital and ESG) transformation as well as reinvention of their business models, from strategy to execution. It also provides services related to mergers and acquisitions, from strategy advice to assistance with business (unit) integration or carve-outs. Advisory also includes crisis prevention and crisis management.<br><br>Strategy& is our global strategy consulting business and is uniquely positioned to help deliver an organisation's best future: one that is built on differentiation from the inside out and tailored exactly to clients. As a part of PwC, Strategy& builds the winning systems that are at the heart of growth, combining its powerful foresight with tangible know-how, technology and scale to help organisations create a better, more transformative strategy from day one. | N.70.20 Business and other management consultancy activities |

* Our activities are mapped under the Nomenclature of Economic Activities (NACE) codes, the European statistical classification of economic activities.

**Internal Firm Services** is the business partner of and provides support to PwC's Board of Management and Lines of Service. The functional departments of Internal Firm Services include specialists in the areas of markets, people, workplace, business operations, technology, risk, legal and quality.

In 2023/2024, we adopted a new governance in Firm Services to more effectively address the needs of the Line of Services. We organised Firm Services departments into clusters and enhanced the collaboration between demand and supply. The revised IFS management team now has functional responsibility. These changes result in a more demand-focused Firm Services organisation with an innovative mindset.

## Value-creation model

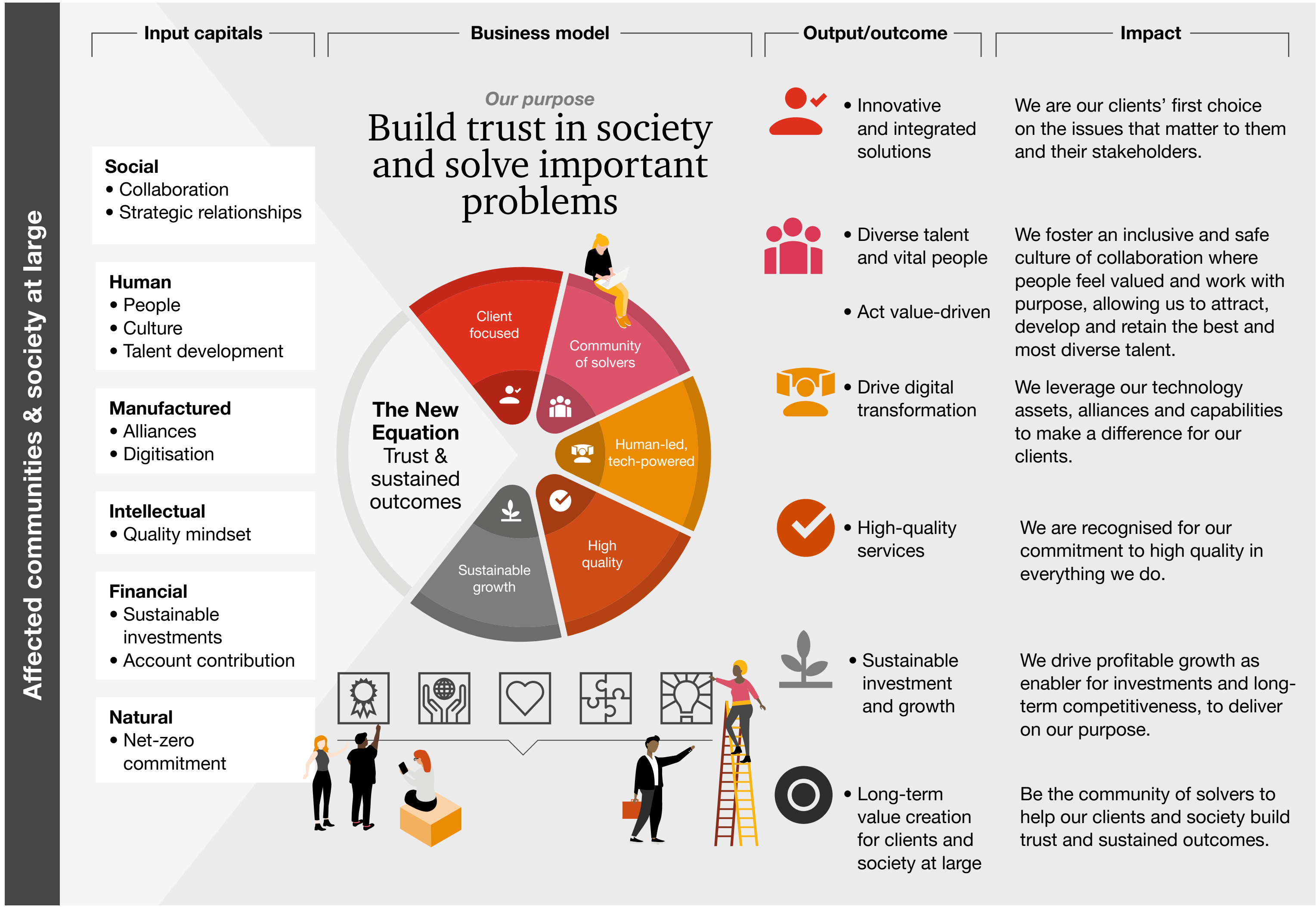
Our *purpose* is to contribute to build trust in society and solve important problems (see 'Value-creation model' on the next page). Our strategy is designed to fulfil that purpose by helping clients deliver trust with their stakeholders and achieve sustained outcomes. We do that by bringing together a wide diversity of people, and by combining skills, expertise, perspectives, ingenuity and passion with the latest technology.

Our value-creation process provides an overview of how we use trends and developments faced by our clients and their stakeholders, the expectations of our stakeholders and the analysis of material topics as inputs. Aiming to deliver trust and sustained outcomes that make a difference, it is key that our strategy and reporting is focused on the sustainability topics that matter most.

In the long term, we evaluate whether we are operating in line with the material topics that have the most significant impact on the economy, environment and people, including human rights. These are regularly reviewed to ensure they reflect relevant developments within our organisation and across our value chain. An annual assessment is made of the impact of the material topics on the business model, value chain, strategy and decision-making during the annual budget process. We do not have an integral picture of the current and expected financial effects of the material topics at this time.

In our value-creation process we show how we link the core capitals to our strategic objectives (Client focused, Community of solvers, Human-led, tech-powered, High quality and Sustainable growth), with the ambition of adding value to stakeholders.

**Value-creation model**




In the short-term, our efforts generate non-financial and financial output every year and we quantify progress via a set of indicators related to these strategic priorities and material topics.

An alignment is made between the risks and opportunities of the material topics (disclosed in each section of this statement) and the risks in the ERM process (disclosed in the section Risk management). The topics related to PwC's own operations are included in the current strategy and way of working, while for those relating to the value chain alignment with the strategy will be done within the phase-in periods.

Believing that challenges are best solved together, we work with other parties in our ecosystem such as our suppliers, clients, alliance partners and oversight bodies. We leverage on strategic partnerships, colleagues across the network, digitisation and a quality mindset as inputs for providing our services. A quality mindset involves considering the context in which we operate, as well as the applicable laws and regulations for every client engagement.

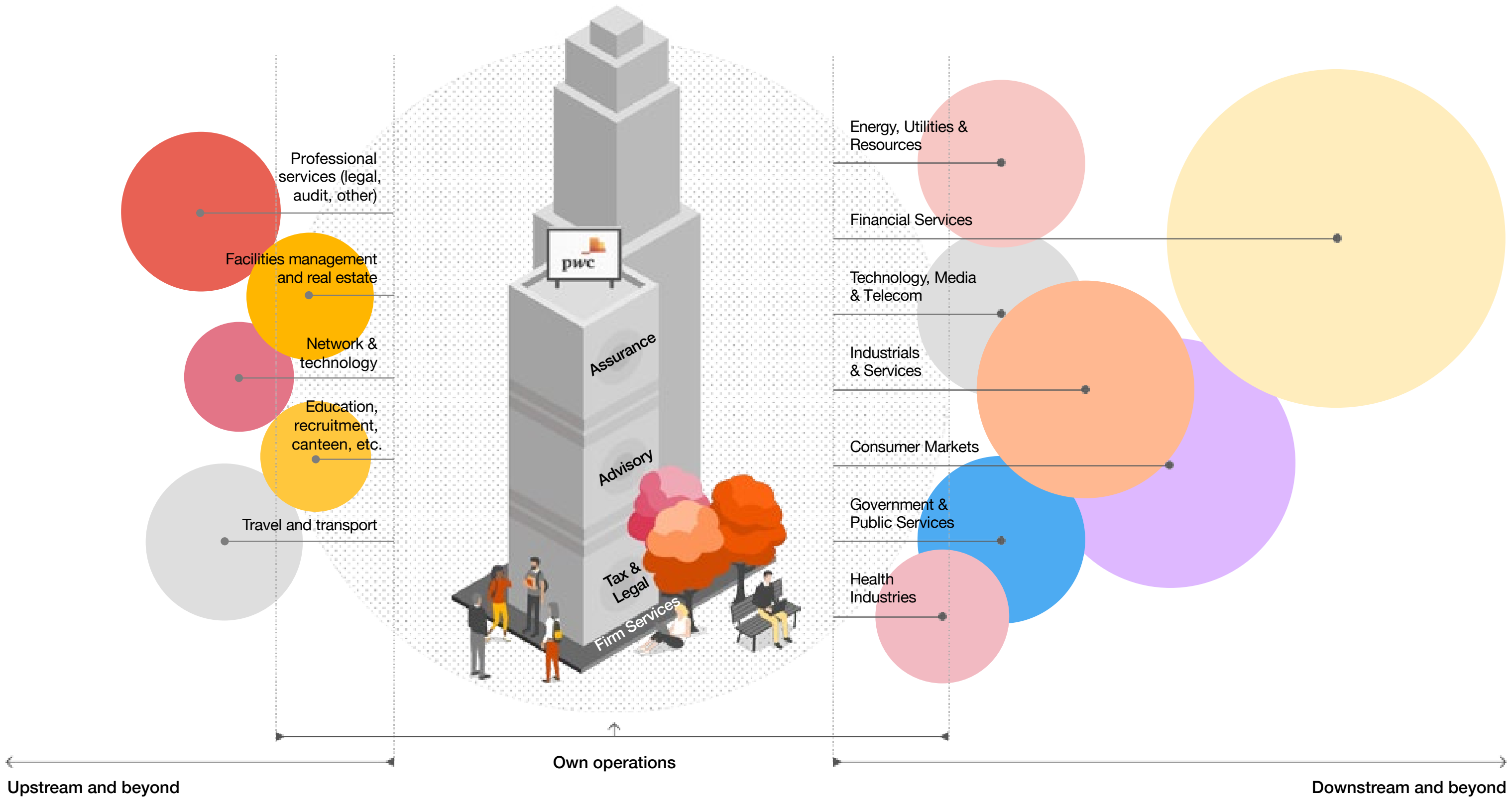
While impact on clients is currently not measured, this will be part of our implementation. At this point we do not have sustainability-related goals in terms of services or client categories, but we are developing a model to have better insights into the downstream ESG impact (see also trusted and sustainable service delivery on page 102). We refer to the sections in Environment, Social and Governance for more details on inputs, outputs, outcomes and impacts.

In everything we do, we are guided by how and where we can create the most value for clients, their stakeholders and society at large, our colleagues and our business. We focus on long-term value creation regarding ambitions and the short-term execution related to objectives.

Being clear and transparent in this is crucial to be credible and trusted. To deliver on our (sustainability) ambitions, we aim to integrate a focus on the material topics across our business and decision-making processes, and to consider and address (sustainability) risks and take opportunities at the right times and in the right places.

Across our value chain we strive to generate long-term value by having agreements in contracts with suppliers to have a positive impact on people and the environment. This includes embedding sustainability considerations in supplier selection and procurement processes and engaging in a continuous dialogue on how to have a positive impact together. The greatest impact in the short and long term comes from our service delivery to clients as we help them build trust with their stakeholders and realise sustainable outcomes. In 2023/2024 and in line with 2022/2023, the biggest markets served are Financial Services, Consumer Markets and Industrials & Services. The client groups we served also remained comparable to last year.

From a market perspective, we see societal issues and with that opportunities to help our clients with e.g. ESG reporting, the energy transition and technology transformation, and are therefore focusing on and investing in these topics. We provide services in one sector according to ESRS, namely professional services, and do not have or develop significant activities or have material impacts in other sectors.



## Materiality assessment and stakeholder dialogue

In 2023/2024 we have performed the double materiality assessment (DMA), which considers the relevance of a sustainability matter from two distinct perspectives. Firstly, PwC considers the impact we have on people and the environment, referred to as the 'inside-out' view. Secondly, we evaluate how sustainability-related developments and events create (new) risks and opportunities for PwC, known as the 'outside-in' view. Our aim is that our reporting, based on our identified material topics, creates transparency and enables us to focus time and resources on the (sustainability) topics that matter most. In doing so we create the maximum impact for PwC, our stakeholders and society at large. The process of performing a materiality assessment has not changed compared to last year, except for the fact that we discussed the financial materiality based on the scale used on our internal risk assessment with our experts.

### Interests and views of stakeholders

Understanding the interests and views of our stakeholders is crucial for PwC to bring our purpose to life, build trust in society and solve important problems. This is why we have a year-round stakeholder dialogue in place. Understanding the impact of our activities and business relationships on stakeholders in the value chain is part of this dialogue. Categories of stakeholders that are relevant include colleagues, clients, trade unions, organisations for which PwC does pro-bono work as part of our Community Programme, the next generation and suppliers.

It is also important that we understand the interests, views, expectations and needs of a wider group of stakeholders beyond our value chain, such as civil servants, politicians and oversight bodies. These stakeholders are not directly part of the primary value chain as defined by PwC but have a direct influence on the regulatory environment in which we operate. A final group of stakeholders are NGOs, academics and opinion leaders who, while not being part of our value chain or regulatory landscape, shape the societal debate on (sustainability) topics material to PwC and have opinions about us. We map the importance of each stakeholder group on a scale of zero to ten based on how much influence they have on PwC and vice versa. We find it important to gather the different perspectives of these diverse range of stakeholder groups, as their views combined can help us to understand societal expectations best.

PwC engages with these stakeholders mainly through one-on-one conversations between a member of our Board of Management and the stakeholder, often supported by a colleague with specific knowledge of the topic. These conversations also allow us to delve deeper into the material topics to verify that they align with our stakeholders' views and concerns. In addition to verifying material topics, we challenge our stakeholders to tell us where PwC could improve its way of working, service offerings or way of communication.

The output of these dialogues is distilled into three main messages: what they mean for our strategy, for our societal role and for the way we communicate with suppliers and clients. This happens in our business planning cycle process. To communicate our approach and the outcomes of our stakeholder engagement, we maintain a dedicated page on our external website and provide a comprehensive overview in the Annual Report. For the outcome of the three main messages, we refer to the section Strategic context and execution on *page 12* and our *website*.

PwC takes into consideration, among other aspects, the relevant interests of our stakeholders. Proactively responding to the key messages of our stakeholders contributes, in return, to the enhancement of our business and our stakeholder relationships. In 2024/2025 we will consider if and how we involve our stakeholders in setting policies for material topics.

### Seven steps to determine the DMA

We use the following seven-step methodology for the DMA, including the engagement with our stakeholders. For each step, we explain the approach and provide insights from a practical perspective.

#### 1. Identify and engage stakeholders

Our materiality assessment process is where we analyse stakeholder interests and views to ensure alignment with the topics that PwC considers material. We include the views of our stakeholders, revisiting our assessments to reconcile differing perspectives and adjusting our priorities as necessary. See section Interests and views of stakeholders.

#### 2. Draw up a list of potentially relevant (sustainability) matters

We list potentially relevant sustainability matters based on insights from stakeholder engagement, prior materiality assessments, sector analyses and the ESRS. Our goal is to cover the potentially relevant sustainability matters across our value chain, including business relationships, suppliers, operations, the work we do for clients and the impact of that work on our stakeholders.

We screened our assets, site locations and business activities on actual and potential impacts risks in our own operations and the value chain related to pollution, water- and marine resources, biodiversity and circular economy and ecosystems by means of desktop research and interviews with internal stakeholders and experts. PwC did not conduct consultations with affected communities on these topics as there are no directly affected communities regarding the corresponding IROs identified. We have one office location near (<1km) biodiversity-sensitive areas in Arnhem. This has been identified using the Integrated Biodiversity Assessment Tool (IBAT). This tool combines three biodiversity datasets – the World Database on Protected Areas, the World Database of Key Biodiversity Areas, and The IUCN Red List of Threatened Species. We have concluded that our activities at this office location do not negatively affect the key biodiversity area located in its proximity and consequently there is no need to implement additional biodiversity mitigation measures

## 3. Define impacts, risks and opportunities

Sustainability matters are defined in terms of the impacts and the risks and opportunities they present. These impacts can be positive or negative, actual or potential, and interconnected. They may occur in the short, medium or long term and pertain to activities across the value chain. Since this assessment needs to cover our value chain according to the ESRS, we consult with stakeholders and topic experts to attain their knowledge on the matters, such as those related to biodiversity impacts and human rights in the supply chain.

## 4. Assess impacts

After describing sustainability matters in terms of impacts, risks and opportunities, we quantify and assess these impacts. For negative impacts, we assess severity using scale, scope and irremediability. Positive impacts are assessed based on scale and scope. The likelihood of potential impacts is also considered. For scale, scope, irremediability and likelihood, a 5-point scale has been developed to ensure uniformity between assessments.

We base our assessments on entity-specific data when available, for example regarding our GHG emissions and diversity impacts. When data is unavailable for certain upstream and downstream impacts in the value chain, we base our assessment on judgement.

## 5. Assess financial opportunities and risks

Alongside the assessment of the impacts, the assessments include the financial opportunities and risks related to sustainability matters. This involves evaluating financial effects that are not incorporated in the financial statements. We consider the ability to maintain current resources and relationships as well as the likelihood of these effects occurring. The assessment scale used is based on our internal risk assessment scale.

## 6. Draw up the materiality overview

After assessing impacts, risks and opportunities, a ranking list of negative and positive impacts, risks and opportunities is made for the identified sustainability matters. Applying a threshold or cut-off point allows us to further separate material and non-material impacts, risks and opportunities (IROs) and topics. We consider a topic to be material if it scores 'high' from an impact and/or financial perspective. Our approach involves establishing thresholds in relation to the maximum score attainable by an IRO. These were defined as follows: a score below 33% is categorised as low, a score of 33% up to and including 66% as medium, and a score above 66% is considered high. Employing this methodology means we can link the material IROs to the respective material topics.

## 7. Determine strategic implication

For each material topic, we disclose the measures we are implementing to address our environmental, societal and governmental impact. As well as reporting the metrics, targets, policies and action plans we set to achieve our sustainability goals, we also disclose how we account for material topics in our strategy execution process. This includes how material impacts, risks and opportunities arise from and require adaptation of the business model, market position and value chain.

These disclosure requirements necessitate a longer-term perspective in developing strategy and expressing sustainability considerations in our operation, thereby allowing us to live our purpose. The disclosure of action plans requires us to outline how we will address material topics and which organisational unit will be involved. The outcome of the DMA and the impact on our strategy, ambition and business plan have been discussed in several Board of Management meetings and in the Supervisory Board meeting in April.

In meetings with the Board of Management and Supervisory Board we validated the outcome of the DMA and used the feedback for further improvement. This adjusted outcome shaped the strategic priorities of our Board of Management, led to the identification of the four most significant topics and demonstrated our commitment to effectively address material impacts, risks and opportunities.

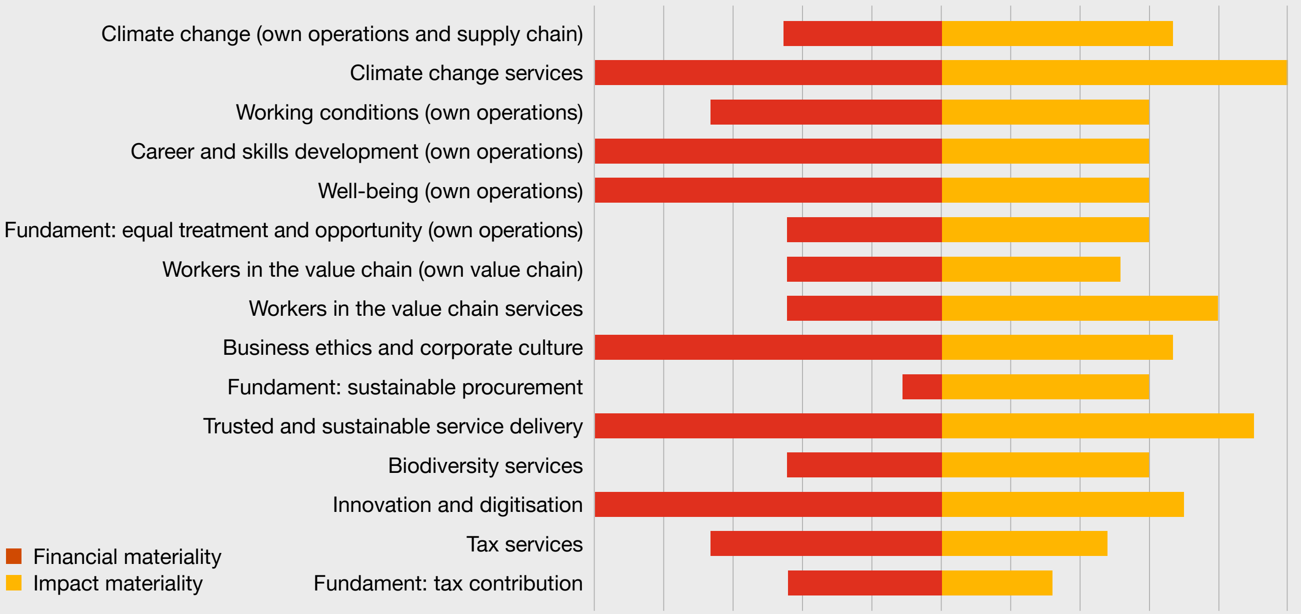
Furthermore, we report on our financial and non-financial performance as an integral part of our Annual Report. In executing our strategy, we focus on five strategic objectives or enablers to help achieve the goals set in that strategy. The Board of Management uses both qualitative and quantitative indicators to measure progress on strategy execution, including sustainability matters. The progress made is reported in our so-called Integrated Dashboard on a quarterly basis. This dashboard and qualitative disclosures (strategy monitor) allow us to monitor and evaluate the full spectrum of our strategic agenda and is reported every quarter to the Supervisory Board.

At least once a year the Board of Management and the Supervisory Board will be informed by the CSO about the material impacts, risks and opportunities, the implementation of due diligence and the results and effectiveness of policies, actions plans and the adopted targets. Going forward, the Board of Management and the Supervisory Board should determine how they will oversee the strategy, risk management process and important decisions that need to be made, based on the defined material impact, risks and opportunities.

## Overview of material topics

While aiming to include topics where our impact is material, we also recognise that too many topics would result in a loss of focus, potentially affecting the strategy execution. A dialogue with senior leadership and topic experts helped develop a view of the material matters. The resulting material topics are visualised below.

### Material topics




Apart from these ESG topics, we selected additional topics from our stakeholder dialogue: innovation and digitisation and impact through tax (tax services and tax contribution). We also expect the topic of biodiversity to be more relevant in the near future. Two other topics (fundaments) are classified as not material but relevant to be disclosed based on the efforts made in previous years, namely equal treatment and opportunity for all (own workforce) and sustainable procurement (own supply chain).

## Definitions material topics

### Climate change (own operations and supply chain)

Impact on people and the environment resulting from PwC's business activities, including the emissions of greenhouse gases (GHGs) in scope 1, 2 and 3. This encompasses the direct emissions from PwC's own operations (scope 1), the indirect emissions from purchased electricity, heat, and steam (scope 2), as well as the emissions associated with PwC's upstream value chain, including business travel, employee commuting and the procurement of goods and services (scope 3). And the transitional or physical risks for our operations and supply chain.

### Working conditions (own workforce)

Impact on employees of the provision of secure employment, adequate wages and measures aimed at ensuring financial stability and improving quality of life.

### Climate change services

Impact on people and the environment of PwC services from all Lines of Service that help reduce GHG emissions at client level. These services are divided into three groups. First, scaling existing services that help clients prevent or reduce GHG emissions. Second, developing new and scaling emerging services to prevent or reduce GHG emissions. Third, quitting, adjusting or scaling back existing PwC services that have a negative impact on the GHG emissions of clients.

### Career and skills development (own workforce)

Impact on employees of facilitating continuous professional growth, skills upgrading and the promotion of continued employability. This material topic focuses on PwC's commitment to supporting employees in their career progression through various initiatives, including training courses and regular performance and career development reviews. It encompasses efforts to enhance employees' knowledge, competencies and capabilities, enabling them to adapt to evolving job requirements, foster personal growth and achieve their professional goals.

**Definitions material topics** *(continued)*

### Well-being (own workforce)

Impact on employees resulting from working hours and their effect on overall well-being. This material topic focuses on the recognition of the importance of a good work-life balance and the promotion of measures that support the physical, mental and emotional well-being of PwC employees. It encompasses efforts to address issues related to long working hours, stress management, employee health and safety, and access to healthcare and wellness programmes.

### Fundament: equal treatment and opportunity

Impact on our people of the provision of equal treatment in matters of employment, occupation and promotion for work of equal value. This material topic focuses on PwC's dedication to creating an inclusive and diverse work environment where individuals are treated fairly and have equal opportunities for growth and advancement.

### Workers in the value chain (own value chain/services)

**Workers in the value chain (own value chain)**
We are responsible for ensuring that our operations (upstream – purchase of goods and/or services) and providing services (downstream) do not contribute to any adverse impacts on workers throughout our value chain. It encompasses efforts to assess and address potential risks and impacts related to human and labour rights, such as adequate wages, safe working conditions, non-discrimination, and freedom of association, health and safety, among others. This is particularly relevant when we – directly or indirectly – work with or in countries of concern and sensitive sectors where human rights and labour rights violations might be more present.

**Workers in the value chain (services)**
We have a positive impact on our clients by providing them expertise about social issues that can be relevant through their value chain, such as equal pay and labour and human rights. We provide support to our clients in developing a social people strategy (including the workers in the value chain) in transformation and in ESG reporting, such as the social topics in ESRS.

### Business ethics and corporate culture

The level of commitment of PwC to conducting operations with integrity, honesty and adherence to ethical principles, the way this translates to our corporate culture, behaviours and tone at the top and how this impacts our stakeholders. It encompasses efforts to foster a corporate culture that promotes responsible and ethical behaviour, including data security, anti-corruption, fraud prevention, anti-competitive behaviour and maintaining independence.

### Fundament: sustainable procurement

Impact on people and the environment of PwC's upstream procurement activities. PwC aims to meet the need for goods, services, works and utilities in a manner that offers value for money on a life-cycle basis while addressing equity principles for sustainable development and benefitting society and the environment. This includes promoting fair trade, responsible sourcing and eco-friendly practices throughout the procurement process.

### Trusted and sustainable service delivery

The impact on clients, stakeholders, affected communities and the environment of our journey towards embedding Environment, Social and Governance (ESG) considerations into our service delivery (including our deliverables), taking into consideration the broader societal impacts of our service delivery while addressing the evolving needs of our clients. This includes embedding an ESG mindset throughout our workforce and integrating ESG factors into the engagement cycle, including client and engagement acceptance.

### Biodiversity services

Impact on biodiversity that PwC has via services provided to clients. This topic encompasses two main aspects. Firstly, PwC aims to contribute to the prevention or reversion of biodiversity loss at clients by offering services that help mitigate any negative impacts. Examples include providing expertise and solutions to address biodiversity challenges and promoting sustainable practices that protect and enhance biodiversity. Secondly, PwC recognises the need to increase awareness and consideration of biodiversity pressures in its advisory work. This involves ensuring that biodiversity impacts are sufficiently considered and integrated into decision-making processes and recommendations to clients.

### Innovation and digitisation

The level of PwC's commitment to leveraging on technology and digital solutions to drive sustainable economic growth, improve efficiency and create value for stakeholders. This includes starting scaling initiatives that foster a culture of innovation within PwC, investing in digital capabilities and providing expertise and support to clients in adopting digital technologies, while taking into consideration the future environmental and social impact of PwC's digital transformation and that of our clients.

### Impacts through tax: Tax services Fundament: tax contribution

Impact of our tax services that may result in PwC being publicly associated with tax positions or arrangements that may be publicly criticised. It also covers the positive impact of our tax services to clients by supporting them in areas such as developing sustainable tax strategies, tax transparency reporting, tax compliance and litigation. This material topic focuses on PwC's tax principle to see tax as a contribution to build trust and deliver sustainable outcomes to businesses and society.


# Policies, action plans, metrics and targets



The following sections (*Environmental information*, *Social information*, *Governance information*, *Entity-specific information* and *Other relevant information*) indicate the policies and action plans we have in place to manage each material topic. Overall, we have policies and action plans in place for the material topics of our own operations. A need remains to gain insight into which resources we allocate to the execution of our strategy regarding our material topics and how we track our progress.

No detailed policies and action plans are currently in place for topics related to the value chain. While implementing CSRD we discussed our ambitions and the journey we are on to ensure that we are also ESRS-compliant on the topics in the upstream and downstream in the phase-in period.

We will prepare an action plan to follow up on these. Part of this plan is to set the governance and accountability for each topic, determine ambitions, set up policies and action plans, allocate resources, set targets and track effectiveness. This will be aligned with our strategic goals and embedded in our operation (business planning cycle, measuring and monitoring). Part of it will always be qualitative analytics as some topics are not quantitatively measurable.

The sections Environmental information, Social information and Governance information contain short descriptions of the definitions of the indicators disclosed. The *Definitions appendix* explains all the definitions in detail, including the methodologies and assumptions used. The ambitions and targets set are included in the tables. Tracking effectiveness is part of our quarterly reporting (see *Risk Management section*). In cases where no quantitative measures are available we report on progress based on qualitative information.

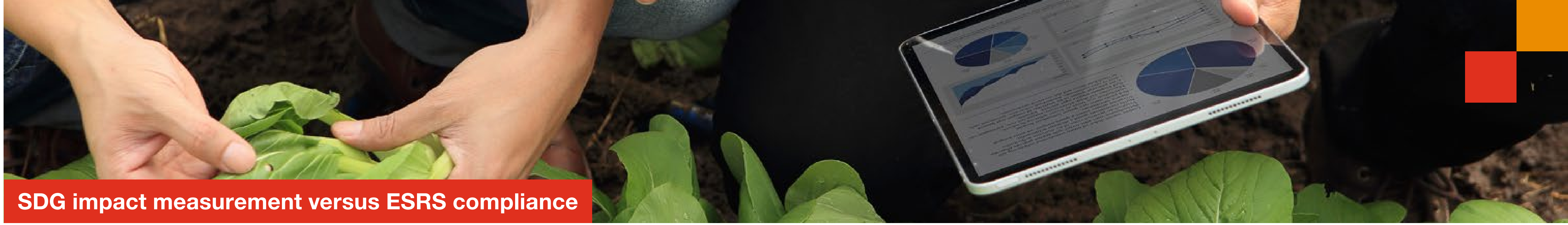
# Statement on sustainability due diligence



We are committed to responsible business conduct, in line with our commitment to the UN Global Compact. In order to identify and act on any potential or actual negative impacts that occur in our value chain, we recognise the importance of conducting environmental and human rights due diligence. The due diligence process involves an ongoing assessment of actual and potential impacts of our business on people or the environment, integrating and acting upon the assessment findings, tracking progress and communicating how impacts are addressed. PwC Global submits an annual Communication of Progress report to the UN Global Compact.

Currently, PwC conducts human rights due diligence at a global level. In 2024/2025 we will start adapting our human rights policy and due diligence practices to be specific to our Dutch firm and have a sufficiently broad value chain perspective. In terms of environmental due diligence, we adopt a preventative approach to manage and reduce the environmental impact of our business. We also help our clients to do the same. Regarding our supply chain, we monitor its carbon impact and proactively engage with the top emitters to reduce their climate impact.

For more information on the due diligence processes that we carried out in relation to sustainability topics in 2023/2024, see the sections on materiality assessment and stakeholder dialogue, workers in the value chain, sustainable procurement, and trusted and sustainable service delivery.



# SDG impact measurement versus ESRS compliance



In complying with ESRS we see duplication with the Sustainable Development Goals (SDG) impact measurement that we applied until 2022/2023, which showed the progress made on SDG-related ambitions. We have decided to replace the prioritisation of the SDGs with the prioritisation of the material topics as a result of the DMA 2023/2024. Instead of setting the focus of some SDGs and determining ambitions/thresholds and actions/targets, this process will take place for the material topics.

This sustainability statement shows the link between the material topics and the SDGs and how our ambitions and actions align with the underlying targets of the SDGs (see section *Environmental information*, *Social information*, *Governance information* and *Entity-specific information sections*). Measurable ambitions and actions have not currently been set for some topics in the value chain and we will use the ESRS phase-in option for this. An example is making our downstream impact of our services measurable (see topic *trusted and sustainable service delivery*).

We currently gain insight into the impact of our existing clients and engagements, and we are also starting to implement ESG criteria in the client and engagement acceptance and continuance as of 2024/2025.

# Environmental information

Climate change is one of the most pressing challenges facing the world today as we witness its devastating effects, with global temperatures now at least 1.1°C above pre-industrial levels and emissions remaining at record-breaking levels. We need to reverse the path we are on and tackling climate change requires speeding up our efforts to decarbonise and our drive to net zero. PwC is dedicated to sustainability and proactively addressing climate change by setting ambitious GHG emission reduction goals and implementing decarbonisation strategies. Climate adaption will become increasingly important to mitigate or limit the negative impact. We have seen many images of wildfires, floods and damage to homes and livelihoods. We need to accept that large parts of environments around us are deteriorating, plan for that and build greater resilience, addressing these agendas in parallel to each other. The business community has a key role to play in this and in unlocking the potential of sustainable growth.

Based on our DMA, we have identified two main climate-related impacts:

**Climate change**
PwC's operations have a negative environmental impact due to the scope 1, 2 and 3 GHG emissions associated with our business activities that contribute to global climate change. We have worked hard to mitigate this negative impact over recent years, realising an emission reduction of 52% relative to 2018/2019 and being ahead to achieve our global near-term (2030) Science-Based Targets. See *page 46* for more in-depth information on the environmental impact of our operations.

**Climate change services**
Although our own activities have an environmental impact, we are proud of the positive impact we have on the environment as our services help reduce GHG emissions at our clients. Additionally, we see major opportunities to support increased activity in businesses, sectors and geographies, which are focused on alternatives to carbon-intensive operations and activities, and the development and scaling of new and emerging climate services to support clients.

| Topic | Value chain | SDG link | Impact materiality level | | Financial materiality level | |
|---|---|---|---|---|---|---|
| | | | Positive | Negative | Opportunity | Risk |
| Climate change (own operations and supply chain) | ◀●▷ | 13 | | ███ | | ██▯ |
| Climate change services | ◁○▶ | 13 | ███ | ██▯ | ███ | ██▯ |

◀ Upstream ● Own operation ▶ Downstream █▯▯ Low materiality level: < 33% ██▯ Medium materiality level: 33-66% ███ High materiality level: >66%

# Climate change

## Strategy, governance and action plan: how we manage our impact

**Our business resilience analysis**
Complementing the DMA, we conducted a business resilience analysis during this reporting period aimed at identifying, understanding and managing the transition and physical risks associated with our business activities in the face of climate change. The assessment considered two climate scenarios: Paris-aligned (well below 2ºC) and no mitigation (>4ºC), specifically within areas where PwC NL offices are located. The assumption for the no-mitigation scenario is that limited policy changes will be implemented to curb the current level of emissions, resulting in an overshoot to over 4ºC in average global temperatures. Our current climate risk assessment shows that we have a risk of reputational damage on the services side if our own behaviours, policies and actions are not aligned with what we advise our clients. Under the no-mitigation scenario, PwC NL would be exposed to physical risks, resulting in a potential increase in CapEx associated with (forced) relocation of offices due to the adversely changing state of the environment. However, our hybrid way of working makes our workspace less location-bound and therefore poses minimal to no risk to our business continuity.

Our resilience analysis covers our own operations, suppliers and clients. The further we move downstream towards our business portfolio and the market, the lower our level of influence and ability to decrease the level of climate risk. This holds especially true as it requires proactive work with other stakeholders to ensure progress in tackling climate change over the short, medium and long term.

We have reduced some of the risks by the measures that we have implemented and we intend to address some of the remaining risk areas, such as broadening climate services or strengthening our influence on the climate agenda in 2024/2025. We periodically review the scenarios we apply in our analyses and refine these as needed. Our contribution to transition to a low-carbon and resilient economy is expected to positively contribute to sustainable growth both locally and globally. This is primarily addressed through behavioural change, which plays a key role in transitioning to a low-carbon economy and investments in solutions such as Sustainable Aviation Fuel.

The table on the next page summarises the risks and opportunities currently identified for 2023/2024 and mitigation actions that PwC is taking to manage these risks and enhance opportunities. These mitigating actions span the short-, medium- and long-term horizon. The climate scenarios listed on the next page are in line with the critical climate-related assumptions made in the financial statements.

| Type | Time horizon | Risk and/or opportunity | Business impact | Value chain impact | Mitigation response |
|---|---|---|---|---|---|
| **Climate change (own operations and supply chain)** | | | | | |
| Transitional | Medium and long term | Attracting and retaining talent. | Our response to the global climate challenge can improve our reputation or potentially damage it. This will impact our ability to attract and retain talent. | Direct impact on PwC people | Campaigns to create awareness and share our ESG knowledge and experience.<br><br>We provide opportunities for people to work in an ESG role and contribute to our sustainability efforts, aimed at fostering a culture that acknowledges sustainable leaders.<br><br>Opportunity for employees to contribute to sustainability-focused pro-bono projects. |
| | | Brand/reputational risk arising from failure to contribute in a meaningful way to the climate agenda. | The climate agenda and contributions towards finding solutions will either serve to improve our brand and reputation, or potentially damage it. | Direct impact on PwC people and business operations | We practice what we preach and share our performance in our Annual Report. We communicate new and existing net-zero measures publicly and contribute to the debate and development of innovative emission-reduction strategies and technologies.<br><br>PwC has committed to net zero and has validated SBTi targets in line with a 1.5°C scenario.<br><br>We build partnerships and coalitions (UN Global Compact, Anders Reizen, MVO Nederland, SkyNRG Board Now) to create engagement and share best practices. |
| Physical | Long term | Impact of acute and chronic climate events on our office network. | Potentially significant impacts over the long term in a 4°C scenario if some regions or major economic hubs are severely disrupted. Potential need for a significant effort to relocate offices. | Direct impact on PwC people and business operations | Our hybrid way of working makes our workspace less location-bound.<br><br>We intend to annually assess our risk exposure to acute climate events in collaboration with the global PwC Network |
| **Climate change services** | | | | | |
| Transitional | Short, medium, and long term | The need to adapt our core services to embed consideration of climate-related matters. | This is both a risk and an opportunity to make sure our services are both relevant and impactful from a market point of view. | Downstream | To be addressed in the Services Action Plan. |
| | | Development and scaling of new and emerging climate services to support clients. | Climate scenarios offer a market opportunity for PwC in new and emerging climate services. | | |
| | | Portfolio revenue exposure to high transition risk sectors. | We will face disruptions that could lead to a rise in demand for our services to support clients as they transition but could also face various risks associated with exposure to carbon-intensive sectors. | | |
| Physical | Long term | Impact of climate events (acute and chronic) in higher-risk geographies. | Territory or regional economic disruption brought on by climate events could impact our business through our client base. | Portfolio impact via our client base | To be addressed in the Services Action Plan. |

**Climate policy and plans**
The main policy developed to manage the material impacts, risks and opportunities of our business operations is the Environmental Policy, made publicly available on our website. This policy addresses how we approach the identification, assessment, management and/or remediation of our material environmental topics. The focus of this policy is climate change mitigation (including energy efficiency and renewable energy deployment) and climate change adaptation.

To support our Environmental Policy for our own business operations, we have put together a Climate Action Plan to map out decarbonisation pathways for our operations and neutralise any remaining climate impact by offsetting our remaining emissions. Our Climate Action Plan has been integrated into our business plan following the approval of the Board of Management.

To manage the material impacts, risks and opportunities of our services we will develop a separate Services Policy, followed by a Services Action Plan (see page 103).

The Climate Action Plan for climate change mitigation is designed to substantially reduce our GHG emissions, ensuring alignment with the Paris Agreement's goal of achieving net zero by 2050. PwC aims to comply with the criteria for inclusion in the EU Paris-aligned benchmarks by having established science-based targets for scope 1, 2 and 3 emissions that span our operations and value chain. These have been validated by the SBTi and are in line with the GHG Protocol of the World Resources Institute (WRI) to meet the ambitious 1.5°C emissions scenario. Additionally, we have set the goal for 50% of suppliers to establish science-based targets for their own emission reductions.

Our Climate Action Plan is part of our regular business planning cycle (with dedicated CapEx and OpEx being allocated to the relevant departments), incorporating the main drivers for our low-carbon transformation and addressing climate-related risks. Our progress is tracked and reported annually using sector-specific key performance indicators and metrics. We conduct regular reviews of our Climate Action Plan to ensure its effectiveness and current alignment with scientific and regulatory standards, and to pinpoint any areas needing enhancement.

Below is an overview of our emission reduction activities, categorised by decarbonisation levers. Our approach is to combine behavioural changes with technological and innovative solutions to generate long-term impact of our adaptation and mitigation plans. Our emission reduction activities are financed by the internal carbon price that covers decarbonisation across the three scopes and ensures ongoing access to financial resources.

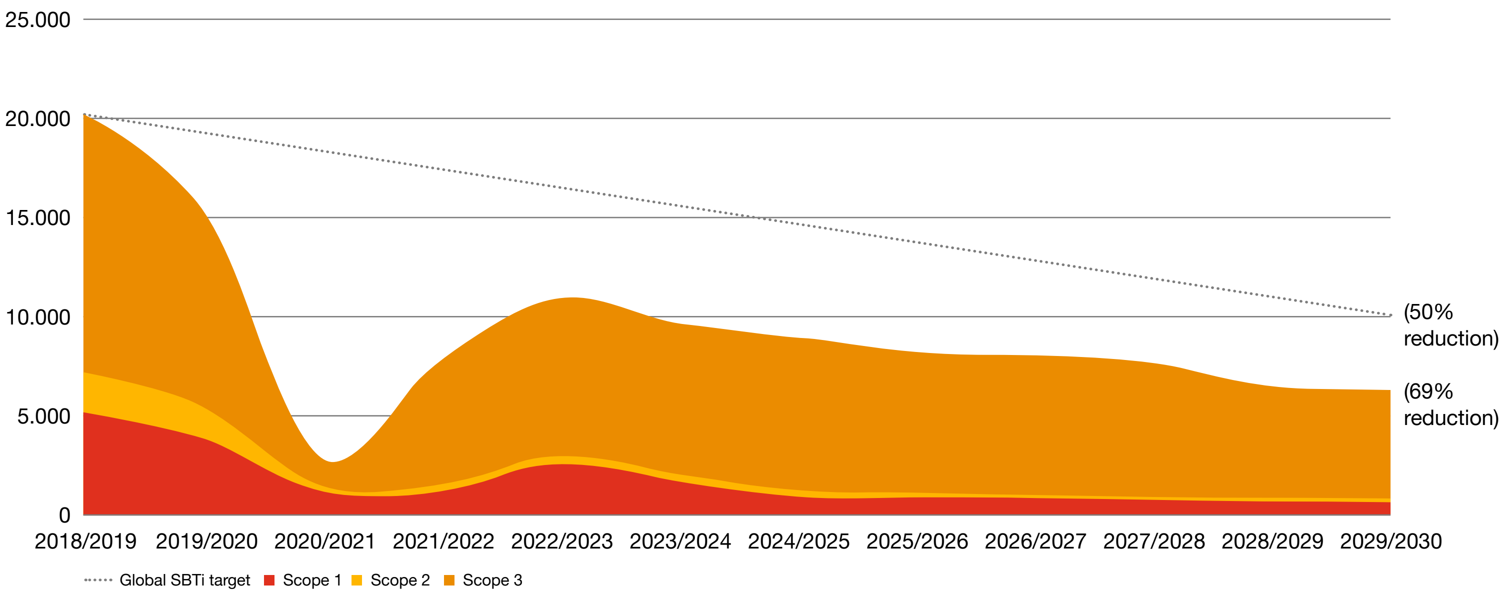
| Decarbonisation lever | Emission reduction activities | Achieved emission reduction to date 2023/2024 ($tCO_2e$) |
|---|---|---|
| **Behavioural changes** | This lever encompasses initiatives such as hybrid working to be aware of the need for commuting versus working together on the job, enhancement of video conferencing tools to replace travel for meetings, and waste reduction strategies that involve behavioural change, smarter procurement and awareness campaigns to minimise waste and increase recycling. | 10,535 ($tCO_2e$) or 52% emission reduction compared to our 2018/2019 baseline |
| **Electrification of transport** | By making fully electric vehicles the only choice for lease cars, we will phase out fossil fuel vehicles and replace the entire lease car fleet with electric vehicles by 2025. | |
| **Renewable energy** | To reduce emissions, green certificates are bought for kilometres driven by electric vehicle, and 100% renewable electricity is sourced either directly or through certified renewable energy certificates for electricity usage at the office locations. | |
| **Fuel switching** | The fuel switching decarbonisation strategy includes two key initiatives: purchasing biogas for all gas-heated office locations and committing to using sustainable aviation fuels for all flights, ensuring that 100% of air travel is powered by Sustainable Aviation Fuel. | |
| **Energy efficiency** | Efforts to advance energy efficiency and decarbonisation include transitioning to Paris Proof buildings that consume less than 70 $kWh/m^2$, reducing office energy consumption and exploring sustainable heating options. Additionally, the PwC NL offices have achieved BREEAM certification, indicating a commitment to high sustainability standards. Measures such as LED lighting, energy scans and heat and cold storage systems have been adopted to lower energy consumption across the board. To reduce the impact of our data centre consumption we prefer suppliers who use green electricity and have net-zero ambitions. | |
| **Material efficiency** | Reducing emissions by decreasing paper use, investing in sustainable IT equipment and providing circular workplaces at home. | |

## Metrics, targets and performance

### Our emission reduction goals

To achieve our global near-term Science-Based Target, we have to cut our emissions by half by the financial year 2029/2030 in relation to our base year 2018/2019. We have developed a comprehensive plan to achieve approximately 70% reduction in GHG emissions by 2030. Our strategy and progress are visually depicted in the figure below, which illustrates our reduction targets planned to meet these objectives within our operations. These targets, which exclude GHG removals and carbon credits, are in line with the 1.5°C global warming limit and have been validated by the SBTi as science-based. Our global near-term Science-Based Target is represented by the dotted line.

### Emission reduction goals



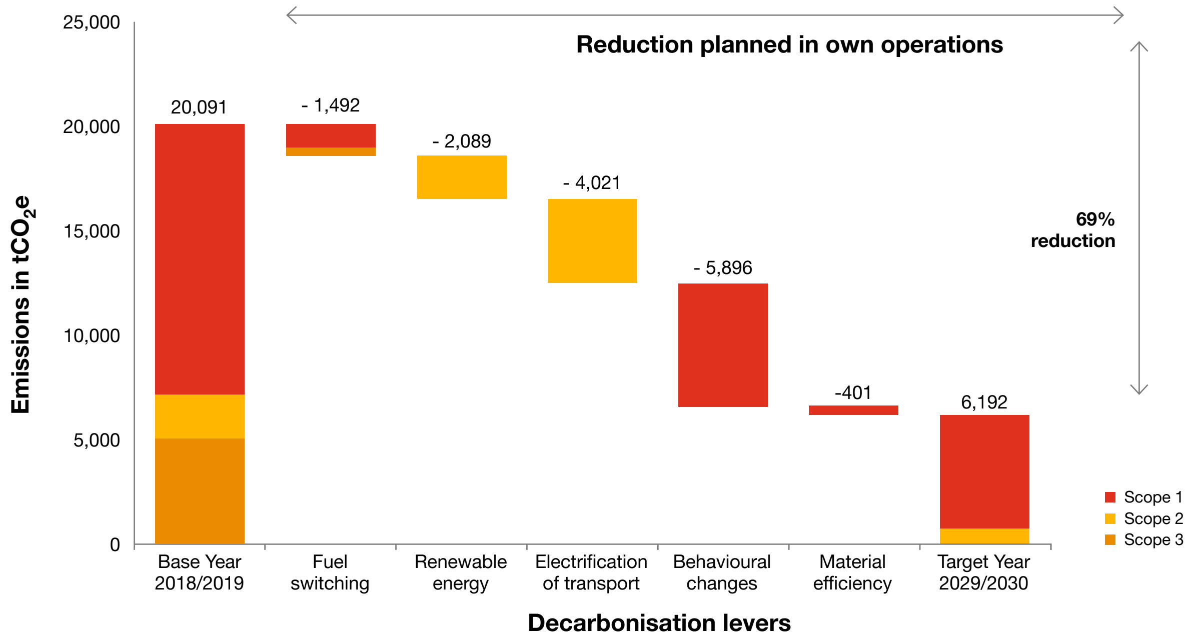

### Our actions

To mitigate climate change and achieve our objectives, we are focusing on several key decarbonisation levers. Our strategy begins with driving efficiency to avoid or reduce emissions, particularly those associated with energy use. A significant action in this regard is the switch to renewable energy sources, which is a principal method for reducing our environmental impact. This includes the installation of solar panels on our office buildings in Amsterdam, Rotterdam, Utrecht and Zwolle, and our commitment to ensuring all offices eventually operate on renewable electricity directly rather than relying on unbundled certifications.

Furthermore, we are actively pursuing fuel switching and the electrification of our lease fleet. We have taken steps to minimise consumption and travel, aiming to cut motorised mobility emissions by half. Behavioural changes are encouraged, especially in reducing mobility through the promotion of hybrid working. To support the sustainability of our electric vehicle fleet, we purchase green electricity certificates to cover home charging from unknown electricity sources. These actions, along with our focus on material efficiency, represent our approach to decarbonisation across scopes 1, 2 and 3.

Significant monetary amounts of CapEx and OpEx are allocated on an annual basis to successfully implement the different mitigation and adaptation actions and initiatives as identified in our transition plan.

**Reduction measures planned**




In addition to the reduction measures mentioned above, PwC has also been purchasing biokerosene as a source of sustainable aviation fuel (SAF) to inset air travel emissions. Business travel has been the largest contributor to PwC's total emissions and sourcing SAF has the potential to reduce GHG emissions from air travel by up to 80% in comparison to conventional jet aviation fuel. Moreover, we have implemented our network travel principles to further reduce our travel emissions and recognise the importance of contributing to the debate on the future of air travel, and we are chairing the Anders Vliegen (fly differently) working group within the Anders Reizen (travel differently) coalition.

## Results 2023/2024

Energy consumption comes from the combustion of natural gas in our office buildings, renewable electricity and heat consumption, as well as fossil fuel and electricity usage by our lease cars. In 2022 we started phasing out the use of natural gas in our office buildings, replacing it with biogas, a cleaner source of energy. Our commitment to reduce emissions from energy use is further reflected in how we only source 100% renewable electricity in our operations directly from the energy provider. Guarantees of Origin were purchased to green our electricity where we do not hold the contract ourselves. As PwC has no operations in high climate-impact sectors we do not need to further disaggregate our total energy consumption from fossil sources.

The table below summarises our overall energy consumption under scopes 1 and 2 for 2023/2024, categorised by fuel type.

| Energy source | Unit | Consumption | | % (2023/2024)/(2022/2023) |
|---|---|---|---|---|
| | | 2022/2023 | 2023/2024 | |
| **Fossil energy** | | **8,615** | **5,508** | **64** |
| *Fossil fuel lease cars* | MWh | *8,615* | *5,508* | *64* |
| *Natural gas combustion in buildings* | MWh | *0* | *0* | *0* |
| **Nuclear energy** | MWh | **0** | **0** | **0** |
| **District heating** | MWh | **614** | **602** | **98** |
| **Renewable energy** | | **14,206** | **14,511** | **102** |
| *Biogas combustion in buildings* | MWh | *954* | *938* | *98* |
| *Purchased renewable electricity* | MWh | *10,426* | *10,946* | *105* |
| *Purchased renewable heat* | MWh | *2,515* | *1,924* | *77* |
| *Purchased renewable steam* | MWh | *0* | *0* | *0* |
| *Purchased renewable cooling* | MWh | *0* | *0* | *0* |
| *Onsite renewable electricity* | MWh | *311* | *703* | *226* |

**Definitions**
- Fossil energy: total energy consumed from fossil energy sources.
- Fossil fuel lease cars: the total kilometres from fossil fuel cars registered in our mileage registration system converted into MWh.
- Natural gas combustion in buildings: PwC does not have natural gas combustion.
- Nuclear energy: PwC does not use nuclear energy.
- District heating: the amount of district heating (GJ) purchased, converted into MWh.
- Renewable energy: total energy consumed from renewable sources.
- Biogas combustion in buildings: the amount of biogas ($m^3$) purchased converted into MWh.
- Purchased renewable electricity: the electricity consumed in buildings (kWh) and by electric lease cars (km), converted into MWh.
- Purchased renewable heat: the amount of renewable heating and cooling purchased (GJ), converted into MWh.
- Purchased renewable steam: PwC does not have purchased steam.
- Purchased renewable cooling: reported under the purchased renewable heat category.
- Onsite renewable electricity: total solar electricity generated and consumed (kWh), converted into MWh.

| Energy KPI | Unit | 2022/2023 | 2023/2024 | % (2023/2024)/(2022/2023) |
|---|---|---|---|---|
| Energy efficiency | kWh/m$^2$ | 134 | 116 | 87 |
| Renewable energy use* | % | 61% | 70% | 115 |
| Renewable electricity use | % | 100% | 100% | - |
| Renewable electricity generation** | % | 3% | 6% | 200 |

* The percentage of renewable energy use for 2022/2023 has decreased compared to the figure reported previous year, this is due to the use of the most recently published conversion factor for biogas.

**The percentage of renewable electricity generation for 2022/2023 has decreased compared to the figure reported previous year, this is due to including lease car electricity usage in the sum of renewable electricity used.

**Definitions**
- Energy efficiency: total energy consumption in buildings (kWh) per m$^2$ office space.
- Renewable energy use: total renewable energy consumption (kWh) as a percentage of our total energy consumption (kWh).
- Renewable electricity use: total renewable electricity consumption (kWh) as a percentage of our total electricity consumption (kWh).
- Renewable electricity generation: total renewable electricity generated (kWh) as a percentage of our total electricity consumption (kWh).

**Scope 1, 2 and 3 emissions**

A materiality assessment of our emissions profile revealed that our downstream emissions are immaterial and are therefore excluded from the emissions accounting. These downstream activities are deemed as not relevant to our business including transportation and distribution, processing, use and end-of-life treatment of sold products, leased assets, franchises and investments. Furthermore, emissions from cloud computing and datacentre services were deemed immaterial to our emissions profile at this stage.

The table on the next page summarises our overall emissions in 2023/2024, aggregated into scopes 1, 2 and 3. To show the consistency and comparability of reporting elements from year to year, including those along our upstream and downstream value chain, we also include in the table on the next page our performance of previous years. This table showcases the progress made towards our net-zero target year.

Our overall emissions were 14% lower than last year and helped achieve a total emission reduction of 52% compared to the base year. As we already achieved our near-term reduction targets, we intend to go further and progress to net-zero.

The reduction achieved in scope 1 is mainly due to the further electrification of our electric vehicle car fleet and the emission reduction in capital goods (no major IT equipment purchases). Reducing flights remains our main challenge, hence the update of our travel policy with additional measures at the start of 2024/2025.

| *In $tCO_2e$* | 2018/2019 | 2022/2023 | 2023/2024 | % (2023/2024)/ (2022/2023) | Milestones and target years**** 2024/2025 | 2029/2030 | Annual % target/Base year |
|---|---|---|---|---|---|---|---|
| **Scope 1 GHG emissions** | | | | | | | |
| **Gross scope 1 emissions** | **5,057** | **2,469** | **1,617** | **65** | **2,299** | **0** | |
| Scope 1 GHG emissions from regulated ETS (%) | - | - | - | - | - | - | - |
| **Scope 2 GHG emissions** | | | | | | | |
| **Gross location-based scope 2 emissions** | **5,698** | **4,879** | **4,127** | **85** | | | |
| **Gross market-based scope 2 emissions** | **2,093** | **389** | **333** | **86** | **951** | **0** | |
| **Significant scope 3 GHG emissions** | | | | | | | |
| **Gross scope 3 GHG emissions** | **12,941** | **8,279** | **7,606** | **92** | **5,882** | **0** | |
| Purchased goods and services* | 838 | 15 | 10 | 67 | | | |
| Capital goods** | 200 | 2,007 | 601 | 30 | | | |
| Waste generated in operations | 325 | 140 | 154 | 110 | | | |
| Business travel | 10,053 | 5,563 | 6,090 | 109 | | | |
| *Air* | *8,399* | *4,087* | *4,331* | *106* | | | |
| *Car* | *1,176* | *1,278* | *1,383* | *108* | | | |
| *Public transport* | *126* | *39* | *49* | *126* | | | |
| *Accommodation**** | *352* | *159* | *327* | *206* | | | |
| Employee commuting | 1,525 | 554 | 751 | 136 | | | |
| **Total GHG emissions** | | | | | | | |
| **Total GHG emissions (location-based)** | **23,696** | **15,628** | **13,350** | **85** | | | |
| **Total GHG emissions (market-based)** | **20,091** | **11,138** | **9,556** | **86** | **9,132** | **0** | |

* Includes only emissions from purchased paper. Due to lack of quality data and influence, the remaining emissions from purchased goods and services (estimated at 16,857 $tCO_2e$), are in accordance with SBTi addressed in our supplier engagement target. We will evaluate in 2024/2025 if additional activities need to be included under the purchased goods and services category.

** Capital goods – We have included portable screens in the reporting scope of this category for 2022/2023 and this reporting year to ensure completeness and accuracy.

*** Business travel – Accommodation emissions have increased this year due to the expanded scope of the source data. The emissions are now calculated using hotel nights spend data as well as historically used data provided by the travel agency.

**** Our global target is minimum 50% reduction, at PwC NL we aim for 100% reduction. We will evaluate our targets in 2024/2025 together in partnership with PwC Global.

Our air travel emissions are calculated in a different way this year. Based on the latest findings, emissions conversion factors assigned to air travel by DEFRA UK in 2023 are derived from input data drawn from the years affected by the COVID pandemic. This resulted in a significant increase in the emissions factors used to calculate air travel emissions and these do not reflect the current market. After internal consultation, we have decided to roll over our air travel emissions factors from 2022/2023 to 2023/20224. This gives a more accurate picture of this year, unaffected by any distortion due to COVID. The latest emissions factors are applied to the years affected by the pandemic, i.e. 2020/2021 and 2021/2022. We will review any local discrepancies and purchase additional offsets to close gaps.

**Definitions**

- Gross scope 1 emissions: total direct emissions ($tCO_2e$) from owned/controlled operations.
- Scope 1 GHG emissions from regulated ETS (%): PwC has no activities reporting under EU ETS.
- Gross location-based scope 2 emissions: total indirect emissions ($tCO_2e$) from owned/controlled operations using location-based conversion factors.
- Gross market-based scope 2 emissions: total indirect emissions ($tCO_2e$) from owned/controlled operations using market-based conversion factors.
- Gross scope 3 GHG emissions: total indirect emissions ($tCO_2e$) from our upstream value chain.
- Purchased goods and services: indirect emissions ($tCO_2e$) from purchased paper.
- Capital goods: indirect emissions ($tCO_2e$) from purchased phones, laptops, monitors and portable screens.
- Waste generated in operations: indirect emissions ($tCO_2e$) from waste generated in operations.
- Business travel: total indirect emissions ($tCO_2e$) from business travel emission categories.
- Air: indirect emissions ($tCO_2e$) from air travel.
- Car: indirect emissions ($tCO_2e$) from car travel.
- Public transport: indirect emissions ($tCO_2e$) from public transport.
- Accommodation: indirect emissions ($tCO_2e$) from hotel nights.
- Employee commuting: indirect emissions ($tCO_2e$) from employee commuting.
- Total GHG emissions (location-based): total gross scope 1, gross scope 2 location-based and gross scope 3 emissions.
- Total GHG emissions (market-based): total gross scope 1, gross scope 2 market-based and gross scope 3 emissions.

## Other environmental indicators

| Indicators | Unit | 2022/2023 | 2023/2024 | Target |
|---|---|---|---|---|
| Motorised mobility compared to base year 2018/2019 | % | -31% | -24% | -25% |
| Total GHG emissions intensity ratio per employee | $tCO_2e$/FTE | 2.08 | 1.72 | |
| Total location-based GHG emissions intensity ratio per net revenue* | $tCO_2e$/€M | 15.13 | 12.37 | |
| Total market-based GHG emissions intensity ratio per net revenue | $tCO_2e$/€M | 10.78 | 8.85 | |
| Environmental spend | % | 196% | 175% | |
| Carbon reduction compared to base year 2018/2019 | % | 45% | 52% | 45% |
| Carbon offsetting (including carbon removals) | % | 100% | 100% | 100% |
| Carbon removal offsetting | % | 55% | 30% | 60% |
| 50% science-based targets coverage with suppliers** | % | 23% | 28% | 50% (by 2025) |

* Net revenue reconciles to net revenue in the financial statements, see *page 134* and notes to the financial statements on *page 149*.

** Following the scope revision for PwC's spend in supply chain analysis this year, the 2022/2023 figures have been restated to include the same new scope. As we continuously improve our reporting accuracy, we have also recategorised expenses into better fitting categories and subsequently, the conversion factors. As a result, the figure reported for 2022/2023 has changed.

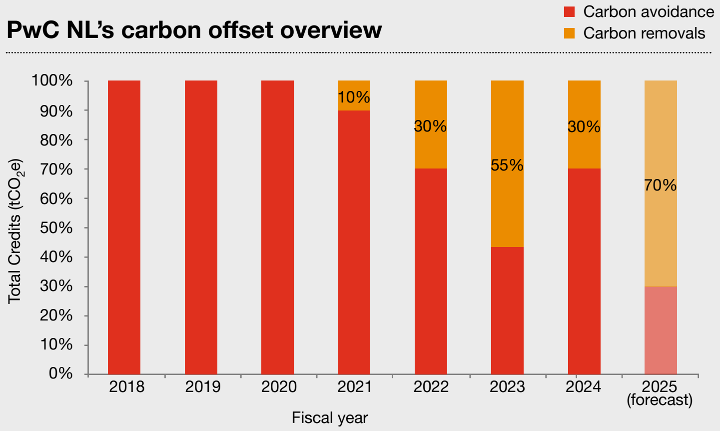
### Carbon offsetting

We are working to decarbonise our operations. In line with our net-zero target, we aim to offset hard-to-abate emissions by financing emission reduction and removal projects outside of our value chain via the purchase of high-quality carbon credits on a contractual basis. The credits purchased are verified against recognised quality standards and cancelled within the relevant reporting period.

We have allocated 2,890 $tCO_2e$ for our carbon removal projects in 2023/2024, 290 $tCO_2e$ of which came from the surplus of the previous financial year. To mitigate risk, most carbon credits are purchased through the Global PwC Network's carbon credit portfolio, where credits are purchased proactively for member firms on an annual basis and reconciled against reported emissions. Credits listed in this portfolio meet PwC's criteria and quality preferences, which cover eligible standards, project types, methodologies and vintages, with roughly 50% being certified by VCS, 48% by Gold Standard and the remaining 2% being covered by Puro, which also reflects the volume of credits issued from European-based projects.

At the same time the credits listed in this portfolio are certified by the International Carbon Reduction and Offset Accreditation (ICROA), and subject to due diligence from our third-party suppliers.

**PwC NL's carbon offset overview**




**Definitions**

- Motorised mobility compared to base year 2018/2019: total kilometres registered of lease cars, business travel and employee commuting in the reporting year as a percentage of the kilometres registered in the base year (2018/2019).
- Total GHG emissions intensity ratio per employee: total GHG emissions divided by average FTE.
- Total location-based GHG emissions intensity ratio per net revenue: total location-based GHG emissions divided by net revenue (€M).
- Total market-based GHG emissions intensity ratio per net revenue: total market-based GHG emissions divided by net revenue (€M).
- Environmental spend: the environmental spend as a percentage of internal carbon pricing.
- Carbon reduction compared to base year 2018/2019: total GHG emissions as a percentage of total GHG emissions in base year (2018/2019).
- Carbon offsetting (including carbon removals): total GHG emissions offset by PwC NL as a percentage of total GHG emissions emitted.
- Carbon removal offsetting: total GHG emissions offset by PwC NL via removals as a percentage of total GHG emissions emitted.
- 50% science-based targets coverage with suppliers: our emissions based on spend from suppliers with (validated) SBTi targets as a percentage of the total emissions based on spend in our supply chain.

We are dedicated to prioritising nature-based solutions (NBS) in our carbon credit portfolio. This is reflected in 2023/2024 in our carbon removal projects portfolio that is dominated by biogenic sinks. These contribute to mitigation of climate change by sequestering carbon and providing co-benefits such as habitat restoration, soil conservation and water regulation. At the same time, we are exploring opportunities to expand our portfolio by supporting projects that are in the early stages of developing technological sinks.

Our reported carbon credits have been carefully considered to prevent any instances of double counting. Additionally, the credits are not intended to serve as an offset for GHG emissions, nor are they considered a means to achieve the GHG emission reduction targets. Because the carbon credit market is subject to change, we regularly review our criteria to maintain credit quality and integrity, and enable the continued support of impactful projects. In line with evolving market expectations, we aim to transition our portfolio to 100% carbon renewals by 2029/2030. Going forward, PwC will therefore prioritise carbon credits that originate from removal projects, which currently applies to 30% of our carbon offset certificates.

### Internal carbon pricing

PwC has been using an internal carbon pricing scheme since 2017/2018 of €100 per $tCO_2e$. The fee is based on a scientific study by the Netherlands Bureau for Economic Policy Analysis (Centraal Planbureau, CPB), which estimates the minimum social cost (which differs from the current market price) of carbon emissions at €100 per tonne of $CO_2$ in 2030. The study is a relevant source as it is performed by an independent Dutch research institute and provides us with the minimum social cost of our emissions. This internal carbon fee applies to our scope 1, 2 and 3 GHG emissions.

**Overview of the projects financed by PwC in 2023/2024**

| Project name | Certifications | Project type (methodology) | Type | Location | Retired volume 2023/2024 ($tCO_2e$) |
|---|---|---|---|---|---|
| Huadu ARR China | VCS | ARR | Removal | China | 2,500 |
| Nordgau Germany Biochar | Puro | Biochar | Removal | Germany | 100 |
| Western Kenya Borehole Rehabilitation | GS | Borehole Rehabilitation | Avoidance | Kenya | 2,700 |

| Type of internal carbon price | Volume at stake ($tCO_2e$) | Price applied (€/$tCO_2e$) | Perimeter description |
|---|---|---|---|
| Internal carbon fee and/or fund | 2023/2024 scope 1, 2, 3 emissions | €100 | The internal carbon fee applies to all PwC's reported scope 1, 2 and 3 GHG emissions for the current year. |

| In million € | 2024/2023 | 2023/2022 |
|---|---|---|
| Minimum spend | 1.1 | 0.8 |
| Investment actual | 1.9 | 1.6 |
| Minimum spend next year | 1.0 | 1.1 |

The emissions from the previous year determine the environmental budget for the following year. Based on our 2022/2023 total emissions, the minimum environmental budget for 2023/2024 was € 1.1 million. The budget is used to take measures to reduce our negative environmental impact, invest in sustainable innovations and carbon-compensate for our remaining emissions. The utilisation of internal carbon pricing to finance our environmental strategies also enables us to ensure continuity of projects and not be dependent on external resources over the long term.

## Climate change services

One of the most important roles we will play in the global transition to a sustainable future is to help clients understand and navigate the challenges they face from the environmental agenda in terms of impacts, dependencies, risks and opportunities.

The evolution of our service offerings in line with PwC's purpose to solve important problems is critical to our own business transformation to remain competitive, relevant and sustainable in the future. This evolution will touch all parts of our business and the three Lines of Service. We are adapting our core services to include consideration of environmental matters where appropriate and in compliance with applicable laws, standards and regulations. This ranges from the inclusion of carbon taxes and green incentives within our Tax & Legal services, consideration of environmental issues in Deals, reinforcing climate in our Assurance methodologies and processes, sustainability-driven transformation programmes in Consulting, and much more besides.

We are also building and scaling new services. Our sustainability practice helps organisations act on their strategies to plan, source, deliver, finance and measure the wider impact of their products and services. We are helping businesses decarbonise (mitigation) and adapt (adaption). Clients are supported with their net-zero transformations, their ambitions to develop sustainable supply chains and their understanding of climate risk and resilience profiles. We work together to implement their objectives in relation to enhancing transparency through sustainability reporting and support them in raising and deploying sustainable finance and navigating the energy transition.

This fundamental transformation of our service portfolio will continue to be a strategic imperative as it is core to our success as a business. We will therefore continue to work in 2024/2025 on formalising roles and responsibilities regarding this topic and create a policy and action plan with ambitions to increase our positive downstream impact as much as possible. Targets will be set for our services to better steer on the climate impact of our services.

**Outlook**

While we expect our approach to environmental strategy to change in line with the needs of business and society, our dedication to the cause will not. We continue to work together with other businesses, organisations and government bodies to address the environmental crisis. We remain firmly committed to playing our part.

## EU Taxonomy disclosure

**Introduction**

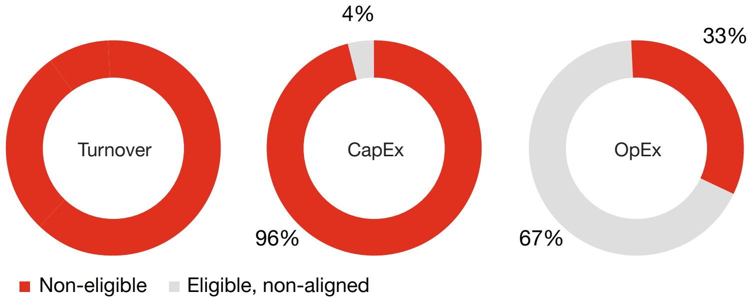
The European Commission has established the European Taxonomy Regulation (EU 2020/852) (hereafter EU Taxonomy) as an important step towards the objective of a climate-neutral Union by 2050. The EU Taxonomy aims to redirect capital flows towards activities that meet the criteria outlined in the regulation. As such, the European Commission has developed a catalogue of economic activities to determine if they substantially contribute towards a sustainable economy based on Technical Screening Criteria (TSC). Companies must use this classification system to assess if their business activities are sustainable. The EU Taxonomy, and its supporting delegated acts are designed to help companies, investors and policymakers identify environmentally sustainable economic activities.

**Application of the EU Taxonomy by PwC NL**

As of 1 July 2025 (Annual Report 2025/2026) PwC NL is obliged to report on the EU Taxonomy. As of this year PwC NL reports voluntarily. Taxonomy eligibility and alignment to Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA) and Taxonomy eligibility of the other four environmental objectives (Water and Marine Resources, Transition to a Circular Economy, Pollution Prevention and Control and Biodiversity and Ecosystems). As 2023/2024 is the first year that PwC NL reports under the EU Taxonomy there is no requirement to disclose prior year figures.

In the following section, we, as a non-financial undertaking, present the share of our group turnover, Capital Expenditure (CapEx) and Operating Expenditure (OpEx) for the financial year 2023/2024, also known as the key performance indicators (KPIs), which are associated with Taxonomy-aligned economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) with reference to Article 8 of the EU Taxonomy.

**Overview**



### Definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts (Climate Delegated Act and the Environmental Delegated Act) supplementing the Taxonomy Regulation, irrespective of whether that economic activity meets any or all of the TSC a laid down in those delegated acts. Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

An economic activity is Taxonomy-aligned where it complies with the TSC as defined in the Climate Delegated Act and is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation and fair competition. To meet the TSC, an economic activity contributes substantially to one or more environmental objectives, while not doing significant harm (DNSH) to any of the other environmental objectives.

## Taxonomy-eligible and Taxonomy-aligned economic activities

PwC NL operates in the sector of professional service providers, which is currently not covered by the EU Taxonomy. We have examined all economic activities carried out by PwC NL to determine which of these are eligible and aligned with reference to Annexes I and II to the Climate Delegated Act (for CCM and CCA) and eligible with reference to the Environmental Delegated Act for the four other environmental objectives. The assessment led to the identification of five eligible economic activities. The analysis on the eligibility shows that PwC NL only has eligible activities in relation to the objectives CCM and CCA.

### Economic activities eligible under CCM and CCA

The table on the right includes an overview of the economic activities eligible under the climate objectives.

**Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx in 2023/2024**

| (in € x 1,000) | Total | Taxonomy non-eligible activities | Taxonomy eligible activities |
|---|---|---|---|
| **KPIs** | **2023/2024** | **2023/2024** | **2023/2024** |
| Turnover | 1,081,878 | 1,080,140 | 1,738 |
| CapEx | 5,907 | 5,679 | 228 |
| OpEx | 64,105 | 21,330 | 42,775 |
| Of which: | | | |
| Taxonomy-eligible and aligned | | | - |
| Taxonomy-eligible but not aligned | | | 44,741 |

**Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx in 2023/2024**

| Activity number | Eligible economic activity name | Objective | Description PwC NL activity | KPI |
|---|---|---|---|---|
| 6.5 | Transport by motorbikes, passenger cars and light commercial vehicles | CCM | This activity includes the leasing of cars. | OpEx |
| 7.3 | Installation, maintenance and repair of energy efficiency equipment | CCM/CCA | This activity includes all activities that lead to energy efficiency improvements like the installation and replacement of energy efficient light sources. The investments made in energy efficient lighting contribute equally to both CCM and CCA. | CapEx |
| 7.7 | Acquisition and ownership of buildings | CCM | PwC NL leases buildings. | OpEx |
| 9.3 | Consultancy for physical climate risk management and adaptation | CCA | Within the Assurance practice PwC NL provides consultancy services to clients on the topic of managing physical climate risks. | Turnover |
| 11 | Education | CCA | PwC NL provides ESG training for clients to upskill their knowledge on ESG-related topics. | Turnover |

## Assessment of alignment with EU Taxonomy Regulation

### Substantial contribution

To determine if an economic activity is Taxonomy-aligned, it must first comply with the first requirement as described in the Taxonomy Regulation. It must contribute substantially to one or more of the environmental objectives. All turnover-generating activities (9.3 and 11) aim at a substantial contribution to climate change adaptation. For our CapEx and OpEx KPIs we have eligible activities related to the objectives climate change mitigation and climate change adaptation and one activity that contributes equally to both, climate change mitigation and adaptation.

### DNSH assessment

For all economic activities where we can demonstrate a substantial contribution to climate change mitigation, we further analyse the DNSH criteria. We evaluated these criteria on an economic activity level. Furthermore, the DNSH assessment requires us to prepare a climate risk and vulnerability assessment and an adaptation plan to mitigate the identified material physical climate risks. Climate risk and vulnerability assessment has been conducted centrally at the firm level to assess the materiality of physical climate risks and their impact on our own operations, supply chain and our clients. Mitigation actions were identified to manage the risks and enhance opportunities associated with climate change, these actions span across short-, medium- and long-term horizons. Detailed analysis of the currently identified risks and opportunities for 2023/2024 can be found on *page 45* of our sustainability statement. Please refer to the Turnover, CapEx and OpEx template for the outcome of the DNSH assessment on an economic activity level.

### Minimum safeguards assessment

The last step of the alignment assessment is to check the compliance of PwC NL with the minimum safeguards (bribery and corruption, fair competition, taxation and human rights) as prescribed by the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The minimum safeguards criteria have been assessed centrally in relation to all eligible activities based on the final report on minimum safeguards from the Platform on Sustainable Finance:

- PwC NL has a zero-tolerance policy towards bribery and corruption and violation of fair competition. We have established systems, policies and procedures, in compliance with all applicable laws and regulations, to prevent corruption and bribery from occurring in our own operations or while interacting with clients or suppliers and to prevent unfair competition. The Ethics Helpline is available to all colleagues to speak up and raise concerns or questions.
- PwC NL is a responsible taxpayer, and we pay tax where we operate, declaring profits and paying taxes where the economic activities occur. Please refer to *page 106* for information on our Tax Strategy and the control framework we have established. We endorsed the VNO-NCW Tax Governance Code.
- PwC has been a member of the UN Global Compact since 2002 and we embed the Ten Principles for responsible business, focusing on human rights, labour standards, environmental stewardship and anti-corruption practices into our operations. Our commitment to human rights is integrated into regular business processes and supported through a range of policies, among others the Global Human Rights Policy, Global Code of Conduct and the Third Party Code of Conduct. However, we recognise that the current assessment of actual and potential human rights impacts in our value chain requires further improvement, please refer to *page 67* for the planned actions to address this.

As a consequence of not meeting the full minimum safeguards on human rights, alignment with EU Taxonomy is not met.

Per eligible activity, alignment with the TSC of the EU Taxonomy is assessed.

**6.5 Transport by motorbikes, passenger cars and light commercial vehicles**

| Activity number | Activity name | TSC assessment | Compliance with TSC |
|---|---|---|---|
| 6.5 | Transport by motorbikes, passenger cars and light commercial vehicles | All lease fleet vehicles with $CO_2$ emissions lower than 50kg $CO_2$/km (electric and hybrid vehicles) were considered to meet the substantial contribution criteria.<br><br>Alignment with DNSH criteria for climate adaptation has been met. The climate risk and vulnerability assessment was conducted centrally at the firm level following the criteria set out in Appendix A. It assessed the materiality of physical climate risks and their impact on our own operations, supply chain and clients.<br><br>Alignment with the DNSH criteria for transition to a circular economy has not been met as the leased cars are not compliant with the re-use and recyclable criteria included in Directive 2005/64/EC.<br><br>Alignment with the DNSH criteria on pollution prevention and control could not be met as the evidence on the external rolling noise requirements for the lease fleet was insufficient. We are working on establishing a process to gather information related to rolling noise in the future. | Not compliant |

**7.3 Installation, maintenance, and repair of energy efficiency equipment**

| Activity number | Activity name | TSC assessment | Compliance with TSC |
|---|---|---|---|
| 7.3 | Installation, maintenance and repair of energy efficiency equipment | PwC NL invests in energy-efficient light sources, which contribute to climate change mitigation and adaptation. As no supporting evidence could be obtained that the light sources are rated in the highest two populated energy efficiency classes with reference to EU regulations, the alignment criteria have not been met.<br><br>As this economic activity contributes equally to both climate mitigation and climate adaptation, we had to assess the DNSH within both areas.<br><br>Alignment with DNSH criteria for climate adaptation has been met. The climate risk and vulnerability assessment was conducted centrally at the firm level following the criteria set out in Appendix A. It assessed the materiality of physical climate risks and their impact on our own operations, supply chain and clients.<br><br>With regard to the DNSH criteria for pollution prevention, we do not currently have sufficient information to be able to confirm whether the building components and materials comply with the criteria set out in Appendix C to Annex I.<br><br>With regard to climate adaptation, the first DNSH criteria for climate mitigation are met as the buildings in use are not dedicated to the extraction, storage, transport or manufacture of fossil fuels.<br><br>Tuning to climate mitigation and the DNSH criteria for pollution prevention, we again do not currently have sufficient information to be able to confirm whether the building components and materials comply with the criteria set out in Appendix C to Annex I. | Not compliant |

**7.7 Acquisition and ownership of buildings**

| Activity number | Activity name | TSC assessment | Compliance with TSC |
|---|---|---|---|
| 7.7 | Acquisition and ownership of buildings | PwC NL rents multiple buildings built before 2020 and these have an Energy Performance Certificate (EPC) of at least Class A. The buildings are also operating efficiently in terms of energy performance and assessment. Rented buildings that substantially meet these requirements contribute to the climate change adaptation objective.<br><br>There are DNSH TSC applicable related to the EPC with regard to the climate change adaptation objective. These are met as the criteria for the substantial contribution requires a higher EPC class (C for the DNSH and A for the substantial contribution).<br><br>Alignment with DNSH criteria for climate adaptation has been met. The climate risk and vulnerability assessment was conducted centrally at the firm level following the criteria set out in Appendix A. It assessed the materiality of physical climate risks and their impact on our own operations, supply chain and clients. This is the only DNSH criteria listed for this economic activity. | Compliant |

**9.3 Consultancy for physical climate risk management and adaptation**

| Activity number | Activity name | TSC assessment | Compliance with TSC |
|---|---|---|---|
| 9.3 | Consultancy for physical climate risk management and adaptation | After analysis we determined that the TSC were not met as we could not sufficiently demonstrate that individual client engagements are consistent with the standards and guidelines on climate adaptation and risk management and disaster risk reduction.<br><br>With regard to the DNSH criterion, insufficient information was available to confirm that we comply with the criteria for climate change mitigation. | Not compliant |

**11. Education**

| Activity number | Activity name | TSC assessment | Compliance with TSC |
|---|---|---|---|
| 11 | Education | Although identified as an eligible economic activity, none of the TSC are met. PwC NL provides mainly (upskilling) training to clients on CSRD and ESG-related topics.<br><br>There are no DNSH criteria listed for this economic activity. | Not compliant |

**Our KPIs and accounting policies**
For presenting the Taxonomy KPIs, Turnover, CapEx and OpEx we use the templates provided in Annex II to the Disclosures Delegated Act. Because we are not performing any of the activities related to natural gas and nuclear energy (activities 4.26-4.31), we use only the below table Nuclear and fossil gas related activities as introduced by the Complementary Delegated Act. We will not be using the other dedicated templates regarding activities in certain energy sectors.

**Nuclear and fossil gas related activities**

| | Nuclear energy related activities | |
|---|---|---|
| 1. | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2. | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO |
| 3. | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| | **Fossil gas related activities** | |
| 4. | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5. | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6. | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

## Turnover

**Accounting policy**
The proportion of Taxonomy-aligned economic activities in our total turnover has been calculated as the part of net turnover derived from services associated with Taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from 1 July 2023 to 30 June 2024. The denominator of the turnover KPI is based on our consolidated net turnover in accordance with Dutch GAAP. For further details on our accounting policies regarding our consolidated net turnover, see page 141 of this Annual Report.
The turnover of 2023/2024 is used as the denominator for the calculation of the Taxonomy turnover KPI and is calculated with reference to the definition in Article 8 of the EU Taxonomy.

**Results**
The turnover amounts to € 1,082 million and corresponds to the 'net revenue' on page 149 as included in the consolidated financial statements. The eligible turnover amounts to € 1.7 million and represents 0.2% of the total turnover.

## CapEx

**Accounting policy**
We have determined the CapEx eligibility and alignment with reference to the definition as per Article 8 of the EU Taxonomy. CapEx includes additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any remeasurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. It also includes additions to tangible and intangible assets resulting from business combinations but excludes additions to goodwill. The additions follow the accounting principles as disclosed in the financial statements of this Annual Report.

**Results**
The total CapEx used as a denominator for the calculation of the Taxonomy CapEx KPI amounts to € 5.9 million and corresponds to additions to intangible and tangible fixed assets over the period. Goodwill is not included in the CapEx. The amounts can be reconciled to disclosure note 1 and 2 in the consolidated financial statements. The amount of eligible CapEx amounts to € 0.2 million and represents 3.9% of the total CapEx.

## OpEx

**Accounting policy**
The OpEx KPI is defined as Taxonomy-aligned OpEx (numerator) divided by our total OpEx (denominator). Total OpEx as per the definition under the Taxonomy consists of direct non-capitalised costs that relate to leases of cars and buildings. The legislation also considers the spend on OpEx directly attributed to CapEx needed for the transition to more sustainable operations to be eligible with reference to the EU Taxonomy. This definition is narrower than the accounting definition of OpEx.

Economic Activity 7.7: Acquisition and ownership of buildings is classified as an eligible activity given the fact that based on the Commission Delegated Regulation (EU) 2021/217 non-financial undertakings applying national generally accepted accounting principles (GAAP), CapEx shall cover the costs accounted under the applicable GAAP that correspond to the costs included in the CapEx by non-financial undertakings applying IFRS. As PwC NL applies Dutch GAAP this is clas sified as an eligible activity in OpEx.

Economic Activity 6.5: Leasing of cars is classified as an eligible activity given the fact that based on the Commission Delegated Regulation (EU) 2021/217 non-financial undertakings applying national generally accepted accounting principles (GAAP), CapEx shall cover the costs accounted under the applicable GAAP that correspond to the costs included in the CapEx by non-financial undertakings applying IFRS. As PwC NL applies Dutch GAAP this is classified as an eligible activity in OpEx.

| **Breakdown of OpEx** (in € x 1,000) | Disclosure note in financial statements | Total amount disclosure note | Amount in the denominator | Amount in the numerator |
|---|---|---|---|---|
| Occupancy costs | 23 | 37,873 | 32,089 | 18,315 |
| Technology | 23 | 34,005 | - | - |
| External consultants' fees | 23 | 10,802 | - | - |
| Sales and business development | 23 | 7,799 | - | - |
| Early retirement benefits | 23 | 177 | - | - |
| Other costs | 23 | 47,325 | - | - |
| Travel costs | 22 | 65,568 | 32,016 | 24,460 |
| **Total** | | **203,549** | **64,105** | **42,775** |

| Activity number | Activity name | Objective | Description PwC NL activity |
|---|---|---|---|
| 5.1 | Repair, refurbishment and remanufacturing | Circular economy | Not compliant |

**Results**
The total OpEx used as denominator for the calculation of the Taxonomy OpEx KPI amounts to € 64.1 million. The eligible OpEx amounts to € 42.8 million and represents 67% of the OpEx as defined in the accounting policy.

The first table on the left is the breakdown of OpEx numerator and denominator into its components based on the definition of OpEx in the Disclosures Delegated Act.

## Economic activities eligible under the environmental objectives

PwC NL analysed its eligible activities under the new Environmental Delegated Act (June 2023) for the four non-climate environmental objectives mentioned in the EU Taxonomy figure. Therefore, for the 2023/2024 eligibility assessment, we analysed our activities with the criteria specified in the Environmental Delegated Act to identify eligible economic activities. We identified one eligible economic activity in which PwC NL is engaged. This is activity 5.1 Repair, refurbishment and remanufacturing, which relates to the objective of a circular economy (see second table on the left).

Alignment with EU Taxonomy for this eligible economic activity is not assessed as this is not required yet.

**Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering financial year 2023/2024** (in € x 1,000)

| Financial year | 2023/2024 | | | Substantial Contribution Criteria | | | | | | DNSH criteria | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| Economic Activities | Code | Turnover | Proportion of turnover, year 2023/2024 | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | Proportion of Taxonomy-aligned or eligible Turnover, year N-1 | Category enabling activity | Category transitional activity |
| | | *mEUR* | *%* | *Y; N; NEL* | *Y; N; NEL* | *Y; N; NEL* | *Y; N; NEL* | *Y; N; NEL* | *Y; N; NEL* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| **A. Taxonomy-eligible actvities** | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| *No Taxonomy-aligned activities* | | | | | | | | | | | | | | | | | | | |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | - | 0.0% | | | | | | | | | | | | | | | | |
| of which Enabling | | - | 0.0% | | | | | | | | | | | | | | | | |
| of which Transitional | | - | 0.0% | | | | | | | | | | | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| 9.3 Consultancy for physical climate risk management and adaptation | 71.12 | 680 | 0.1% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| 11. Education | 85.6 | 1,058 | 0.1% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 1,738 | 0.2% | | | | | | | | | | | | | | | | |
| A. Turnover of Taxonomy-eligible activities (A.1+A.2) | | 1,738 | 0.2% | | | | | | | | | | | | | | | | |
| **B. Taxonomy-non-eligible activities** | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities | | 1,080,140 | 99.8% | | | | | | | | | | | | | | | | |
| **Total** | | **1,081,878** | 100.0% | | | | | | | | | | | | | | | | |

1. EL: Eligble; N/EL: Non-Eligible

**Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering financial year 2023/2024** (in € x 1,000)

| Financial year | 2023/2024 | | | Substantial Contribution Criteria | | | | | | DNSH criteria | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| Economic Activities | Code | CapEx | Proportion of CapEx, year 2023/2024 | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | Proportion of Taxonomy-aligned or eligible Turnover, year N-1 | Category enabling activity | Category transitional activity |
| | | *mEUR* | *%* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| **A. Taxonomy-eligible actvities** | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| *No Taxonomy-aligned activities* | | | | | | | | | | | | | | | | | | | |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) | | - | 0.0% | | | | | | | | | | | | | | | | |
| of which Enabling | | - | 0.0% | | | | | | | | | | | | | | | | |
| of which Transitional | | - | 0.0% | | | | | | | | | | | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| 7.3. Installation, maintenance, and repair of energy efficiency equipment | 43.2 | 228 | 3.9% | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 228 | 3.9% | | | | | | | | | | | | | | | | |
| A. CapEx of Taxonomy-eligible activities (A.1+A.2) | | 228 | 3.9% | | | | | | | | | | | | | | | | |
| **B. Taxonomy-non-eligible activities** | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities | | 5,679 | 96.1% | | | | | | | | | | | | | | | | |
| **Total** | | **5,907** | 100.0% | | | | | | | | | | | | | | | | |

1. EL: Eligible; N/EL: Non-Eligible

**Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering financial year 2023/2024** (in € x 1,000)

| Financial year | 2023/2024 | | | Substantial Contribution Criteria | | | | | | DNSH criteria | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| Economic Activities | Code | OpEx | Proportion of OpEx, year 2023/2024 | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | Proportion of Taxonomy-aligned or eligible Turnover, year N-1 | Category enabling activity | Category transitional activity |
| | | *mEUR* | *%* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| **A. Taxonomy-eligible actvities** | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| *No Taxonomy-aligned activities* | | | | | | | | | | | | | | | | | | | |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) | | - | 0.0% | | | | | | | | | | | | | | | | |
| of which Enabling | | - | 0.0% | | | | | | | | | | | | | | | | |
| of which Transitional | | - | 0.0% | | | | | | | | | | | | | | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| 6.5 Transport by motorbikes, passenger cars and light commercial vehicles | 77.11 | 24,460 | 38.2% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| 7.7. Acquisition and ownership of buildings | 68.32 | 18,315 | 28.6% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 42,775 | 66.7% | | | | | | | | | | | | | | | | |
| A. OpEx of Taxonomy-eligible activities (A.1+A.2) | | 42,775 | 66.7% | | | | | | | | | | | | | | | | |
| **B. Taxonomy-non-eligible activities** | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities | | 21,330 | 33.3% | | | | | | | | | | | | | | | | |
| **Total** | | **64,105** | 100.0% | | | | | | | | | | | | | | | | |

1. EL: Eligible; N/EL: Non-Eligible

# Social information

Social sustainability forms a critical part of our responsibility towards our people, our clients and the wider society. We are committed to fostering a working environment that promotes well-being, personal development, inclusion and diversity, and equal opportunities. The contributions of our workforce – our employees, self-employed people, temporary agency workers and partners – are essential to our achievements. We therefore carefully ensure that the right conditions are met for our people. PwC does not have operations that are at significant risk of incidents of forced, compulsory or child labour.

**Working conditions**
A critical aspect of our commitment to our colleagues is ensuring adequate working conditions. This includes allowing the freedom for organising, stimulating social dialogue and providing adequate wages and employment conditions for our colleagues. In turn, this boosts their job satisfaction, productivity and loyalty, while enhancing our overall business performance.

**Career and skills development**
One of the drivers for colleagues to join PwC is to develop as professionals in their area of expertise. We offer a variety of opportunities for development: on the job by working on client engagements, continuous feedback and coaching by a dedicated career coach, and continuous learning and development both on their technical expertise and personal development. Investing in these areas can improve employee performance and, potentially, increase the firm's performance. This professional growth and development are only possible in a supportive and socially safe environment where partners, directors and managers lead by example. Regular performance and career development reviews have been integrated within the annual development cycle. These elements are likely to increase employee satisfaction and retention, enhancing the firm's service quality and positively impacting client satisfaction and retention.

Skills development activities such as via training courses, also foster innovation, potentially leading to new service offerings and revenue streams. We also think that investments in ESG and digital upskilling will enable us to attract and retain people in a tight labour market. An additional benefit is that colleagues who do leave our firm have the knowledge and experience that allow them to thrive in the competitive market and be valuable alumni to our firm.

**Well-being**
Rigid working hours and excessive overtime combined with personal issues can lead to increased sick leave, employee burnout and lower morale. We recognise that these risks also apply to PwC, and that these factors can affect the overall well-being and performance of our workforce, potentially resulting in decreased productivity and a negative impact on business performance.
A focus on developing and working for client engagements means that work can be dynamic due to deadlines that have to be met and/or the challenging problems we try to solve as a community of solvers. Doing work with purpose and enthusiasm and in a balanced working environment are important factors in relation to promoting health and productivity.

| Topic | Value chain | SDG link | Impact materiality level | | Financial materiality level | |
|---|---|---|---|---|---|---|
| | | | Positive | Negative | Opportunity | Risk |
| Working conditions (own workforce) | ◁●▷ | SDG 8 | ■■□ | ■□□ | ■■■ | ■□□ |
| Career and skills development (own workforce) | ◁●▷ | SDG 4, SDG 5, SDG 10 | ■■□ | | ■■■ | |
| Well-being (own workforce) | ◁●▷ | SDG 8 | | ■■□ | | ■■■ |
| Fundament: equal treatment and opportunity | ◁●▷ | SDG 5, SDG 10 | ■■□ | ■■□ | ■□□ | ■■□ |
| **Workers in the value chain** | | | | | | |
| Workers in the value chain (own value chain) | ◀○▶ | SDG 5, SDG 8, SDG 10 | | ■■□ | | ■■□ |
| Workers in the value chain (services) | ◁○▶ | SDG 5, SDG 8, SDG 10 | ■■□ | ■■■ | | ■■□ |

◀ Upstream ● Own operation ▶ Downstream ■□□ Low materiality level: < 33% ■■□ Medium materiality level: 33-66% ■■■ High materiality level: >66%

**Fundament: equal treatment and opportunity**

Our diverse workforce brings different perspectives and ideas to our service delivery. The power of diversity and the importance of providing equal treatment and opportunities for colleagues are among the fundaments of PwC. We are committed to creating an inclusive environment where everyone feels valued and respected. Aiming for equal treatment and opportunities, mainly focused on gender, ability, sexual and migration origin, including equal pay, enables us to tap into a wider and more diverse pool of talent. And that in turn fosters innovation and drives a better business performance. Promoting equal opportunities enhances employee satisfaction and retention, with the latter reducing recruitment and training costs. Our focus on inclusion contributes to our reputation as an employer of choice, attracting talent and strengthening our competitive edge. We are committed to maintaining and enhancing policies and practices that ensure equal treatment and opportunities for our colleagues, recognising the valuable contributions they make to our success.

**Workers in the value chain**

*Own value chain*

We recognise that our work has a significant potential impact on workers in the value chain, both upstream and downstream. This includes potential impacts on labour and other human rights that could be linked to PwC's purchases and services. This is particularly relevant when we – directly or indirectly – work with or in countries of concern and sensitive sectors where human rights and labour rights violations might be present.

We are committed to ensuring that our business practices respect and uphold the rights of workers in our up- and downstream value chain, and continually strive to mitigate any negative impacts that our operations may have on them. Although the ADMs are part of our global PwC Network and are required to adhere to the Network Standards, there are differences in their impact due to differences in local social security. In the near future, the Corporate Sustainability Due Diligence Directive (CSDDD) come into force. We will further evaluate the impact of this regulation on our contractual agreements upstream and downstream, therefore we intend to gather data on the impact we have on workers in the value chain.

*Services*

We have a positive impact on our clients by providing them with expertise on social issues that can be relevant throughout their value chain, such as equal pay and labour and human rights.
We provide support to our clients in developing a social people strategy (including the workers in the value chain) in transformation and in ESG reporting, such as the social topics in ESRS.

# Own workforce - Working conditions

## Strategy, governance and action plan: how we manage our impact

**Adequate wages and secure employment**
As part of our people value proposition, we mainly offer secure employment and a competitive remuneration package including salary, allowances, variable pay and benefits that are above the statutory minimum wage. This fosters long-term stability for employees, which can positively influence their productivity and potentially enhance overall business performance. Not providing secure employment, particularly in terms of permanent contracts, limits career growth and financial stability. This could lead to a lack of employee availability (higher turnover and absence due to dissatisfaction), which can then translate into an increase in personnel acquisition costs and poorer job performances.

An adequate wage should enable employees to cover base expenses, such as housing, food, healthcare and education. Currently we ensure that our employees are paid at least minimum wage and the majority receives an above-average income. We will take a closer look what the adequate wage definition means for the future policy making of the employment conditions of PwC. In case of any adverse impact, we will verify how we could remedy this and if necessary, consider a target for tracking the effectiveness of the remediation.

Various salary models are used within PwC. The Advisory, Assurance and Tax & Legal Lines of Service use cohort models, where in principle, the same salaries are paid to employees in the same cohort based on work experience. Internal Firm Services works with bandwidths per job level and job characteristics and seniority are inputs for determining the individual wage in comparison to peers. A benchmark is performed every year to compare our salaries with the other representative companies, including large audit and consulting firms and an annual determination is made of any adjustments required per cohort or bandwidth. Last year's benchmark saw the cohorts/bandwidths raised by at least 2%, with higher percentages granted for cohorts where the benchmark required us to do so. Almost all employees are part of our regular annual salary increase. We evaluate the development and performance of each employee at the end of the financial year in June and this forms the basis for a salary increase in October. We are committed to the principle of equal pay for equal work or work of equal value, and we take action if necessary to make further improvements.

Within our employment conditions we have a focus on well-being where employees have an individual budget to spend as well as unlimited access to a platform that focuses on physical, mental and socio-emotional well-being. This also reduces negative material impacts on our own workforce.

**Social dialogues with employee representatives**
PwC is not subject to a collective bargaining agreement (CAO). PwC has a works council (*ondernemingsraad*) that represents our employees and negotiates working conditions and terms of employment. The works council acts in accordance with the Dutch Works Council Act (*Wet op de ondernemingsraden*) and meets regularly (at least six times a year) with a representative from the Board of Management.

It provides advice to the Board of Management, either upon request or at its own initiative, and has specific rights such as prior consultation in the event of major decisions and employee working conditions that may have a negative impact. The progress on any targets set are also monitored and discussed in meetings with the works council, including employee turnover. Directors are represented by a Director Council.

We have established Young Boards (for PwC NL and for each Line of Service and Internal Firm Services), to serve as a sounding board. This enables us to engage in an ongoing dialogue with employees, ensuring that we actively involve them in shaping our strategy.

PwC is committed to creating a culture in the workplace that promotes a safe working environment including psychological safety and open dialogue. We conduct an annual Global People Survey (GPS) to gather insights into employee perceptions and experiences. Analysing the survey results enables us to initiate meaningful dialogues within our organisation about the areas in which we excel and those where we might further enhance our working environment. The results of the survey act as a catalyst for identifying specific actions that we use as an input for our business model and strategy. While the works council is not consulted in the target setting, it does monitor the progress of certain targets during the year. In addition, PwC provides various channels for employees to voice their opinions and concerns via reporting systems (such as the Ethics Helpline), the Young Boards and the works council.

The works council is involved at least once a year in the negotiations for the 'revised/new' terms of employment, with meetings being regularly held throughout the year with the employer to discuss employee-related topics. We track the effectiveness of our working conditions by ensuring compliance with Dutch law and the agreements made with the works council.

PwC's works council has 23 members, representing colleagues from the Lines of Service (eight from Assurance, five from Tax & Legal, five from Advisory) and Internal Firm Services (five).

Within PwC we focus on ensuring that our Human Capital (HC) operations comply with Dutch labour laws and regulations such as paying minimum wages, secure employment, social security, leave, pensions and working hours. We also make sure we offer the best possible environment for our employees to work in, both from a health and safety perspective and by fostering a collaborative culture supported by common values.

The satisfaction of our employees is measured by sickness rates, turnover rates, on a gender and ethnicity level, and by analysing the results of our GPS.

**PwC Global Human Rights Policy**
The PwC Global Human Rights Policy encapsulates PwC's strong commitment to the United Nations Guiding Principles on Business and Human Rights, its related treaties and declarations and the broader ethical reasoning behind its development. The Universal Declaration of Human Rights, adopted by the UN in 1948, serves as a foundational document, articulating the basic rights and freedoms that should be protected for every individual. The PwC Global Human Rights Policy applies to us all and we expect our suppliers to adhere to this policy too, including external staff working for or representing PwC on PwC property and PwC client sites.

We recognise the connection between human rights and global environmental challenges such as climate change, pollution and waste. We understand that environmental responsibility and sustainable business practices are intrinsically linked to the well-being and dignity of individuals and communities worldwide. As we endeavour to minimise our environmental footprint and drive sustainable business growth, we remain steadfast in upholding human rights as a non-negotiable standard. By aligning our environmental efforts with global commitments to human rights, we aim to contribute to a world where every individual's rights are upheld, and their well-being safeguarded. Our commitment to human rights within our sustainability framework is a testament to our dedication to sustainable, ethical and responsible business practices.

Human rights are rights inherent to human beings, regardless of an individual's race, ethnicity, colour, age, sex, gender, gender identity or expression, sexual orientation, political beliefs, citizenship, national origin, ancestry, language, religion, mental or physical disability, medical condition, marital status, parental status, pregnancy status, economic/class status, veteran status or any other characteristics protected by law. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education and many more. Everyone is entitled to these rights, without discrimination. We respect and encourage dialogue, creating a climate for open and honest discussions.

We take appropriate measures to protect the safety of our people. We do not tolerate harassment, discrimination, retaliation, intimidation, bullying or disrespectful behaviour that undermines the integrity of relationships. We do not tolerate such acts in the workplace nor in any work-related circumstances outside the workplace. We are opposed to and will not tolerate any form of human trafficking or modern slavery.

Various international frameworks that emphasise the importance of upholding human rights were referenced in drafting our PwC Global Human Rights Policy[1].

Our current Human Rights Policy makes no reference to the additional two covenants (International Covenant on Civil and Political Rights (ICCPR) and International Covenant on Economic, Social and Cultural Rights (ICESCR) of the Universal Declaration of Human Rights.

1 United Nations Global Compact (UNGC), Universal Declaration of Human Rights (UDHR), World Business Council for Sustainable Development (WBCSD), International Bill of Human Rights, International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, Organisation for Economic Co-operation and Development (OECD) guidelines for multinational organisations, United Nations Guiding Principles on Business and Human Rights (UNGP), Ten Principles of the UNGC.

There are no mechanisms and processes on monitoring compliance with the UNGC, ILO Declaration and OECD Guidelines described in our current PwC Global Human Rights Policy, nor are the measures to remedy any negative impact on human rights. PwC NL will review whether it is necessary to develop a supplement to the global policy to ensure localised and ESG-related concerns are addressed. The policy is not applicable to clients either and we will review whether it is necessary to address this in a local supplementary policy.

**Human Rights Statement**
PwC has a responsibility to ensure its business respects international human rights. We recognise the ILO's Declaration on Fundamental Principles and Rights at Work and particularly endorse the UN Guiding Principles on Business and Human Rights. The PwC Network has been a signatory to the UN Global Compact since 2002 and we are deeply committed to the UNGC's Ten Principles for responsible business practices, remaining steadfast in delivering positive societal and environmental outcomes. By embedding the Ten Principles across PwC's operations, we hope to continue using our scale, knowledge and skills to make a difference for our broader stakeholders. Our policy commitments on human rights are governed by comprehensive policies, which are included on our website:
- our updated Global Human Rights Statement;
- Code of Conduct;
- Third Party Code of Conduct.

**Ethics Helpline, complaints and notification, and severe human rights impacts**
Being a socially safe and respectful workplace is essential to creating a culture that empowers and facilitates colleagues to speak up and raise concerns or questions as well as provide remedies in cases where employees have experienced negative circumstances. Our Ethics Helpline is in place to support this: see *page 96* for detailed information.

## Metrics, targets and performance

By employees we mean the colleagues who have an employment relationship with PwC. This includes those with a permanent, temporary, non-guaranteed hours contract and work students.

While the partners of PwC are also part of our own workforce, they do not have an employment relationship with PwC as they operate under an association agreement between their personal BVs and PwC. However, as they play an important role in running the business for the purpose of this sustainability statement they are classified as non-employees.

For reasons of transparency, in the disclosure of the definitions of Social (ESRS) indicators in this report, it is explained explicitly what levels are included per indicator (‘employees and partners’ or only ‘employees’). Headcount is measured by employees and partners combined, for the purpose of this sustainability statement (unless otherwise stated). Where indicating the composition of our workforce, we also include partners, and we only include employees where there are indicators enforced by labour law.

The comparative figure of the number of partners and employees changed due to an adjustment in definition. The definition used in the previous year was the PwC global definition, that did not include the partners and employees that left on 30 June. This change in definition impacted several tables in this annual report.

| Headcount as at 30 June | 2024 | 2023 |
|---|---|---|
| Employees | 5,661 | 5,512 |
| Partners | 295 | 296 |
| **Total** | **5,956** | **5,808** |

## Results 2023/2024

**Employee and partner development**
The headcount increased slightly compared to the previous year, mainly in Advisory. Relative to the previous year, we have a nearly equal percentage of woman and non-Western colleagues. Interesting to note is that the number of full-time employees increased by 4%.

| *Employees and partners* | Headcount by gender | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023/2024 | | | | | 2022/2023 | | | | |
| **Gender** | **Assurance** | **Tax & Legal** | **Advisory** | **Internal Firm Services** | **Total** | **Assurance** | **Tax & Legal** | **Advisory** | **Internal Firm Services** | **Total** |
| Male | 1,221 | 723 | 880 | 451 | 3,275 | 1,205 | 713 | 843 | 433 | 3,194 |
| Female | 818 | 510 | 562 | 783 | 2,673 | 819 | 495 | 517 | 775 | 2,606 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Not reported | 1 | 2 | 3 | 2 | 8 | 1 | 2 | 3 | 2 | 8 |
| **Total** | **2,040** | **1,235** | **1,445** | **1,236** | **5,956** | 2,025 | 1,210 | 1,363 | 1,210 | 5,808 |
| **Registration gender %** | **99.9%** | | | | | **99.9%** | | | | |

| *Employees and partners* | Headcount by migration origin | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023/2024 | | | | | 2022/2023 | | | | |
| **Migration origin** | **Assurance** | **Tax & Legal** | **Advisory** | **Internal Firm Services** | **Total** | **Assurance** | **Tax & Legal** | **Advisory** | **Internal Firm Services** | **Total** |
| Dutch | 1,005 | 802 | 808 | 745 | 3,360 | 1,009 | 767 | 737 | 717 | 3,230 |
| Western migration origin | 217 | 122 | 195 | 113 | 647 | 225 | 129 | 189 | 121 | 664 |
| Non-Western migration origin | 593 | 188 | 250 | 210 | 1,241 | 578 | 184 | 239 | 186 | 1,187 |
| Not reported | 225 | 123 | 192 | 168 | 708 | 213 | 130 | 198 | 186 | 727 |
| **Total** | **2,040** | **1,235** | **1,445** | **1,236** | **5,956** | 2,025 | 1,210 | 1,363 | 1,210 | 5,808 |
| **Registration origin %** | **88.1%** | | | | | **87.5%** | | | | |

The comparative figures of the headcount changed due to an adjustment in definition. According to ESRS S1 Own workforce, the non-guaranteed hours of employees (2022/2023: 22 non-guaranteed hours employees) should also be included in the headcount. This was not the case in the former definition. In addition, we have excluded the long-term secondees as they do not have an employment relationship with PwC NL.

**Definitions**
- Total number of employees: total headcount of employees.
- Gender registration %: percentage of employees whose gender is registered in Workday as at 30 June.
- Migration origin registration %: percentage of employees whose migration origin is registered in Workday as at 30 June.

| Headcount as at 30 June 2024 | | | | | | |
|---|---|---|---|---|---|---|
| *Employees* | | Gender | | | | |
| **LoS** | **Level** | **Female** | **Male** | **Other** | **Not reported** | **Total** |
| | | **Total number of employees** | | | | |
| Assurance | Professional staff | 751 | 1,129 | - | 1 | 1,881 |
| | Support staff | 44 | 10 | - | - | 54 |
| **Assurance total** | | **795** | **1,139** | **-** | **1** | **1,935** |
| Tax & Legal | Professional staff | 471 | 632 | - | 1 | 1,104 |
| | Support staff | 21 | 12 | - | - | 33 |
| **Tax & Legal total** | | **492** | **644** | **-** | **1** | **1,137** |
| Advisory | Professional staff | 533 | 804 | - | 2 | 1,339 |
| | Support staff | 10 | 5 | - | - | 15 |
| **Advisory total** | | **543** | **809** | **-** | **2** | **1,354** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 782 | 451 | - | 2 | 1,235 |
| **Internal Firm Services total** | | **782** | **451** | **-** | **2** | **1,235** |
| **Total** | | **2,612** | **3.043** | **-** | **6** | **5,661** |
| | | **Permanent employees** | | | | |
| Assurance | Professional staff | 687 | 1,031 | - | 1 | 1,719 |
| | Support staff | 33 | 8 | - | - | 41 |
| **Assurance total** | | **720** | **1,039** | **-** | **1** | **1,760** |
| Tax & Legal | Professional staff | 425 | 581 | - | 1 | 1,007 |
| | Support staff | 16 | 3 | - | - | 19 |
| **Tax & Legal total** | | **441** | **584** | **-** | **1** | **1,026** |
| Advisory | Professional staff | 520 | 781 | - | 1 | 1,302 |
| | Support staff | 9 | 2 | - | - | 11 |
| **Advisory total** | | **529** | **783** | **-** | **1** | **1,313** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 670 | 409 | - | 1 | 1,080 |
| **Internal Firm Services total** | | **670** | **409** | **-** | **1** | **1,080** |
| **Total** | | **2,360** | **2,815** | **-** | **4** | **5,179** |

| Headcount as at 30 June 2024 | | | | | | |
|---|---|---|---|---|---|---|
| *Employees* | | Gender | | | | |
| **LoS** | **Level** | **Female** | **Male** | **Other** | **Not reported** | **Total** |
| | | **Temporary employees** | | | | |
| Assurance | Professional staff | 64 | 98 | - | - | 162 |
| | Support staff | 10 | 2 | - | - | 12 |
| **Assurance total** | | **74** | **100** | **-** | **-** | **174** |
| Tax & Legal | Professional staff | 46 | 51 | - | - | 97 |
| | Support staff | - | - | - | - | - |
| **Tax & Legal total** | | **46** | **51** | **-** | **-** | **97** |
| Advisory | Professional staff | 13 | 22 | - | 1 | 36 |
| | Support staff | 1 | 1 | - | - | 2 |
| **Advisory total** | | **14** | **23** | **-** | **1** | **38** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 105 | 37 | - | 1 | 143 |
| **Internal Firm Services total** | | **105** | **37** | **-** | **1** | **143** |
| **Total** | | **239** | **211** | **-** | **2** | **452** |
| | | **Non-guaranteed hours employees** | | | | |
| Assurance | Professional staff | - | - | - | - | - |
| | Support staff | 1 | - | - | - | 1 |
| **Assurance total** | | **1** | **-** | **-** | **-** | **1** |
| Tax & Legal | Professional staff | - | - | - | - | - |
| | Support staff | 5 | 9 | - | - | 14 |
| **Tax & Legal total** | | **5** | **9** | **-** | **-** | **14** |
| Advisory | Professional staff | - | 1 | - | - | 1 |
| | Support staff | - | 2 | - | - | 2 |
| **Advisory total** | | **-** | **3** | **-** | **-** | **3** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 7 | 5 | - | - | 12 |
| **Internal Firm Services total** | | **7** | **5** | **-** | **-** | **12** |
| **Total** | | **13** | **17** | **-** | **-** | **30** |

| Headcount as at 30 June 2024 | | | | | | |
|---|---|---|---|---|---|---|
| *Employees* | | Gender | | | | |
| **LoS** | **Level** | **Female** | **Male** | **Other** | **Not reported** | **Total** |
| | | **Full-time employees** | | | | |
| Assurance | Professional staff | 606 | 1,026 | - | 1 | 1,633 |
| | Support staff | 26 | 7 | - | - | 33 |
| **Assurance total** | | **632** | **1,033** | **-** | **1** | **1,666** |
| Tax & Legal | Professional staff | 319 | 515 | - | 1 | 835 |
| | Support staff | 3 | 2 | - | - | 5 |
| **Tax & Legal total** | | **322** | **517** | **-** | **1** | **840** |
| Advisory | Professional staff | 464 | 744 | - | 1 | 1,209 |
| | Support staff | 7 | - | - | - | 7 |
| **Advisory total** | | **471** | **744** | **-** | **1** | **1,216** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 386 | 360 | - | 1 | 747 |
| **Internal Firm Services total** | | **386** | **360** | **-** | **1** | **747** |
| **Total** | | **1,811** | **2,654** | **-** | **4** | **4,469** |
| | | **Part-time employees** | | | | |
| Assurance | Professional staff | 145 | 103 | - | - | 248 |
| | Support staff | 18 | 3 | - | - | 21 |
| **Assurance total** | | **163** | **106** | **-** | **-** | **269** |
| Tax & Legal | Professional staff | 152 | 117 | - | - | 269 |
| | Support staff | 18 | 10 | - | - | 28 |
| **Tax & Legal total** | | **170** | **127** | **-** | **-** | **297** |
| Advisory | Professional staff | 69 | 60 | - | 1 | 130 |
| | Support staff | 3 | 5 | - | - | 8 |
| **Advisory total** | | **72** | **65** | **-** | **1** | **138** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 396 | 91 | - | 1 | 488 |
| **Internal Firm Services total** | | **396** | **91** | **-** | **1** | **488** |
| **Total** | | **801** | **389** | **-** | **2** | **1,192** |

**Definitions**
- Permanent employees: headcount of employees with a permanent contract.
- Temporary employees: headcount of employees with a temporary contract.
- Non-guaranteed hours employees: headcount of employees with a 0-hour contract.
- Full-time employees: headcount of employees with a 40-hour contract.
- Part-time employees: headcount of employees with a less than 40-hour contract.

| Headcount as at 30 June 2023 | | | | | | |
|---|---|---|---|---|---|---|
| *Employees* | | Gender | | | | |
| **LoS** | **Level** | **Female** | **Male** | **Other** | **Not reported** | **Total** |
| **Total number of employees** | | | | | | |
| Assurance | Professional staff | 756 | 1,109 | - | 1 | 1,866 |
| | Support staff | 41 | 12 | - | - | 53 |
| **Assurance total** | | **797** | **1,121** | **-** | **1** | **1,919** |
| Tax & Legal | Professional staff | 461 | 618 | - | 1 | 1,080 |
| | Support staff | 17 | 13 | - | - | 30 |
| **Tax & Legal total** | | **478** | **631** | **-** | **1** | **1,110** |
| Advisory | Professional staff | 490 | 772 | - | 2 | 1,264 |
| | Support staff | 8 | 2 | - | - | 10 |
| **Advisory total** | | **498** | **774** | **-** | **2** | **1,274** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 774 | 433 | - | 2 | 1,209 |
| **Internal Firm Services total** | | **774** | **433** | **-** | **2** | **1,209** |
| **Total** | | **2,547** | **2,959** | **-** | **6** | **5,512** |
| **Permanent employees** | | | | | | |
| Assurance | Professional staff | 650 | 986 | - | 1 | 1,637 |
| | Support staff | 31 | 9 | - | - | 40 |
| **Assurance total** | | **681** | **995** | **-** | **1** | **1,677** |
| Tax & Legal | Professional staff | 405 | 553 | - | - | 958 |
| | Support staff | 14 | 3 | - | - | 17 |
| **Tax & Legal total** | | **419** | **556** | **-** | **-** | **975** |
| Advisory | Professional staff | 477 | 737 | - | 1 | 1,215 |
| | Support staff | 8 | 2 | - | - | 10 |
| **Advisory total** | | **485** | **739** | **-** | **1** | **1,225** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 648 | 385 | - | 1 | 1,034 |
| **Internal Firm Services total** | | **648** | **385** | **-** | **1** | **1,034** |
| **Total** | | **2,233** | **2,675** | **-** | **3** | **4,911** |

| Headcount as at 30 June 2023 | | | | | | |
|---|---|---|---|---|---|---|
| *Employees* | | Gender | | | | |
| **LoS** | **Level** | **Female** | **Male** | **Other** | **Not reported** | **Total** |
| **Temporary employees** | | | | | | |
| Assurance | Professional staff | 106 | 123 | - | - | 229 |
| | Support staff | 10 | 3 | - | - | 13 |
| **Assurance total** | | **116** | **126** | **-** | **-** | **242** |
| Tax & Legal | Professional staff | 56 | 65 | - | 1 | 122 |
| | Support staff | 1 | 2 | - | - | 3 |
| **Tax & Legal total** | | **57** | **67** | **-** | **1** | **125** |
| Advisory | Professional staff | 13 | 35 | - | 1 | 49 |
| | Support staff | - | - | - | - | - |
| **Advisory total** | | **13** | **35** | **-** | **1** | **49** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 121 | 41 | - | 1 | 163 |
| **Internal Firm Services total** | | **121** | **41** | **-** | **1** | **163** |
| **Total** | | **307** | **269** | **-** | **3** | **579** |
| **Non-guaranteed hours employees** | | | | | | |
| Assurance | Professional staff | - | - | - | - | - |
| | Support staff | - | - | - | - | - |
| **Assurance total** | | **-** | **-** | **-** | **-** | **-** |
| Tax & Legal | Professional staff | - | - | - | - | - |
| | Support staff | 2 | 8 | - | - | 10 |
| **Tax & Legal total** | | **2** | **8** | **-** | **-** | **10** |
| Advisory | Professional staff | - | - | - | - | - |
| | Support staff | - | - | - | - | - |
| **Advisory total** | | **-** | **-** | **-** | **-** | **-** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 5 | 7 | - | - | 12 |
| **Internal Firm Services total** | | **5** | **7** | **-** | **-** | **12** |
| **Total** | | **7** | **15** | **-** | **-** | **22** |

| Headcount as at 30 June 2023 | | | | | | |
|---|---|---|---|---|---|---|
| *Employees* | | Gender | | | | |
| **LoS** | **Level** | **Female** | **Male** | **Other** | **Not reported** | **Total** |
| **Full-time employees** | | | | | | |
| Assurance | Professional staff | 601 | 1,014 | - | 1 | 1,616 |
| | Support staff | 18 | 6 | - | - | 24 |
| **Assurance total** | | **619** | **1,020** | **-** | **1** | **1,640** |
| Tax & Legal | Professional staff | 298 | 494 | - | - | 792 |
| | Support staff | 2 | 2 | - | - | 4 |
| **Tax & Legal total** | | **300** | **496** | **-** | **-** | **796** |
| Advisory | Professional staff | 412 | 704 | - | 2 | 1,118 |
| | Support staff | 5 | - | - | - | 5 |
| **Advisory total** | | **417** | **704** | **-** | **2** | **1,123** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 383 | 337 | - | 2 | 722 |
| **Internal Firm Services total** | | **383** | **337** | **-** | **2** | **722** |
| **Total** | | **1,719** | **2,557** | **-** | **5** | **4,281** |
| **Part-time employees** | | | | | | |
| Assurance | Professional staff | 155 | 95 | - | - | 250 |
| | Support staff | 23 | 6 | - | - | 29 |
| **Assurance total** | | **178** | **101** | **-** | **-** | **279** |
| Tax & Legal | Professional staff | 163 | 124 | - | 1 | 288 |
| | Support staff | 15 | 11 | - | - | 26 |
| **Tax & Legal total** | | **178** | **135** | **-** | **1** | **314** |
| Advisory | Professional staff | 78 | 68 | - | - | 146 |
| | Support staff | 3 | 2 | - | - | 5 |
| **Advisory total** | | **81** | **70** | **-** | **-** | **151** |
| Internal Firm Services | Professional staff | - | - | - | - | - |
| | Support staff | 391 | 96 | - | - | 487 |
| **Internal Firm Services total** | | **391** | **96** | **-** | **-** | **487** |
| **Total** | | **828** | **402** | **-** | **1** | **1,231** |

| Country | | |
|---|---|---|
| *Employees and partners* | 2024 | 2023 |
| **Country** | Headcount as at 30 June | Headcount as at 30 June |
| The Netherlands | 5,956 | 5,808 |
| Assurance | 2,040 | 2,025 |
| Tax & Legal | 1,235 | 1,210 |
| Advisory | 1,445 | 1,363 |
| Internal Firm Services | 1,236 | 1,210 |
| **Active outside NL** | **12** | **14** |

The number of employees is reconciled with the average number employed in FTE on page 153.

The comparative figure of the number of colleagues active outside the Netherlands changed due to an adjustment in the definition. The definition used in the previous year (2022/2023: 40) were all short-term secondees working outside the Netherlands during the year and the current definition is the number of headcount of short-term secondees working outside the Netherlands as at 30 June.

**Definitions**
- Active outside NL: headcount of employees and partners on a short-term secondment.

| Turnover by gender | | | | |
|---|---|---|---|---|
| *Employees* | 2023/2024 | | 2022/2023 | |
| **Gender** | Number | Percentage | Number | Percentage |
| Male | 494 | 16.5% | 496 | 17.4% |
| Female | 418 | 16.2% | 407 | 16.5% |
| Other | - | - | - | - |
| Not reported | 4 | 66.7% | 1 | 15.4% |
| **Total turnover** | **916** | **16.4%** | **904** | **17.0%** |
| **Registration turnover gender %** | **99.6%** | | | **99.9%** |

Overall target on turnover is less than or equal to 15% with an equal turnover in terms of gender and ethnicity. In certain areas of our business, we offer a temporary contract to new colleagues with the intention to offer a permanent employment if they perform satisfactorily and if there is sufficient need from the business.

**Definitions**
- Total employee turnover: headcount and percentage of employees who left PwC.
- Employee turnover by gender: percentage of employees registered as ‘male’, ‘female’, ‘other’ or ‘not reported’ who left during the reporting period.
- Employee turnover by gender registration %: percentage of employees who left during the reporting period whose gender is registered in Workday as at 30 June.
- Employee turnover by migration origin: percentage of employees registered as ‘Dutch’, ‘Western’, ‘non-Western’ or ‘not reported’ who left during the reporting period.
- Employee turnover by migration origin registration %: percentage of employees who left during the reporting period whose migration origin is registered in Workday as at 30 June.

| Turnover by migration origin | | | | |
|---|---|---|---|---|
| *Employees* | 2023/2024 | | 2022/2023 | |
| **Migration origin** | Number | Percentage | Number | Percentage |
| Dutch | 451 | 14.6% | 420 | 14.1% |
| Western migration origin | 117 | 18.6% | 116 | 19.6% |
| Non-Western migration origin | 240 | 19.9% | 245 | 22.2% |
| Not reported | 108 | 16.4% | 123 | 19.1% |
| **Total turnover** | **916** | **16.4%** | **904** | **17.0%** |
| **Registration turnover origin %** | **62.0%** | | | **59.3%** |

The comparative figures of the amount and percentages of turnover by gender and migration origin changed from 12.6% to 17.0% due to an adjustment in the definition. According to ESRS S1 Own workforce, the definition of turnover includes temporary contracts. For consistency purposes we have also included the new hires with temporary contracts.

| New hires by gender | | | | |
|---|---|---|---|---|
| *Employees* | 2023/2024 | | 2022/2023 | |
| **Gender** | Number | Percentage | Number | Percentage |
| Male | 610 | 54.4% | 739 | 54.6% |
| Female | 511 | 45.6% | 614 | 45.4% |
| Other | - | - | - | - |
| Not reported | 4 | - | 3 | - |
| **Total new hires** | **1,125** | | **1,356** | |
| **Registration intake gender %** | **99.6%** | | | **99.8%** |

| New hires by migration origin | | | | |
|---|---|---|---|---|
| *Employees* | 2023/2024 | | 2022/2023 | |
| **Migration origin** | Number | Percentage | Number | Percentage |
| Dutch | 570 | 57.3% | 571 | 48.4% |
| Western migration origin | 128 | 12.9% | 218 | 18.5% |
| Non-Western migration origin | 296 | 29.8% | 390 | 33.1% |
| Not reported | 131 | - | 177 | - |
| **Total new hires** | **1,125** | | **1,356** | |
| **Registration intake origin %** | **88.4%** | | | **86.9%** |

The comparative figures of the number and percentages of hires by gender and migration origin changed due to an adjustment in definition. According to ESRS S1 Own workforce, the definition of turnover includes temporary contracts. For consistency purposes we have also included the new hires with temporary contracts.

**Definitions**

- Total new hires: headcount of employees who joined PwC.
- New hires by gender: percentage of employees registered as ‘male’, ‘female’, ‘other’ or ‘not reported’ who joined during the reporting period.
- New hires by gender registration %: percentage of employees who joined during the reporting period whose gender is registered in Workday as at 30 June.
- New hires by migration origin: percentage of employees registered as ‘Dutch’, ‘Western’, ‘non-Western’ or ‘not reported’ who joined during the reporting period.
- New hires by migration origin registration %: percentage of employees who joined during the reporting period whose migration origin is registered in Workday as at 30 June.

## Non-employees

The definition of 'own workforce' with reference to ESRS S1 is broader than only 'employees', it includes employees and non-employees. Workers who are not employed by PwC but whose work is performed for a specific period for the organisation, are classified as non-employees. PwC has three types of non-employees: self-employed people, temporary agency workers and partners.

| The number of non-employees in own workforce | 2023/2024 | 2022/2023 |
|---|---|---|
| Self-employed people | 70 | 83 |
| People provided by organisations primarily engaged in employment activities | 59 | 86 |
| Partners | 295 | 296 |
| **Total non-employees** | **424** | **465** |

**Partners as at 30 June 2024**

| LoS | Female | Male | Other | Not reported | Total |
|---|---|---|---|---|---|
| Assurance | 23 | 82 | - | - | **105** |
| Tax & Legal | 18 | 79 | - | 1 | **98** |
| Advisory | 19 | 71 | - | 1 | **91** |
| Internal Firm Services | 1 | - | - | - | **1** |
| **Total** | **61** | **232** | **-** | **2** | **295** |

**Partners as at 30 June 2023**

| LoS | Female | Male | Other | Not reported | Total |
|---|---|---|---|---|---|
| Assurance | 22 | 84 | - | - | **106** |
| Tax & Legal | 17 | 82 | - | 1 | **100** |
| Advisory | 19 | 69 | - | 1 | **89** |
| Internal Firm Services | 1 | - | - | - | **1** |
| **Total** | **59** | **235** | **-** | **2** | **296** |

Furthermore, as at 30 June 2024 we had 207 (thesis) interns compared to 202 last year.

**Definitions**
- Total non-employees: total headcount of people not employed by PwC but performing work for PwC.
- Self-employed people: headcount of people defined as self-employed.
- People provided by organisations primarily engaged in employment activities: headcount of people provided by organisations engaged in employment activities.
- Partners: headcount of partners, who are (through their personal BVs) members of the Coöperatie and senior executive responsible persons for managing client relationships, driving growth and contributing to strategy.

| People Engagement Index | | |
|---|---|---|
| *Employees and partners* | **2023/2024** | **2022/2023** |
| Favourable answers GPS | 74% | 74% |
| **People Engagement Index:** | 85% | 87% |
| - I would recommend PwC as a great place to work for | 85% | 85% |
| - I am proud to work at PwC | 88% | 90% |
| - My personal values align with the values demonstrated at PwC | 87% | 88% |
| - I feel like I belong at PwC | 78% | 81% |
| - I enjoy working at PwC | 89% | 89% |
| Male | 86% | 87% |
| Female | 85% | 86% |
| Dutch origin | 88% | 89% |
| Western origin | 80% | 83% |
| Non-Western origin | 86% | 86% |

Our annual GPS was held from April to May 2024. The response rate of 78% was equal to last year as a majority of our colleagues voiced their opinion. We are proud of achieving a score of 85% (target: >80%) on the key measure, the People Engagement Index (PEI). This was the second-best score among the PwC (strategy council) territories.

The main increases that stand out for us this year can be seen in themes such as reimagine the possible, growth & development and innovation. This is good to see, especially considering the many investments made in technology. We assessed how these themes are perceived by various target groups (men/women and migration origin) and identified areas for improvement in terms of inclusion. Our ambition is to eliminate these differences and enable everyone to feel even more empowered to be themselves.

**Definitions**
- Favourable answers GPS: percentage of respondents who provided answers to all GPS questions favourably.
- People Engagement Index: percentage of respondents who answered People Engagement Index questions favourably.
- People Engagement Index by gender: percentage of male or female respondents who answered People Engagement Index questions favourably.
- People Engagement Index by migration origin: percentage of respondents with a Dutch, 'Western' or 'non-Western' migration origin who answered People Engagement Index questions favourably.

# Own workforce – Career and skills development

## Strategy, governance and action plan: how we manage our impact

We empower our colleagues to acquire knowledge, stay up to date with the latest trends such as AI and ESG, and develop the skills necessary to deliver quality expertise and drive innovation. In doing so we recognise the critical role that career and skills development plays in a thriving community of solvers. Investments in the growth and advancement of our employees is both beneficial for them as individuals and essential for the long-term success of PwC.

Investing in career and skills development demonstrates PwC's commitment to our community of solvers and helps us attract and retain talent. Examples include the design and delivery of learning content related to developing capabilities, digital skills, commercial skills, ESG skills and leadership skills among our community. L&D contributes to the competencies needed for building trust and delivering sustained outcomes for our clients. We bring our learners together across business units and Lines of Service to contribute to their personal and professional development and to the networks they build and the ways they collaborate as a community of solvers. We will continue to focus on broader skills development in line with the renewal of the PwC Professional Global Leadership Development Framework.

Stepping outside their comfort zone and gaining new experiences boost the development of our solvers. As of 2023/2024 we have invested in a Talent Mobility Programme called Gateway that provides high-performing senior associates and managers from across the Lines of Service with the opportunity to participate in a three-month secondment to live, work and learn in another EMEA territory. Gateway provides the professional and personal benefits associated with a short-term international assignment, including the opportunity to try something new, experience different cultures and ways of working, and build a global network. We have observed how programmes like these have a profound impact on our talent retention. Our commitment to fostering a supportive and inclusive work environment, combined with the opportunities for growth and development significantly contribute to our ability to attract and retain top talent.

**Upskilling in critical areas**

Fostering behaviours and a culture of collaboration and innovation are prerequisites for delivering on our strategy. The renewed global leadership framework called Evolved PwC Professional connects our purpose, values, strategy and behaviours. The difference between our current and the Evolved PwC Professional Framework is that the current one consists of competencies per level while the Evolved PwC Professional Framework describes behaviours that are expected from all of us.

The new framework will be introduced in 2024/2025 and will affect our firm-wide way of working. It will for example have an impact on our performance and appraisal processes and recognition programmes, L&D and coaching roles. Critical skills, such as upskilling in ESG and AI, business acumen and social skills, will evolve with new market opportunities and ADMs.

## Results 2023/2024

### Training hours

Our professionals spent nearly 631,000 hours of their time on L&D activities in 2023/2024. We do not see any major differences on gender. The training hours per headcount are the number of hours spent on internal and external training, giving and preparing training and doctoral research. L&D hours are based on the financial management information system.

**Average training hours per headcount**

*Employees and partners*

| 2023/2024 | Total training hours | Average training hours per headcount | 2022/2023 | Total training hours | Average training hours per headcount |
|---|---|---|---|---|---|
| Female | 259,289 | 97 | Female | 235,227 | 90 |
| Male | 370,435 | 113 | Male | 352,891 | 110 |
| Other | - | - | Other | - | - |
| Not reported | 1,171 | 146 | Not reported | 1,346 | 168 |
| **Total** | **630,895** | **106** | **Total** | **589,464** | **101** |
| Partner | 9,793 | 33 | Partner | 10,126 | 34 |
| Director | 11,822 | 38 | Director | 11,864 | 40 |
| Senior manager | 37,135 | 62 | Senior manager | 29,402 | 51 |
| Manager | 67,342 | 82 | Manager | 55,065 | 73 |
| Senior consultant | 227,444 | 148 | Senior consultant | 192,906 | 129 |
| Consultant | 249,674 | 235 | Consultant | 260,325 | 240 |
| Other staff | 27,685 | 21 | Other staff | 29,776 | 23 |
| **Total** | **630,895** | **106** | **Total** | **589,464** | **101** |

The comparative figure changed due to an adjustment in the definition. According to ESRS S1 Own workforce the average training hours should be per headcount instead of per FTE.

**Definitions**
- Total training hours: total number of hours spent on training.
- Average training hours per headcount: average number of hours spent on training per headcount.

## Career development

Career development reviews play a crucial role in fostering personal and professional growth, enhancing communication and engagement and ensuring the long-term success of employees and PwC.

| *Employees and partners* | Participation regular performance and career development in %* | | | | |
|---|---|---|---|---|---|
| | 2023/2024 | | | | |
| **Gender** | **Assurance** | **Tax & Legal** | **Advisory** | **Internal Firm Services** | **Total** |
| Male | 97% | 91% | 87% | 96% | 93% |
| Female | 97% | 86% | 90% | 94% | 93% |
| Other | - | - | - | - | - |
| Not reported | 100% | 100% | 33% | 100% | 75% |
| **Total** | **97%** | **89%** | **88%** | **95%** | **93%** |

* Our partners and directors are not part of the regular performance and career development cycle. For partners and directors, we maintain a performance management system that takes into account such aspects as quality, inclusive leadership, commercial performance and relationship management.

Almost all colleagues have received a performance evaluation, exceptions are colleagues that have recently joined the firm or colleagues who are long-term ill.

**Definitions**

- Participation regular performance and career development: percentage of employees and partners who participated in performance reviews.

# Own workforce – Well-being

## Strategy, governance and action plan: how we manage our impact

**Care for the community of solvers**
Our colleagues are sometimes asked to work flexible hours and overtime to deliver services on time, for example due to seasonal patterns in our work, and this may have an impact on their personal situations. Embracing flexibility in working time can lead to improved employee well-being, increased productivity, better retention rates and enhanced performances. This, in turn, can reduce potential negative impacts. Our way of working as a community of solvers and as an organisation where development is a critical success factor also demands regular face-to-face meetings and actively getting together with each other. We have guidelines in place regarding hybrid working as we strive for a healthy mix of working at the office or client site and at home. We continue to make our offices attractive for working as a community of solvers.

Maintaining a good work-life balance and physical/mental health are important aspects of a solid community of solvers. Besides flexibility options to support our people to find the right balance, PwC also facilitates an extensive well-being programme. Most of the programmes offered by PwC are preventive in nature and designed to help build resilience. Collectively we support our colleagues with a preventive health check every four years. And, as of this year, colleagues and their families have access to OpenUp, a platform with a wide range of resources to work on mental, physical, spiritual and emotional well-being. Furthermore, to create awareness of the importance of well-being, we organise activities like sleep workshops, food speed dating (with dietitians) and inspirational sessions and workshops on sustainable performance. Our employment conditions also include a personal well-being budget to spend on the likes of gym membership, personal coaching sessions and chair massages.

We have a company doctor contracted whose main responsibility is to protect and promote employee health in relation to their work. Colleagues who experience health issues without being absent from work can make use of the preventive consultation hours with the company doctor to seek specific advice that will prevent escalation.

Working together with our occupational health service provider, we have initiated recovery paths by which a multidisciplinary team is appointed to ensure the necessary knowledge is gathered to provide a personalised, effective and results-driven approach in cases of potential long-term sickness. These measures are aimed at maximising prevention.
- % sick leave: number of sick days divided by calendar days. Not including partners.
- % long-term sickness absence: number of long-term and extra long-term sick days divided by calendar days. Not including partners.

**Workplace accident prevention**
PwC ensures a healthy and safe working environment as laid down by the Dutch government in the Working Conditions Act, Working Conditions Decree and Working Conditions Regulations. Quality, Health, Safety and Environment (QHSE) management is translated into practice by shaping a health and safety policy that meets the requirements set by legislation in the field of working conditions, quality and the environment.

**Social protection and care budget**
Our employees directly employed by PwC on a temporary or permanent contract are protected by state programmes and our working conditions. They are covered against loss of income due to illness, injury, unemployment, employment injury and acquired disability, parental leave, adoption leave, retirement, and other family-related care leave. In the event of sickness, PwC employees are entitled to 100% continued payment for the first 52 weeks of illness and 85% for the next 52 weeks. After two years of illness the employee, based on his tenure, will be paid 70% for a limited time period by the government's employee insurance agency.

Many employees within PwC will be faced with a responsibility during their career to care for children and relatives in need. To support employees in this PwC offers employees a care budget during the entire period of their employment under specific conditions.

## Results 2023/2024

**Family-related leave**

The percentage of employees entitled to take family-related leave is 99.5%.

| Utilised family-related leave in % | | | | | |
|---|---|---|---|---|---|
| *Employees* | 2023/2024 | | | | |
| **Gender** | **Assurance** | **Tax & Legal** | **Advisory** | **Internal Firm Services** | **Total** |
| Male | 13.7% | 14.0% | 13.0% | 12.6% | 13.4% |
| Female | 18.0% | 18.3% | 13.3% | 16.9% | 16.7% |
| Other | - | - | - | - | - |
| Not reported | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| **Total** | **15.5%** | **15.9%** | **13.1%** | **15.3%** | **14.9%** |

PwC offers a variety of leave types and is in general willing to approve leave requests to facilitate work-life balance for our employees. Our workforce is relatively young so only a limited number of employees make use of the options provided. The main focus of family-related leave lies on childcare leave.

| Sickness in % | | | |
|---|---|---|---|
| *Employees* | 2023/2024 | Target | 2022/2023 |
| Sick leave | 4.3% | <3.0% LoS and <4.0% Internal Firm Services | 4.0% |
| Long-term sickness absence | 3.1% | 58% of 3.0/4.0% | 2.9% |

| Work related ill health | | |
|---|---|---|
| *Employees* | 2023/2024 | |
| | **Number of cases** | **Number of days** |
| **Total** | **111** | **5,462** |

**Definitions**
- Entitled to family-related leave: percentage of employees entitled to family-related leave.
- Utilised family-related leave: percentage of employees who took family-related leave.

**Definitions**
- Sick leave: percentage of total sick leave.
- Long-term sickness absence: percentage of long-term sick leave (43 days or more).

**Definitions**
- Work-related ill health cases: number of absence cases due to exposure to hazards at work.
- Work-related ill health days: number of sick days that resulted from exposure to hazards at work.

# Own workforce – Equal treatment and opportunity

## Strategy, governance and action plan: how we manage our impact

In an inclusive culture, talents are recognised, different ideas are valued and no one is implicitly or explicitly excluded just because the person is perceived to be different. We focus on both visible and invisible differences. Diversity is recognising and acknowledging visible and invisible differences between people such as age, gender, life experiences and societal background.

We use a dual approach to determine our Inclusion & Diversity (I&D) initiatives, based on inclusive behaviours:

- **Behaviours**: practicing what we preach, engaging people, human interactions and showing leadership across our communities. We are fostering a community of inclusive solvers equipped with the human skills and behaviours that enable us to value differences, harness the power of diversity, and be more effective in building trust and delivering sustained outcomes.
- **Processes**: equal opportunities and fostering inclusivity. We are also embedding enhanced I&D aspects into our existing or newly developed systems, policies and processes across the PwC Network, such as ID Yourself and a focus on equal promotion. In support of this focus, PwC offers various initiatives that help us inspire each other, increase our awareness of personal behaviour and teach us to appreciate each other's differences.

Appreciating the qualities of another person with an open mind does not always come naturally. PwC has an I&D Policy aimed at strengthening its inclusive culture, making the organisation more diverse, and creating stronger connections within our organisation, with our clients and within society in general. People working in an environment where they can be themselves and share their unique perspectives will also reach their full potential. The ultimate result is that we become a better workplace for our colleagues as they contribute to our services to clients and society.

**ID Yourself**

In addition to the male/female data related to our employees, we have been gathering data about the ethnic origin of our colleagues on a voluntary basis, in line with the CBS categorisation (Dutch, Western, non-Western). The CBS changed the categories to the more objective geographic descriptions in 2022 and PwC has adopted that change to keep our data relevant and comparable. In 2023/2024 we asked our colleagues to voluntarily re-register their migration origin and voluntarily register their gender identity, sexual orientation and potential work-related challenges as defined by the UN (Project ID Yourself). We will start using the new categorisation when the response rate is at least 80%, which is not currently the case. In the meantime, we will continue using the current definition of culture background and gender.

**Empowering an inclusive and diverse workforce**

While setting diversity targets is an important step, as presented on the next page, our initiatives to facilitate a culture of inclusion help retain our talent. We focused on five key I&D priority areas for 2023/2024, which are briefly explained below.

1. *Flagship events*
   We identified five flagship events for 2023/2024: I&D Day on 3 October 2023, the International Day of Persons with Disabilities on 7 December 2023, International Women's Day on 8 March 2024, the Iftar on 28 March 2024 and the Pride Canal Parade on 3 August 2024.
2. *Awareness sessions in client-facing teams*
   Inclusive team sessions aim to lay the foundation for the growth of an inclusive and results-oriented culture in which collaboration, cohesion and holding each other accountable for behaviour is normal.
3. *In My Shoes training course*
   In My Shoes is a cultural awareness course aimed at shifting mindsets and unlocking inclusive behaviours in the workplace that are conducive to an inclusive culture. Using VR technology, we aim to organise 30 sessions by the end of June 2025. We will also continue to provide training on female leadership and inclusive mindsets, become more aware of our biases, develop an inclusive mindset, and enable more inclusive decision-making.
4. *Untold Stories*
   Untold Stories aim to connect our professionals to our role models and share the lessons learned. This is an opportunity to hear in small group discussions the experiences of colleagues who have navigated life within and outside PwC in their own unique way.
5. *Sponsoring*
   Sponsorship aims to help minority groups within PwC by providing opportunities for career advancement. It ensures that talent is visible and gets the support required to grow in their career.

We have five internal networks (Women NL, Shine, Connected Cultures, Abilities and Young PwC) by and for our colleagues to improve the visibility of different groups, create a community, voice the opinions of the different groups represented and organise events to increase awareness of certain topics. Each network has quarterly meetings with (representatives of) our Board of Management to raise awareness of topics that concern the group.

Examples of the external partners we work with include Giving Back, Talent to the Top, Onbeperkt aan de slag, Agora Network, Emma at Work, University Asylum Fund (UAF), G.E.O. and Workplace Pride.

### Equal pay and equal opportunities

We are committed from both an ethical standpoint and a strategic perspective to providing equal pay and equal opportunities to all colleagues. Advocating equal pay and equal opportunity actively promotes social justice and economic equality. Regardless of gender, migration origin or other characteristics, every individual should have an equal opportunity to succeed and thrive within PwC. Upholding these principles has a positive impact on our colleagues, their families and on society.

Our equal pay strategy does not preclude us from fostering a pay for performance culture and the recognition of the efforts and talent of our people. Attracting and retaining talents is crucial for our organisation's long-term success in today's competitive labour market. By offering equal pay and equal opportunities, we position ourselves as an employer of choice. This in turn allows us to build a strong community of solvers that drives innovation, creativity and sustainable growth.

### I&D target setting and monitoring

We are committed to attaining a diverse workforce in 2029/2030 that better mirrors the wider societies in which we do business. Specific targets have been set for that year in terms of gender diversity and ethnic diversity at all job levels, an ambition that has been translated to yearly inflow, promotion and outflow targets. We monitor our progress on I&D annually from both an inclusion and diversity perspective.

In addition to the targets, we measure our progress on overall inclusive behaviour by analysing the responses to the 'inclusion index', a set of questions in the GPS.

The following table details our long-term targets on gender and cultural diversity:

**Gender diversity: 2023/2024 targets & 2029/2030 ambition**

| | Inflow | Promotion | Outflow | % Female |
|---|---|---|---|---|
| | Min. % female new hires as % of total new hires | Promotions as proportion of population | Leavers as proportion of population | Population 2029/2030 |
| Partner | 30% | 25% | Equal ratio | 30% |
| Director | 35% | 35% | Equal ratio | 35% |
| Senior manager | 45% | Equal ratio | Equal ratio | 45% |
| Manager | 50% | Equal ratio | Equal ratio | 50% |
| Senior consultant | 50% | Equal ratio | Equal ratio | 50% |
| Consultant | 50% | N/A | Equal ratio | 50% |

**Cultural diversity: 2023/2024 targets & 2029/2030 ambition**

| | Inflow | Promotion | Outflow | % NW |
|---|---|---|---|---|
| | Min. % NW hires as % of total new hires | Promotions as proportion of population | Leavers as proportion of population | Population 2029/2030 |
| Partner | 15% | 15% | Equal ratio | 15% |
| Director | 15% | 15% | Equal ratio | 15% |
| Senior manager | 20% | Equal ratio | Equal ratio | 20% |
| Manager | 25% | Equal ratio | Equal ratio | 25% |
| Senior consultant | 30% | Equal ratio | Equal ratio | 30% |
| Consultant | 30% | N/A | Equal ratio | 30% |

## Results 2023/2024

**Balanced male/female ratio in Board of Management, Supervisory Board and subtop**
In compliance with Dutch legislation contained in the Inclusion Quota and Target Figures Act, we formulated gender diversity targets for members of our Board of Management, Supervisory Board and the members of our three Lines of Service Boards.

Our objective is to have 30% females in our Board of Management, Supervisory Board and Lines of Service Boards. As of 1 July 2022, our Board of Management consists of three women and two men (60% female) and the Lines of Service Boards consist of four women and nine men (31% female). The Supervisory Board consists of three women and three men (50% female) since 1 July 2023.

| Gender diversity top management level | | | | |
|---|---|---|---|---|
| | 2023/2024 | | 2022/2023 | |
| **Gender** | Number | Percentage | Number | Percentage |
| Female | 3 | 60% | 3 | 60% |
| Male | 2 | 40% | 2 | 40% |
| Other | - | - | - | - |
| **Total** | **5** | **100%** | **5** | **100%** |

**Definitions**
- Gender diversity top management level: percentage of Board of Management registered as ‘male’, ‘female’ or ‘other’.

| Gender diversity subtop management level | | | | |
|---|---|---|---|---|
| | 2023/2024 | | 2022/2023 | |
| **Gender** | Number | Percentage | Number | Percentage |
| Female | 4 | 31% | 4 | 31% |
| Male | 9 | 69% | 9 | 69% |
| Other | - | - | - | - |
| **Total** | **13** | **100%** | **13** | **100%** |

**Definitions**
- Gender diversity subtop management level: percentage of Lines of Service Board members registered as ‘male’, ‘female’ or ‘other’.

**Distribution of employees by age**
The majority of our employees are younger than 50 years old.

| Age diversity | | |
|---|---|---|
| *Employees and partners* | 2023/2024 | |
| **Age** | Number | Percentage |
| < 30 years old | 2,350 | 39% |
| ≥ 30years and < 50 years old | 2,908 | 49% |
| ≥ 50 years old | 698 | 12% |
| **Total** | **5,956** | **100%** |

**Definitions**
- Age diversity: percentage of partners and employees registered as ‘<30 years old’, ‘≥30 years old and <50 years old’ and ‘≥50 years old’.

## Gender and cultural diversity

*Employees and partners*

**Gender diversity by job level**

| Global grade | Target % female gender | % ratio female | % ratio male |
|---|---|---|---|
| Partner/director | 30% | 24% | 75% |
| Senior manager | 35% | 33% | 67% |
| Manager | 45% | 43% | 57% |
| Senior consultant | 50% | 43% | 57% |
| Consultant | 50% | 43% | 57% |
| Office staff | 50% | 64% | 36% |
| **Total 2023/2024** | | 45% | 55% |
| Partner/director | 30% | 23% | 76% |
| Senior manager | 35% | 33% | 67% |
| Manager | 45% | 43% | 57% |
| Senior consultant | 50% | 42% | 58% |
| Consultant | 50% | 45% | 55% |
| Office staff | 50% | 65% | 35% |
| **Total 2022/2023** | | 45% | 55% |

- % ratio female
- % ratio male
- % ratio other
- % ratio not reported

**Definitions**
- Gender diversity by job level: percentage of employees and partners registered as ‘male’, ‘female’, ‘other’ or ‘not reported’ per job level.

Although we still have a challenge at the partner/director level regarding non-Western colleagues, we see an increase at almost all other levels and are meeting or close to meeting our targets. These are the levels that form the basis for our partner/director appointments and we continue our efforts for further advancement.

*Employees and partners*

**Cultural diversity by job level**

| Global grade | Target % non-Western migration origin | % ratio Dutch | % ratio Western migration origin | % ratio non-Western migration origin | % ratio not reported |
|---|---|---|---|---|---|
| Partner/director | 15% | 69% | 9% | 5% | 17% |
| Senior manager | 15% | 61% | 14% | 15% | 10% |
| Manager | 20% | 55% | 14% | 22% | 9% |
| Senior consultant | 25% | 48% | 11% | 29% | 12% |
| Consultant | 30% | 54% | 10% | 27% | 9% |
| Office staff | 30% | 61% | 9% | 16% | 14% |
| **Total 2023/2024** | | 56% | 11% | 21% | 12% |
| Partner/director | 15% | 69% | 9% | 5% | 17% |
| Senior manager | 15% | 60% | 16% | 12% | 12% |
| Manager | 20% | 57% | 13% | 19% | 11% |
| Senior consultant | 25% | 47% | 11% | 31% | 11% |
| Consultant | 30% | 52% | 12% | 26% | 10% |
| Office staff | 30% | 60% | 10% | 15% | 15% |
| **Total 2022/2023** | | 56% | 11% | 20% | 13% |

**Definitions**
- Cultural diversity by job level: percentage of employees and partners registered as ‘Dutch’, ‘Western’, ‘non-Western’ or ‘not reported’ per job level.

- % ratio Dutch
- % ratio Western migration origin
- % ratio non-Western migration origin
- % ratio not reported

## Disability

This is the first year that we have started to register the disabilities of our workforce. Collecting this information gives us a better understanding of the composition of our workforce. This data will be used to set targets for the medium and long term, ensuring that our workforce reflects the diverse society in which we operate.

| Disability diversity | |
|---|---|
| **Gender** *(Employees and partners)* | **2023/2024** |
| Female | 1.3% |
| Male | 0.8% |
| Other | - |
| Not reported | 0.0% |
| **Registration disability** | **27.7%** |

**Definitions**
- Disability diversity: percentage of employees and partners with a disability by gender.
- Disability registration %: percentage of employees and partners registered indicating whether they have a disability (self-identified in accordance with the definition of the United Nations) in Workday as at 30 June.

## Equal promotions

| Promotions by gender and migration origin | | | |
|---|---|---|---|
| *Employees excluding job level director* | **2023/2024** | **Target** | **2022/2023** |
| Male | 16.9% | Equal ratio | 17.0% |
| Female | 15.1% | | 16.0% |
| Other | - | | - |
| Not reported | 0.0% | | 0.0% |
| Dutch | 17.6% | Equal ratio | 17.4% |
| Western migration origin | 14.8% | | 17.5% |
| Non-Western migration origin | 15.0% | | 15.1% |
| Not reported | 12.1% | | 14.1% |

Our goal is to achieve equal promotion opportunities across gender and migration origin. While the promotion ratios are overall balanced, we see a slight increase in the difference of the ratios that obliges us to further analysis and take action to address this disparity and ensure greater fairness in promotions going forward.

**Definitions**
- Promotion by gender: percentage of employees (excluding job level director) who received promotion by gender.
- Promotion by migration origin: percentage of employees (excluding job level director) who received promotion by migration origin.

| Promotions to partner/director | | | | |
|---|---|---|---|---|
| | **2023/2024** | | **2022/2023** | |
| | Partner | Director | Partner | Director |
| Female | 25.0% | 35.4% | 25.0% | 30.4% |
| Non-Western migration origin | 20.0% | 7.0% | 13.3% | 11.1% |

The ratios for promotions to partner are in line with our I&D targets as well as the promotion to director for our female colleagues, the promotion to director for colleagues with a non-Western migration origin requires attention.

**Definitions**
- Promotions to partner/director – female: percentage of total promotions to partner and director received by employees with a female gender.
- Promotions to partner/director – non-Western: percentage of promotions to partner and director received by employees with a non-Western migration origin.

**Pay ratios**
The pay ratio shows the relationship of the highest remuneration within PwC and the remuneration of the chair of the Board of Management to the median and the average of the total remuneration within PwC. The pay ratio and the explanation of the methodology can be found in the Remuneration Report on *page 172*.

**Defining the pay gap**
We report our gender pay gap with reference to the reporting requirements of the ESRS, and on a voluntary basis we also report the pay gap per migration origin.

It is important not to confuse the pay gap with pay equality. While pay equality means equal pay for equal work, the gender pay gap is the difference in pay of male and female employees across PwC, regardless of the nature of their work. We are committed to pay equality at a job seniority level, that ensures that women and men doing the same or similar job role are paid equally. The gender pay gap numbers below give us insight into gender representation across our organisation at different levels and underpins the importance to improve female representation at senior positions.

For the migration origin pay gap, the same principles apply. We are committed to pay equality at a job seniority level. The Dutch/Western and Dutch/non-Western pay gap numbers below give us insight into migration origin representation across our organisation at different levels and underpins the importance to improve non-Western representation at senior positions.

**Calculating the pay gap**
We calculate the gender pay gap as the difference between the average hourly pay for men and the average hourly pay for women, divided by the average hourly pay for men. This calculation method means that a pay gap arises when there are more men at more senior positions in an organisation. Such pay gap will persist until organisations have proportionate representation of women at every level, which we work hard to achieve through measures such as equal opportunity targets, female leadership programmes and offering the right sponsoring and support (see *page 83* for initiatives including targets for intake, turnover and promotion).

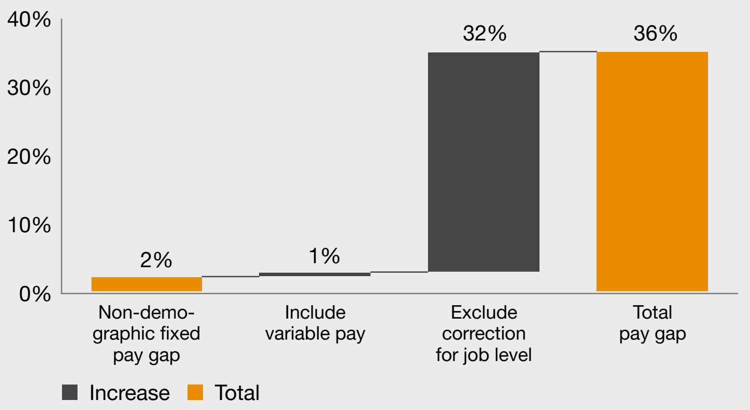
This year our gender pay gap amounts to 13.0% for employees and 14.8% for partners (32.1% overall gender pay gap for employees and partners together). We achieved a decrease of 1.7% points for employees (2022/2023 restated: 14.7%) due to a further shift of female employees to more senior positions. For partners we achieved a decrease of 2.9% points for the same reason (2022/2023 restated: 17.7%). Our pay gap exists due to the historical composition of our organisation where more men have been in senior job levels and more women in junior job levels, and still proves to be challenging. As mentioned, we actively target this imbalance in the representation of our organisation, and we are making progress although it will take time to minimise this historical effect further.

We calculate the pay gap per migration origin in the same way. This gap also shows a small decrease this year for the same reason.

**Restated comparative data**
Before the implementation of the CSRD, we were adjusting the pay gap for job level to calculate a non-demographic pay gap. This adjustment corrected for the fact that for example a manager would get a different pay than a consultant. The difference in their pay was not recorded as a gap as such differences are role based. As per the CSRD we now calculate the pay gap regardless of the nature of people's work. Removal of this adjustment is the main reason for the difference between the reported prior year numbers and the restated comparatives, as illustrated in the figure below.

**Definitions**
- Pay gap male – female by job level: the difference in total/fixed/variable pay per job level between female and male employees (excluding partners with fixed remuneration), expressed as a percentage of the average total/fixed/variable pay level of male employees in that job level.
- Pay gap Dutch – Western by job level: the difference in total/fixed/variable pay per job level between employees with a Dutch and a Western migration origin (excluding partners with fixed remuneration), expressed as a percentage of the average total/fixed/variable pay level of employees with a Dutch migration origin in that job level.
- Pay gap Dutch – non-Western by job level: the difference in total/fixed/variable pay per job level between employees with a Dutch and a non-Western migration origin (excluding partners with fixed remuneration), expressed as a percentage of the average total/fixed/variable pay level of employees with a Dutch migration origin in that job level.

**2022/2023 total pay gap male-female**



| Employees* | Total pay | | | Fixed pay | | | Variable pay | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) |
| Male-female | 13.0% | 14.7% | 14.0% | 10.9% | 12.4% | 11.9% | 26.1% | 44.0% | 31.9% |
| Dutch/Western | 2.8% | 5.6% | 2.3% | 1.5% | 3.2% | 0.8% | 14.2% | 17.6% | -3.1% |
| Dutch/non-Western | 16.0% | 18.6% | 18.0% | 12.9% | 14.9% | 14.2% | 31.9% | 55.8% | 38.9% |

| Partners* | Total pay | | | Fixed pay | | | Variable pay | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) |
| Male-female | 14.8% | 17.7% | 17.3% | 14.5%** | 19.3% | 17.4% | 15.9% | 19.6% | 15.2% |
| Dutch/Western | 4.5% | 12.3% | 17.8% | 4.1% | 9.5% | 16.2% | 6.0% | 13.9% | 16.4% |
| Dutch/non-Western | 30.6% | 38.9% | 36.3% | 31.4% | 46.1% | 36.7% | 30.6% | 35.3% | 36.7% |

| Employees and Partners* | Total pay | | | Fixed pay | | | Variable pay | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) |
| Male-female | 32.1% | 35.5% | 37.3% | 21.8% | 24.7% | 26.3% | 57.2% | 69.4% | 65.9% |
| Dutch/Western | 12.8% | 16.9% | 15.7% | 7.1% | 9.7% | 8.9% | 27.8% | 26.9% | 22.1% |
| Dutch/non-Western | 37.2% | 41.4% | 43.1% | 24.8% | 28.4% | 29.5% | 70.8% | 82.5% | 78.9% |

* Employees and partners who registered their gender as 'other' and 'not reported' and their migration origin as 'not reported' are excluded from the table as they represent a very small part of the population resulting in figures highly influenced by demographics.

** In the calculation for partners of the Board of Management and Assurance Board partners have been excluded as their remuneration is addressed in the remuneration report and *Transparency Report*. If these partners would be included, the total pay gap would decrease to 10.5% for male/female, 6.3% for Dutch/Western, and 28.4% for Dutch/non-Western.

**Pay gap per job level**

For comparative purposes and further insight, we disclose our pay gap per job level in the tables on the next page. For most job levels, the total pay gaps are small. For directors, we have analysed that a difference in seniority within this job level causes most of the stated pay gap. The increase in gaps in the variable pay of 2022/2023 (restated) is caused by demographic effects.

We analysed the pay gaps last year in more detail and did not observe trends or clear increases compared to previous years. Therefore, we conclude that these differences can be explained by a different seniority distribution between compared groups, This could potentially be due to variability of budget for variable pay and direct and indirect effects of COVID-19 on the workforce in- and outflows).

| Employees | Total pay | | | Fixed pay | | | Variable pay | | |
|---|---|---|---|---|---|---|---|---|---|
| Male-female* | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) |
| Director | 6.6% | 8.4% | 9.0% | 3.9% | 6.7% | 7.1% | 15.5% | 18.1% | 15.0% |
| Senior manager | 2.0% | 2.7% | 2.1% | 2.4% | 2.4% | 1.9% | 2.8% | 5.2% | 1.8% |
| Manager | 2.6% | 2.0% | 1.2% | 2.5% | 2.3% | 1.5% | 5.9% | 2.9% | -0.2% |
| Senior consultant | 0.5% | 0.8% | 0.4% | 0.6% | 0.5% | 0.4% | 0.1% | 10.9% | -2.4% |
| Consultant** | -4.3% | -3.8% | -5.9% | -4.5% | -3.7% | -4.7% | 0.5% | -10.2% | -35.7% |
| Other staff*** | -12.7% | -14.6% | -20.7% | -12.7% | -14.5% | -18.6% | **** | 9.7% | -22.1% |
| **Total** | **13.0%** | **14.7%** | **14.0%** | **10.9%** | **12.4%** | **11.9%** | **26.1%** | **44.0%** | **31.9%** |

* Employees who registered their gender as 'other' and 'not reported' are excluded from the table as they represent a very small part of the population resulting in figures highly influenced by demographics.
** The negative differences at consultant level exist due to a higher number of females in the higher paid Lines of Service.
*** The differences at other staff are due to a large variety of functions in this category like management assistants and working students.
**** No disclosure because of a minimum of ten employees in this data point to be disclosed

| Employees* | Total pay | | | Fixed pay | | | Variable pay | | |
|---|---|---|---|---|---|---|---|---|---|
| Dutch – Western | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) |
| Director | 4.2% | 5.4% | -1.9% | 3.3% | -0.1% | -2.3% | 8.7% | 4.9% | -8.4% |
| Senior manager | 4.4% | 3.9% | 4.1% | 3.6% | 3.1% | 4.0% | 1.9% | 4.9% | -1.7% |
| Manager | 2.3% | 4.5% | 0.7% | 0.9% | 2.0% | -1.3% | 6.4% | 27.1% | 1.1% |
| Senior consultant | 1.3% | 1.5% | -0.7% | 0.8% | 0.4% | -1.7% | 18.7% | 17.4% | -18.0% |
| Consultant | 1.0% | 2.1% | 2.3% | 1.1% | 2.0% | 1.3% | -37.7% | 14.7% | 12.6% |
| Other staff | 0.8% | 5.0% | 2.7% | 0.7% | 4.8% | 2.2% | Not applicable | 38.7% | 6.3% |
| **Total** | **2.8%** | **5.6%** | **2.3%** | **1.5%** | **3.2%** | **0.8%** | **14.2%** | **17.6%** | **-3.1%** |

* Employees who registered their migration origin as 'not reported' are excluded from the table as they represent a very small part of the population resulting in figures highly influenced by demographics.

| Employees* | Total pay | | | Fixed pay | | | Variable pay | | |
|---|---|---|---|---|---|---|---|---|---|
| Dutch/non-Western | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) | 2023/2024 | 2022/2023 (restated) | 2021/2022 (restated) |
| Director | 15.4% | 13.4% | 16.7% | 12.3% | 12.3% | 12.2% | 26.8% | 20.7% | 25.0% |
| Senior manager | 2.0% | 6.8% | 7.1% | 2.4% | 4.6% | 5.8% | -7.5% | 18.8% | 8.3% |
| Manager | 4.5% | 1.5% | 2.8% | 2.9% | 0.2% | 1.7% | 13.8% | 4.0% | 3.4% |
| Senior consultant | 2.4% | 4.7% | 4.7% | 1.4% | 2.9% | 2.5% | 6.3% | 52.4% | 11.7% |
| Consultant | 6.4% | 6.2% | 7.5% | 6.1% | 5.9% | 6.5% | -33.9% | 59.8% | 33.5% |
| Other staff | 3.6% | 8.1% | 5.4% | 3.6% | 7.7% | 5.0% | Not applicable | 90.6% | 8.7% |
| **Total** | **16.0%** | **18.6%** | **18.0%** | **12.9%** | **14.9%** | **14.2%** | **31.9%** | **55.8%** | **38.9%** |

* Employees who registered their migration origin as 'not reported' are excluded from the table as they represent a very small part of the population resulting in figures highly influenced by demographics.

**Outlook**
The focus for the coming year lies on a broad variety of topics, including the following examples:

*Evolved PwC Professional*
Fostering new behaviours and a culture of collaboration and innovation is essential for achieving our strategy. The Evolved PwC Professional Framework connects our purpose, values, strategy and behaviours. Its implementation will impact various HC processes, including our onboarding programmes. The roll-out started in 2023/2024 and will continue in 2024/2025 to 2026/2027.

To further promote collaboration and a high-performance culture, we are adjusting our performance methodology and clarifying the expectations we have of our people. We are introducing an in-the-moment recognition plan to acknowledge desired behaviours immediately. We will clarify the roles of team leaders and career coaches to ensure clear accountability for people management. This will ensure that senior managers and above take responsibility for leading our solvers in areas such as development, performance, well-being, illness, recruitment and offboarding.

*Move towards a skills-based people strategy*
Because of the use of AI and ADMs a key challenge that we face is coming to the right formation. This will have to be carefully managed including fostering mobility and reskilling. Attracting the right talent, particularly in technology and specialist roles, presents a significant challenge. The demand for these skills is high, and the competition to secure top talent fierce. Recruiting and retaining these professionals is a challenge. Based on the commitment of the business to increase the use of ADMs (AC/DC and/or technology), we will evolve to a new people model affecting HC processes.

*Renew our People Value Proposition*
Given the scarcity of talent and the need to attract new skill profiles, a refresh of our People Value Proposition (PVP) is required to increase our attractiveness in the labour market and retain talent.

By creating an enriching environment that sets the right conditions for our community of solvers, we offer our employees attractive career and learning paths where they can maximise their learning potential by working on challenging client engagement. A more diverse workforce across the likes of generations, skill profiles and cultures will increase the flexibility in our employment conditions and career and learning paths and build our inclusive culture.

Our PVP focuses on elements that support our professionals in reaching their full potential and developing themselves every day in terms of well-being, L&D, working flexibility and more. We work on increased digitisation of these support offerings to ensure they are available whenever our employees have a need and can support their performance. The PVP will result in a renewed labour market campaign and serve as the overarching umbrella for our employee experience initiatives. We strive for an overall people engagement of over 80% in the GPS and to meet the LoS recruitment targets.

*Differentiate with an inclusive and diverse workforce*
We can differentiate ourselves with among others a truly inclusive and diverse culture. Quantitative and qualitative analysis has led us to conclude that we have yet to achieve our desired culture. A clear management ambition has been formulated for gender and cultural diversity and inclusion at different levels within the organisation. We have therefore concentrated our measures on the root causes obstructing an inclusive and diverse workforce and, thereby, our ambitions. These measures focus on the tone at the top, improving equal opportunities, stimulating human interactions and boosting people engagement. We need to ensure these measures are further integrated within our employee life cycle.

# Workers in the value chain – Workers in our value chain

## Strategy, governance and action plan: how we manage our impact

Our ambition is to ensure the well-being and fair treatment of workers throughout the entire value chain. This includes not only our own employees but also those employed by our suppliers, subcontractors, clients and other business relationships.

We are responsible for ensuring that our services and operations do not contribute to any adverse impacts on workers throughout our value chain. This includes assessing and addressing risks and impacts related to human and labour rights such as adequate wages, working conditions, non-discrimination, freedom of association, and health and safety. This responsibility is particularly important in countries and sectors where human and labour rights violations are prevalent. This carries a significant reputational risk for PwC as such impacts can be associated with our services; we shall therefore engage in initiatives to mitigate the risks that we have identified.

We recognise that a failure to conduct sufficient due diligence during our procurement process could lead to our business activities and relationships having a material impact on the workers who provide supplies or services to PwC. We work closely with suppliers to ensure they adhere to the same standards and principles we uphold. Before reaching an agreement, we thoroughly assess suppliers, clients and business partners for conflicts of interest, business conduct-related issues, sensitive situations and other relevant topics.

Workers in the value chain can be divided into two categories: those in our supply chain (upstream) and those in our client base and other business relationships (downstream).

**Upstream workers**

In the upstream we have recognised:
- the facility management company;
- regular suppliers (of laptops, phones, office furniture etc.);
- ADM, such as international delivery centres and the Talenthub in our network;
- joint business relationships.

Colleagues from other firms in the PwC Network assist our engagement teams by delivering requested services, as part of our value chain. We strategically leverage on ADMs and harness the power of technology to shape the future of our workforce. This combination not only enhances our operational efficiency but also drives innovation and enables us to deliver more value to our clients.

We aim to ensure that people working in ADMs experience the positive effects of human rights and labour rights. The use of ADMs makes us more vulnerable and dependent in our service delivery to clients and in our operations. We are investing in digitisation and innovation within PwC with the goal to replace simple and standardised work with tooling. Additionally, we recognise the importance of upskilling our workforce to keep up with the latest trends and technologies such as AI.

PwC expects suppliers to have processes in place to ensure that the organisations and their workers comply with the Third Party Code of Conduct. Our suppliers are approved by our Procurement department and any adverse media reports will lead to a review of whether a supplier still complies with our standards. PwC may require the supplier to implement a remediation plan should we determine that the code has been breached (by conducting a due diligence) or, in certain circumstances, will terminate the relationship. See ‘sustainable procurement and relation with third parties’ for more information on this area within the supply chain.

**Downstream workers**
Clients and other business partners are part of the downstream of our value chain.

We are seeking more information on and establishing an approach to identifying which geographical areas, commodities and services in our value chain pose a significant risk of child or forced labour and, whether those risks are widespread, systemic or incidental. Our processes and data collection efforts are also being enhanced to determine the specific geographical areas, commodities and services that pose a significant risk to our workers in the value chain. Based on this we should also be able to conclude which workers in the value chain are at greater risk of harm (e.g. by demographic or geographical context), so that PwC can act to respect human rights and its reputation.

**Commitment to human and labour rights across our entire value chain**
We recognise the ILO's Declaration on Fundamental Principles and Rights at Work and endorse the UN Guiding Principles on Business and Human Rights. The PwC Network has been a signatory to the UN Global Compact since 2002 and we are committed to the Ten Principles.

We are committed to conducting our operations in line with the international standards of responsible business conduct and are performing adequate due diligence with a broader value chain perspective. We will further craft our ambitions based on the revised Global Human Rights Policy, our human rights due diligence process, and the embedding of human rights risk assessments into our client and engagement acceptance processes (see trusted and sustainable service delivery on page 102). We aim to enhance our responsible business practices and contribute to upholding human rights throughout our value chain.

**Resolution of complaints through the Ethics Helpline**
We have a public *Ethics Helpline* that serves as a grievance mechanism (see page 96 for detailed information).
It is accessible to workers throughout the value chain as well as stakeholders.

**Policies regarding upstream workers in the value chain**
*Third party code of conduct*
PwC expects the same level of business conduct from our suppliers and their personnel as we do from our own workforce. These standards are explained in our Third Party Code of Conduct.
See page 96 for detailed information.

Our policy commitments on human rights are governed by policies (accessible via our website):
- our updated Global Human Rights Statement (a detailed description of these policies is included in the section 'our workforce';
- the Code of Conduct.

## Workers in the value chain – Workers in the value chain services

Within our services we have several propositions focusing on social issues related to people. Our services are aimed at contributing to the betterment of conditions, treatment, opportunities and other work-related rights of workers on client sites.

We have a positive impact on our clients by providing them with expertise about social issues that can be relevant directly to them and through their value chain, such as equal pay and labour and human rights. We provide support to our clients in developing a social people strategy (including the workers in the value chain) in transformation and in ESG reporting, such as the social topics in ESRS. We are dedicated to leveraging on our expertise to create even more impactful services for our clients.

**Outlook**

We have an expansive view of our potential impacts across our value chain and we remain open to aspects within the broad material topic of 'workers in the value chain'. As more information is actively gathered, we can identify areas in which we can exert a positive impact and develop strategies to prevent or mitigate any negative impacts.

We are currently undertaking actions that include:

- *Further embedding the UN Guiding Principles on Business and Human Rights and UN Global Compact's into our policies, assessments and due diligence procedures.*
  We are committed to integrating respect human rights into our decision-making processes. Our commitment to human rights is governed by global policies including our Human Rights Statement, Code of Conduct and Third Party Code of Conduct. Our PwC Global Human Rights Statement has been updated in September 2024. PwC NL will develop a supplement ensuring localised concerns are addressed and affected stakeholders in our Dutch firm's downstream value chain are sufficiently covered.
- *Refining and conducting our human rights due diligence processes and reviewing whether value chain workers have sufficient access to remedy (for instance, via our Ethics Helpline, which is open to all).*
  To ensure we are sufficiently challenged on this, and to engage in peer learning, we recently completed the UN Global Compact Business and Human Rights Accelerator programme. Measures are now in place at a local level, to supplement the due diligence that is conducted by PwC Global. The due diligence process involves an ongoing assessment of actual and potential human rights impacts, integrating and acting upon the assessment findings, tracking progress and communicating how impacts are addressed. We will review and refine our due diligence process.
- *We are pursuing a more comprehensive understanding of our clients and their business activities in relation to the workers in the value chain, and proactively address upholding our commitment to human and labour rights*.
- *Engaging in meaningful dialogue with external stakeholders.*
  Approximately three times a year we engage with different representatives of value chain workers, such as trade unions and civil society organisations. We will work to enhance the inclusiveness of these voices, including marginalised and vulnerable groups, and learn as much as possible about the topics that concern them.
- *New knowledge and skills are required to understand how material impacts on workers in the value chain could be managed.*
  It is therefore necessary to upskill our colleagues and invest in developing processes and mechanisms to identify, mitigate and remediate these adverse impacts.

While there are currently no action plans and targets in place for workers in the value chain, we are dedicated to developing and implementing them as mentioned above.

# Governance information

The changing environment in which organisations operate is creating uncertainty for them, their stakeholders and for society at large. Increased uncertainty calls for trust, and trust in what matters is more essential than ever. We aim to build trust in society and solve important problems by building trust for our clients and their stakeholders. We aim to deliver high-quality services to clients and in doing so build credibility and show that we are trustworthy. We anticipate relevant developments and changing perceptions of risk. We know that an appropriate culture is an enabler for delivering high-quality services. We aim to provide quality in every aspect of our work. In doing so we have high internal standards to adhere to in our own operations, including our Network Standards.

## Business ethics and corporate culture

Business ethics and corporate culture relates to the (potential) negative and (actual) positive impact on our colleagues and stakeholders of our corporate culture, values, behaviours and tone at the top. Our *Code of Conduct*, Network Standards and Network Risk Management Policies, and other ESG policies are in place to prevent, mitigate and remediate any (potential) negative impact and enhance our positive impact on people across the value chain and within the broader society.

We have identified a risk of financial loss and reputational damage being caused by non-ethical behaviour. These risks are being addressed via the specific policies referenced below.

## Sustainable procurement

We strive to generate long-term value by working with suppliers who have a positive impact on people and the environment. As a fundament, we are committed to managing our relationships with suppliers in a responsible and sustainable manner. This includes embedding sustainability considerations in supplier selection and procurement processes and engaging in a continuous dialogue on how to have a positive impact together. This will ensure that our procurement practices align with our commitment to sustainability and responsible business practices.

| Topic | Value chain | SDG link | Impact materiality level | | Financial materiality level | |
|---|---|---|---|---|---|---|
| | | | Positive | Negative | Opportunity | Risk |
| Business ethics and corporate culture | ◁●▷ | 16 | ■■□ | ■■■ | | ■■■ |
| Fundament: sustainable procurement | ◀○▷ | 5, 10, 12 | ■■□ | | ■□□ | ■□□ |

◀ Upstream ● Own operation ▶ Downstream ■□□ Low materiality level: < 33% ■■□ Medium materiality level: 33-66% ■■■ High materiality level: >66%

# Business conduct – Business ethics and corporate culture

## Strategy, governance and action plan: how we manage our impact

### Code of conduct

PwC has a *Code of Conduct* that concisely and clearly sets out what we stand for and what we do, collectively and individually… and what we do not do. This applies to everyone at PwC and concerns the values that define us. How we work, as people and as professionals. How we treat each other. How we create a safe space to speak up or raise questions and concerns knowing they will be taken seriously. PwC helps create solutions to some of the world's most important problems, and this comes with a responsibility to each other, our clients and the wider world. We may not always get it right but the Code of Conduct sets out what is expected and holds us accountable. What we do, day-to-day, as individuals and together, matters. Our culture is the sum of the actions we take and the choices we make. The *Code of Conduct* was updated in September 2023 and now includes a focus on social safety and with principles of ethics and behaviours that are specifically related to learning.

The Code of Conduct is included in our mandatory training programme. Included in the onboarding programme is an e-learning course on the code and areas such as how to address the handling of dilemmas. The mandatory Annual update Ethics and Compliance training includes Code of Conduct elements.

### Learning Code of Conduct

As part of our set of policies to address improper answer sharing we implemented a Dutch Learning Code of Conduct (2024) with principles of ethics and behaviours that are specifically related to learning.

### Third Party Code of Conduct

We expect the same level of ethical behaviour and business conduct from our suppliers and their personnel as we do from our own workforce. These expectations are set out in our Third Party Code of Conduct. Knowing, understanding and behaving according to the Third Party Code of Conduct is a fundamental requirement for those working for or with PwC. We expect third parties to be mindful of their ethical responsibilities, such as respecting human rights or labour rights, and to embed the behaviours outlined in the Third Party Code of Conduct into their work for or with PwC. We have a responsibility to assess whether our suppliers are engaged in areas such as child labour, forced labour, poor working conditions and underpayment of wages.

PwC does not tolerate any suppliers engaging in or supporting human trafficking or modern slavery, including forced, bonded or compulsory labour and child labour. We also expect suppliers to maintain working conditions that meet internationally declared human rights and standards, including those expressed in the International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work (i.e. the safety of workers, precarious work like the use of workers on short-term or limited hours contracts, workers employed via third parties, sub-contracting to third parties or the use of informal workers).

Where appropriate, PwC conducts risk-based due diligence on suppliers as part of assessing its relationship with them. We expect suppliers to provide complete and accurate information that facilitates the due diligence efforts undertaken by PwC and, upon request, to be able to have a dialogue with workers in the value chain. If PwC determines that a third party has breached this code, it may require the suppliers to implement a remediation plan or may, in certain circumstances, suspend or terminate the relationship with the supplier.

For this year we have reported nil cases of a failure to respect the UN Guiding Principles on Business and Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers.

### Ethics Helpline, complaints and notification & whistleblower procedures

The Code of Conduct provides a complaints procedure (covering undesirable behaviour in a work-related environment) and a *reporting and whistleblowing procedure* (covering suspected professional misconduct). The Reporting and Whistleblowing Procedure is in accordance with the Dutch Whistleblower Protection Act.

A socially safe and respectful workplace is essential to creating a culture that empowers and facilitates colleagues to speak up and raise concerns or questions. The Ethics Helpline is in place to support this, offering a safe, secure and confidential environment for colleagues and external stakeholders to report – online or by phone – (anonymous) complaints or situations involving behaviour that is not in line with our Code of Conduct and values or to ask questions or raise concerns. Our colleagues also have access to other channels, namely our confidential counsellors (internal and external), the Complaints Committee and the Business Conduct Committee. We have developed a Speak Up Guide that sets out the available options and emphasises the importance of speaking up.

The Business Conduct Leader is responsible for tracking and monitoring raised and addressed issues via the Ethics Helpline including complaints that are raised to our Human Capital department. Each one is reviewed and when possible, investigated to ensure a fair and appropriate remedy and solution. We assess the nature of the complaint and work towards finding an effective and restorative solution that addresses the concerns raised. We strive to resolve complaints in a timely manner, taking into consideration the impact on parties involved. Strict confidentiality is maintained throughout the process and complaints are handled with the utmost discretion. We encourage individuals to report any ethical concerns they may have, recognising that these reports enable us to uphold our commitment to maintaining our standards of ethics. Addressing complaints helps us foster a culture of transparency within PwC.

Our colleagues have a responsibility to report and express concerns in good faith, fairly, honestly and respectfully. We are committed to dealing responsibly, openly and professionally with any genuine concerns raised about possible malpractice. We also protect against any form of retaliation. We are not aware of any severe human rights issues or incidents connected to our value chain in the reporting year, nor have we received any complaints or incidents via our grievance mechanism.

Complaints about undesirable behaviour cover, for instance, (sexual) intimidation, bullying, aggressive behaviour and discrimination, and are dealt with by the Complaints Committee. Reports of suspected professional misconduct such as bribery or swindling are dealt with by the Business Conduct Committee. Depending on the nature and severity of the case, disciplinary measures may vary from a written warning or reprimand to, ultimately, dismissal for employees or, for partners, termination of the accession agreement. The Complaints Committee and the Business Conduct Committee submit any recommendations for measures to the Business Conduct Leader and the Board of Management, respectively.

People with complaints about undesirable behaviour or who suspect professional misconduct can confide in one of 19 confidential internal counsellors within our organisation. There is also an external confidentiality counsellor available who investigates how issues arising in the workplace can be resolved and provides guidance to those contemplating filing a complaint or report.

Our colleagues are made aware of these policies and the speak up channels via intranet, newsletters and screensavers. We continuously encourage a ‘speak up, listen up and follow up’ culture through internal campaigns, each month addressing a specific topic to ensure the subject stays high on everyone’s agenda. These topics are also part of the onboarding training and Annual update Ethics and Compliance training. The members of the Complaints Committee, Business Conduct Committee and the confidential internal counsellors receive additional training. External parties can also file a complaint or make a report via the Ethics Helpline.

**Reports**

The Board of Management is responsible for driving an ethical culture within PwC. The Business Conduct Leader compiles a report (including summary results reports from counsellors, the Ethics Helpline, the Complaints Committee and the Business Conduct Committee) at least three times a year, which is discussed with the Lines of Service Boards, the Management Team of Internal Firm Services, the Board of Management and, annually, with the Supervisory Board.

**Corruption and bribery**

PwC has policies in place relating to corruption and bribery that are available to colleagues via intranet. These policies are also part of our annual compliance confirmation. Corruption and bribery can be reported via various channels, including the Ethics Helpline, the Risk & Quality departments and the OGC department. An investigation may then be held by the Forensics team and/or the CISO office, with the outcome reported to leadership.

**Other Network Standards and policies**

PwC NL as a member firm of the worldwide network agrees to standards and policies, amongst others: enterprise risk management, anti-money laundering, antitrust and fair competition, information protection, economic sanctions and insider trading.

**Lobbying**

During 2023/2024 PwC engaged in the development of the Dutch Accountancy Amendment Act. We have expressed our overall support for the Act with the Ministry of Finance and shared our views. We proposed a policy suggestion on how to further improve audit quality in a sustainable manner, in line with PwC’s strategic objective on high quality audits. We have also discussed the draft legislation with a Member of Parliament. The Assurance Board Leader was involved in these conversations. The CEO oversees the lobbying activities. PwC can be found in the EU Transparency Register under registration number 60402754518-05.

## Results 2023/2024

### Speak up channels

Over 2023/2024, there were 74 (2022/2023: 60) consultations with the confidential counsellors or Business Conduct Leader. These consultations have been followed up and appropriate measures taken. We see the content of the consultations shifting, with an increase in topics such as intimidation. Our objective is a safe and respectful work environment (without discrimination) and a commitment to values and ethical behaviour. As part of this, the Ethics & Business Conduct Platform discusses, analyses and pursues Code of Conduct subjects across a wider scope of functional areas within the firm.

Communication on speaking up, including a Speak Up guide and raising awareness of the available channels to share and report concerns, was activated throughout 2023/2024. There was also an extensive communication campaign to raise awareness of the (revised) Code of Conduct.

| Our speak up channels | 2023/2024 | 2022/2023 |
|---|---|---|
| Consultations with confidential counsellors, Business Conduct Leader and Ethics Helpline reports | 74 | 60 |
| Complaints filed to the Complaints Committee | 1 | 0 |
| Notifications to the Business Conduct Committee | 0 | 1 |

### Reported incidents

In 2023/2024 PwC further strengthened the speak up climate and encouraged employees and leadership to speak up and address behaviour that is not in line with our Code of Conduct. PwC implemented a Speak Up guide and increased awareness on the available channels to share and report concerns. The number of consultations with our Speak Up channels, amongst which our network of confidential counsellors, showed an increase of 23%.

Our GPS results show that 77% of our colleagues feel free to speak up and/or raise concerns. In 2023/2024 six signals concerned discrimination were investigated, and one formal complaint was escalated to the Complaints Committee concerning leadership style.

No monetary fines, penalties and/or compensation were imposed relating to the incidents and complaints disclosed below.

| Reported incidents | 2023/2024 | 2022/2023 |
|---|---|---|
| Number of incidents of discrimination | 6 | 5 |
| Number of complaints filed through channels for people in the organisation's own workforce to raise concerns (excl. discrimination) | 1 | 0 |
| Number of severe human rights issues and incidents connected to own workforce | 0 | 0 |
| Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UNGP, ILO, and OECD | 0 | 0 |
| Number of severe human rights cases where the organisation played a role securing remedy for those affected | 0 | 0 |

### Corruption

PwC has no functions that qualify as being most at risk in respect of corruption and bribery.

We rolled out an Annual update Ethics and Compliance training to all colleagues, covering a variety of topics on fraud, corruption and business conduct: 5,026 target group, compliance rate 92.2% (2022/2023: target group 4,558, compliance rate: 88.7%).

| Indicator | 2023/2024 | 2022/2023 |
|---|---|---|
| Total number and nature of incidents of corruption confirmed during the current year, but related to previous years. | 0 | 0 |
| Total number of incidents of corruption confirmed during the current year, related to this year. | 0 | 0 |
| The number of sanctions (convictions and fines) related to anti-corruption and anti-bribery laws | 0 | 0 |
| The total amount of fines for violation of anti-corruption and anti-bribery laws | 0 | 0 |

### Data breaches

There were no data breaches in 2023/2024 that required notification to the Dutch Data Protection Authority under the General Data Protection Regulation (2022/2023: one), nor did we receive complaints from outside parties (including our clients) regarding data privacy or any requests/complaints from the Dutch Data Protection Authority.

### Personal independence testing

| Personal independence testing | | | |
|---|---|---|---|
| | 2023/2024 | Target | 2022/2023 |
| Sample of tested colleagues | 272 | not available | 230 |
| Exceptions (%) | 11.0% | <15.0% | 13.5% |
| Exceptions | 30 (19 financial sanctions, 11 written sanctions, 0 no sanction based on the facts and circumstances) | not available | 31 (23 financial sanctions, 7 written sanctions, 1 no sanction based on the facts and circumstances) |

Sanctions in the event of violation of independence requirements are dealt with by the Independence Sanction Committee, which submits its proposals to the Board of Management.

### Outlook

PwC is committed to continuously ensuring an enabling work environment and an inclusive climate, where employees are encouraged to freely express themselves, share dilemmas and raise concerns. The current investigation into improper answer sharing underpins the importance of speaking up, in the coming years we continue our efforts in encouraging speaking up, lowering the threshold to share dilemmas and raise concerns and providing transparency on following up on those signals. The Evolved PwC Professional framework, which focuses on behaviours that build trusted leadership and distinctive outcomes for society and our clients, will be implemented across our organisation. Furthermore, we will enhance norm clarity and compliance by continuously promoting awareness of our Code of Conduct and strengthening our risk management.

**Definitions**

- Number of independence tests: number of (new) partners/directors/managers included in the selection of the review (Personal Independence Compliance Testing (PICT)).
- Exceptions: findings in a PICT, which can relate to a maintenance matter in Checkpoint or an internal/external breach.

# Business conduct – Sustainable procurement

## Strategy, governance and action plan: how we manage our impact

PwC prioritises working with suppliers who demonstrate practices such as fair labour conditions, respect for human rights and environmental responsibility. This includes sourcing products and services that are environmentally friendly, energy-efficient, and socially responsible. PwC expects suppliers to comply with relevant laws and regulations, promote inclusion and diversity and foster innovation. Attention is paid to these (sustainability) matters during the procurement process, for example in requests for proposal (RFPs) and the involvement of the Corporate Sustainability department in evaluating the RFP process an outcome, including sign-off.

To further decarbonise and work towards our net-zero ambition, PwC has made a worldwide commitment to having 50% of its suppliers (of goods and services) by emissions set science-based targets in line with the Paris Climate Agreement goals by 2025. PwC NL is currently taking SBTi into account in the supplier selection process and with existing non-SBTi suppliers we start the conversation about adopting it (see *page 46* for SBTi targets).

To set clear expectations towards our suppliers with regard to behavioural aspects, PwC has a *Third Party Code of Conduct* in place (see *page 96* for further information).

PwC has included a payment term of 30 days for suppliers in its *General Terms and Conditions of Purchase*. Incoming invoices are processed as much as possible within 48 hours (except for a first invoice from a new supplier). This means that the approval process starts according to our vendor payment policy. Once this fully digital process is completed, the invoice will be paid on the following Tuesday. In the event that approval is not received the approver receives a reminder email on a weekly basis.

**Outlook**

The integral view on sustainable procurement is currently being documented and will be submitted to the Board of Management for discussion and approval in 2024/2025. PwC continues to further enhance and implement sustainable procurement in the purchase-to-pay process and interactions with our suppliers. By prioritising sustainable procurement, PwC aims to minimise negative impacts, promote positive change and contribute to a more sustainable and responsible business ecosystem.

As part of the integral view on sustainable procurement, we will explain how we give substance to the global SBTi commitment. Due to our diverse supplier portfolio (which also includes small local companies, for example), our route towards fulfilling this commitment should be a balancing act between the environmental, social (including community) and governance considerations.

# Entity-specific information

Our *purpose* is to build trust in society and solve important problems. Combined with our values, this purpose guides our behaviour and actions. Our governance, internal risk, ethics and compliance is therefore important.

The market economy is the most powerful generator of social progress ever created. Although it has always depended on a system of rules, there are clearly major and growing challenges that the current system is failing to adequately address. Climate change, economic exclusion and inequality are among the most obvious symptoms and it is clear that we have a design problem.

Market economies and business activities should be intentionally designed to deliver outcomes, which support the well-being of people and the planet. This is not about making a choice between profit and purpose: it is about ensuring that profit is delivered as a consequence of purpose, a purpose that is consistent with these broader objectives.

**Trusted and sustainable service delivery**
This topic covers the impact on clients, stakeholders, affected communities and the environment of our journey towards embedding Environment, Social and Governance (ESG) considerations into our service deliveries. In practice, it means cultivating an ESG mindset throughout our workforce and integrating ESG factors into the engagement cycle, including client and engagement acceptance and deliverables. This material topic focuses on PwC's commitment to providing trusted and sustainable services that address the evolving needs of clients, while considering the broader social and environmental impacts of its work. See our value-creation model for more details.

Trusted and sustainable service delivery is about how and to whom we provide our services. In addition, services have been identified on the downstream side within ESG, namely climate change services, biodiversity services, sustainable tax services and workers in the value chain services. These are our propositions (what we do for clients) and are not exhaustive. Other propositions also include ESG transformations and non-financial assurance engagements. We see opportunities for our services to help clients in their transformations and are aware of reputational risks if we provide services that do not contribute enough to reducing negative impacts.

| Topic | Value chain | SDG link | Impact materiality level | | Financial materiality level | |
|---|---|---|---|---|---|---|
| | | | Positive | Negative | Opportunity | Risk |
| Trusted and sustainable service delivery | ◁○▶ | | ■■■ | ■□□ | ■■■ | ■■■ |

◀ Upstream ● Own operation ▶ Downstream ■□□ Low materiality level: < 33% ■■□ Medium materiality level: 33-66% ■■■ High materiality level: >66%

## Strategy, governance and action plan: how we manage our impact

Our impact comes from the work we do every day, helping clients navigate many of the complex systems – capital markets, tax and economies – that underpin society. PwC also has a responsibility to help these systems evolve so that they benefit communities and society more widely.

Performance is no longer measured by financial performance alone but by how well organisations prepare for and adapt to a highly dynamic world. Continual innovation is needed to inspire and lead positive change throughout business communities. At PwC we bring together an unexpected and dynamic combination of talent and technology to help clients drive their ESG strategy into the heart of their business.

To have an even greater impact with our services requires us to have a dot on the horizon. We need to determine our ambitions in terms of how much of a contribution we wish to make towards reducing the negative impact of our clients and their services – and that requires having an insight into that impact.

We also wish to have more insights in the impact we have on ESG matters across our entire value chain, especially downstream, to ensure we manage and steer this in the right direction. We will work on this in several ways over the upcoming years.

In addition, we are building on the knowledge of our colleagues in the field of ESG and, in doing so, raising awareness among all our colleagues and clients. We invest in sustainability communities in the Netherlands and abroad that share knowledge internally and with clients on this topic. We are ready to keep playing our part in assisting the world's transition to a sustainable future.

**Community programme**

Next to that we have a community programme in which we strive to contribute to society by sharing our knowledge and skills – pro bono and in working hours – with impact-first organisations. We also share our knowledge and skills with our partners and learn from them in return.

We have *partnerships and alliances* with a number of organisations active in the area of social entrepreneurship, the environment or other sustainability topics. The main goal of our community efforts and collaboration with partners is to maximise our societal impact and contribute to sustained outcomes on various societal themes (e.g. equality of opportunity).

A total of 30,538 hours was spent on our partnerships and impact-first organisations in 2023/2024 (2022/2023: 39,381), including on the themes climate and equality of opportunity. The reduction in hours and monetary value is due to a smaller Corporate Sustainability team.

## Results 2023/2024

**Corporate Sustainability investments**

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Beneficiaries reached through our community programme work | 729 | 1,302 |
| Number of people involved | 462 | 521 |
| Number of hours of Corporate Sustainability pro-bono activities* | 10,555 | 12,125 |
| Number of hours of Corporate Sustainability activities | 30,538 | 39,381 |
| Monetary value of our Corporate Sustainability programme (€)** | 2,147,727 | 2,788,483 |

* Only includes hours directly related to our community programme.
** The comparative figure changed due to an adjustment in the definition. Business development hours are no longer classified as Corporate Sustainability activities and therefore not valued, and the donations are added to the definition.

**Outlook**

In 2024/2025 we will continue to work on formalising roles and responsibilities regarding this topic, and create a policy and action plan, in which we will set ourselves ambitions to increase our positive downstream impact as much as possible. We have redesigned our Community strategy, choosing to focus on one central theme 'Equality of Opportunity', acknowledging the fact that many of us have been given ample opportunities while others have not. We want to give back to society by leveraging the knowledge and expertise of our colleagues, strengthening social enterprises and societal organisations on a pro bono basis.

# Other relevant information

This section covers the three other relevant topics. While the assessment of impacts, risks and opportunities shows that the topic innovation and digitisation has an impact on people and environment, the exact nature remains unknown. We also see an overlap with topics in the environment and social section. In view of its economic impact, we have decided to present innovation and digitisation separately for this year and further assess how the topic might be processed in 2024/2025.

Biodiversity is a topic that is currently of medium relevance, although expected to become more important in the long term. Presented here in this report to keep the other topics together, we expect biodiversity to become material and part of the environmental information section in the future.

The impact through tax topic consists of our tax contribution and services and overlaps with the topic trusted and sustainable service delivery. We have endorsed the VNO-NCW Tax Governance Code and find it important to present the topic in accordance with GRI standards and in conformity with last year's Annual Report (as no topic-specific standard has yet been developed under CSRD).

**Biodiversity services**
In addition to climate-change related challenges, PwC envisages risks associated with the declining health of our natural ecosystem. Organisations – including our own – have a clear responsibility to act and embed biodiversity conservation in their operations and value chain. PwC's potential impact on biodiversity is at its greatest through our services. On the one hand, we could prevent or even reverse biodiversity loss at our clients via the services we provide. Examples include advising on sustainable business practices, environmental impact assessments, and strategies for biodiversity conservation. On the other hand, we also recognise the potential for increasing biodiversity pressures, particularly if biodiversity impacts are not sufficiently considered in our advisory services. Moving forward, we are committed to enhancing our focus on biodiversity services, ensuring we are ready to meet the challenges and opportunities that come with a maturing market.

| Topic | Value chain | SDG link | Impact materiality level | | Financial materiality level | |
|---|---|---|---|---|---|---|
| | | | Positive | Negative | Opportunity | Risk |
| Biodiversity services | ◁○▶ | 14, 15 | ▮▮▯ | ▮▮▯ | ▮▮▯ | ▮▮▯ |
| Innovation and digitisation | ◀●▶ | 8 | ▮▮▮ | | ▮▮▮ | ▮▮▮ |
| **Impact through tax** | | | | | | |
| Tax services | ◁○▶ | 16 | ▮▮▯ | ▮▮▯ | ▮▮▮ | ▮▮▯ |
| Fundament: tax contribution | ◁●▷ | | ▮▯▯ | ▮▯▯ | ▮▯▯ | ▮▮▯ |

◀ Upstream ● Own operation ▶ Downstream ▮▯▯ Low materiality level: < 33% ▮▮▯ Medium materiality level: 33-66% ▮▮▮ High materiality level: >66%

Due to the increasing volume of legislation and regulations, and pressure from stakeholders, the list of issues demanding action is constantly increasing. Collecting data, creating reports, formulating strategy and implementing the transformation are vital if we are to have a positive impact on biodiversity. PwC combines its knowledge, focus and the entire ecosystem of employees and knowledge partners to find solutions.

**Innovation and digitisation**

The pace of change is significant and at the same time Generative AI (GenAI) technology is at an early stage of development. Technological disruption and climate change are pushing our clients to reinvent business models. Innovation and digitisation are at the heart of PwC's strategy to evolve and adapt in the rapidly changing business landscape. Part of our core services can be replaced in the future by technology or near- and outsourcing. In addition, new services and areas are becoming more important, with technology, data and AI playing an important role.

Embracing new technologies and innovative approaches enables us to deliver more efficient, effective and sustainable solutions for clients. For example, digitisation allows us to streamline our operations, reduce our environmental footprint and enhance our service delivery. It enables us to access and analyse data more effectively, leading to more informed decision-making and better outcomes for our clients. Together with our clients, we leverage on innovation and digitisation to create opportunities that have a positive impact and contribute to a more sustainable future.

There is a risk that we are unable to sufficiently increase the digital mindset of our own people and adapt our services to rapidly changing technologies. The environmental impact of datacentre usage is a concern, and we will further assess this in the coming year.

GenAI is foreseen to have the biggest disruptive impact on our most profitable core capabilities. While the evolution, exact impact and future applications of GenAI are hard to predict currently, its impact on our people and the environment will increase over time and is likely to be more significant in the future. We expect the risks and opportunities to become more concrete as well as the environmental and social impact to be better qualified in the near future.

**Impact through tax**

PwC aims to be at the forefront of reporting. We have expressed this ambition in our *Tax Strategy*. We are proud to be the first accounting and advisory organisation in the Netherlands to endorse the VNO-NCW Tax Governance Code for Coöperatie and its subsidiaries in July 2023. Given that PwC is a network of independent member firms, PwC NL can only endorse the code with respect to its own tax position. Since the Tax Governance Code is based on the 'comply or explain' principle we explain when we are not (yet) able to comply with elements of the code.

# Other relevant topic – Impact through tax

**PwC's Tax Strategy**
Our Tax Strategy gives guidance to all colleagues on tax matters and how to act in relation to clients and third parties we do business with. After a review last year, the Board of Management adopted the updated *Tax Strategy* in June 2023. This made a clear distinction between PwC NL as an organisation and the tax services it provides to clients, was aligned with our sustainability agenda and set an ambition to adapt our tax control framework accordingly. The Tax Strategy describes our tax principles, the contribution of tax to sustainable progress and our tax governance.

The designated tax partner[2] provided the Board of Management and the Audit Committee with regular updates in 2023/2024.

**Fundament: tax contribution**
*PwC NL: tax governance of our own organisation*
Our Tax Control Framework (TCF) describes the set of internal policies, procedures, methods, control measures and organisational measures for tax matters within PwC. The purpose of the TCF is to guide the tax behaviour within PwC, monitor tax processes, support management in controlling tax risks, and ensure accurate, timely and complete filing and payment of taxes for all resources. We initiated discussions in 2024 to understand the interrelationship between sustainability and our TCF and to define materiality from a financial perspective.

| (in € x 1,000) | Borne | Collected | Total Tax Contribution |
|---|---|---|---|
| Profit taxes[a] | 3,430 | - | 3,430 |
| People taxes (employees)[b] | 58,656 | 145,451 | 204,107 |
| Product taxes[c] | 2,005 | 193,636 | 195,641 |
| Planet, property and other taxes paid[d] | 981 | - | 981 |
| **Total tax contribution** | **65,072** | **339,087** | **404,159** |

a) Corporate income tax paid in 2023/2024
b) Wage tax and social security contributions paid in 2023/2024
c) Output VAT € 193,636
Input VAT € 77,486
Paid VAT € 116,150

This includes also (borne):
- insurance premium tax
- vehicle registration tax

d) Planet, property and other taxes include:
- taxes on the use of property
- environmental taxes levied on air travel

PwC NL did not make use of any financially material tax incentives.

Corporate income tax, VAT and wage tax and social security premiums related to the services rendered by our partners to PwC NL are reported and remitted to the tax authorities by the Partner BVs.

*Tax transparency, reporting and total tax contribution*
We are a responsible taxpayer and pay tax where we operate, declaring profits and paying taxes where the economic activities occur. We see tax as a contribution to building trust and delivering sustained outcomes to businesses and society. Our tax contribution is a key indicator of how we contribute to society. We believe that a total tax-paid metric better reflects the full contribution to public finances compared to a country-by-country tax-core metric.

As Coöperatie is the group head of PwC NL, our tax contribution reflects Coöperatie's consolidated contribution. Coöperatie has concluded association agreements with each of the partner BVs. A large portion of Coöperatie's profit is paid out as a management fee to the partner BV and is subject to corporate income tax at the level of the partner BV, therefore paid on the level of the partner BV. This explains the relatively low corporate income tax contribution of Coöperatie.

*Tax as a contribution to sustainable progress*
PwC actively contributes its tax knowledge to various social projects and initiatives. We have been actively involved in the execution of the VBDO benchmark in recent years, which provides valuable insights into the reporting practices and transparency of listed companies in the Netherlands and abroad. The benchmark assesses tax strategies, risk appetite and the related explanations. We have observed a positive trend where companies are progressively embracing transparency and openly sharing their tax vision. To learn more about the VBDO benchmark, please refer to this *article*.

2 Our CFO delegates the day-to-day management of our tax affairs to our designated tax partner. Our designated tax partner is authorised to make decisions and sign filings and other documents in relation to the tax affairs of PwC NL.

**Tax services**
PwC NL is committed to providing clients with objective, high-quality tax advice that takes into account any economic, commercial and reputational risks and is supported by a credible basis in tax law. We act with integrity, including maintaining the confidentiality of information received and appropriately managing conflicts of interest and sensitive situations.

PwC NL's Tax Strategy and our Global Tax Code of Conduct serve as our compass, with the Technical Committee and Tax Policy Panel being consulted when appropriate.

PwC's tax services are a stepping stone to supporting clients in developing sustainable tax strategies, tax transparency reporting, tax compliance and litigation. To monitor the implementation of our Tax Strategy, a representative number of interviews were conducted with business unit leaders, partners and directors from across the broader Tax & Legal Line of Service. Notwithstanding the outcome of the interviews, we need to stay vigilant in maintaining and even further improving awareness of our Tax Strategy and Global Tax Code of Conduct.

**VNO-NCW Tax Governance Code**

| Disclosure | Description | Section |
|---|---|---|
| **A. Approach to tax: tax strategy and tax principles** | | |
| A.1 | The approach to tax based on tax strategy and principles approved by the board | Tax Strategy + text above |
| A.2 | Annual reporting to the board on tax risks and adherence to principles and strategy | Tax Strategy + text above |
| A.3 | Tax strategy and principles apply to all group entities | Tax Strategy |
| A.4 | Tax principles related to employees, customers, and contractors | Tax Strategy |
| **B. Accountability and tax governance** | | |
| B.1 | Board is accountable for tax strategy, principles and risk management | Tax Strategy |
| B.2 | Tax control framework with tax controls and risk management | Tax Strategy + text above |
| B.3 | Regular review of tax controls by auditors | Tax Strategy |
| **C. Tax compliance** | | |
| C.1 | Prepare and file tax returns required – complete, accurate and timely | Text above |
| C.2 | Responsible tax planning is based on reasonable interpretations of law and aligned with substance of economic and commercial activity | Tax Strategy + text above |
| C.3 | No undertaking of transactions or engagement in arrangements with sole purpose to create tax benefit exceeding reasonable interpretation of tax rules | Tax Strategy + text above |
| C.4 | Only claim generally available tax incentives in line with policy intent of those incentives | Tax Strategy + text above |
| C.5 | Certainty in advance is sought based on full disclosure of facts and circumstances | Tax Strategy + text above |
| **D. Business structure** | | |
| D.1 | No use of tax havens for tax avoidance, only for substantive and commercial reasons | Tax Strategy + text above |
| D.2 | Pay tax on profit where value is created within normal course of commercial activity | Tax Strategy + text above |
| D.3 | Use arm's length principle across the business | Tax Strategy + text above |

| Disclosure | Description | Status |
|---|---|---|
| **E. Relationships with tax authorities and other external stakeholders** | | |
| E.1 | Seek to develop cooperative relation with tax authorities | Tax Strategy + text above |
| E.2 | Seek to engage in national and international dialogue to support development of effective tax systems, legislation and administration | Tax Strategy + text above |
| E.3 | Work collaboratively with tax authorities to achieve agreement on disputed issues and certainty on real-time basis | Tax Strategy + text above |
| **F. Tax transparency and reporting** | | |
| F.1 | Published tax strategy or policy and tax risk management strategy | Website |
| F.2 | List of entities with ownership information and activities | Financial statements |
| F.3 | Corporate income tax accrued and paid on cash basis at country level | Financial statements + text above |
| F.4 | Total tax borne and collected | Financial statements |
| F.5 | Financially material tax incentives | Text above |
| F.6 | Advocacy approach on tax issues and with regard to policy development | Tax Strategy + text above |

**GRI 207**

| Disclosure | Description | Section |
|---|---|---|
| **207-1 Approach to tax** | | |
| 207-1 a | **Description of the approach to tax, including:** | |
| 207-1 a – i | Publicly available tax strategy | Tax Strategy |
| 207-1 a – ii | Reviewing and approving governance body | Tax Strategy |
| 207-1 a – iii | Approach to regulatory compliance | Tax Strategy + text above |
| 207-1 a – iv | Link between approach to tax and sustainable development strategies | Tax Strategy |
| **207-2 Tax governance, control and risk management** | | |
| **207-2 a** | **Description of tax governance and control framework, including:** | |
| 207-2 a – i | Accountable governance body for compliance with tax strategy | Tax Strategy + text above |
| 207-2 a – ii | How the approach to tax is embedded within the organisation | Tax Strategy |
| 207-2 a – iii | Approach to tax risks and identifying, managing and monitoring of risks | Tax Strategy |
| 207-2 a – iv | How compliance with tax governance and control framework is evaluated | Tax Strategy |
| **207-2 b** | **Description of reporting mechanisms for concerns about unethical or unlawful behaviour and tax integrity** | Tax Strategy |
| **207-2 c** | **Description of assurance process for disclosure on tax** | Included in financial statements |

| Disclosure | Description | Status |
|---|---|---|
| **207-3 Stakeholder engagement and management of concerns related to tax** | | |
| **207-3 a** | **Description of approach to stakeholder engagement and management of stakeholder concerns related to tax, including:** | |
| 207-3 a – i | Approach to engagement with tax authorities | Tax Strategy + text above |
| 207-3 a – ii | Approach to public policy advocacy on tax | Tax Strategy + text above |
| 207-3 a – iii | Process for collecting and considering views and concerns of stakeholders | Tax Strategy + text above + key messages of stakeholder dialogues |
| **207-4 Country-by-country reporting** | | |
| **207-4 a** | **All tax jurisdictions where the entities included in the consolidation are resident for tax purposes** | |
| **207-4 b** | **For each jurisdiction:** | |
| 207-4 b – i | Names of resident entities | Financial statements |
| 207-4 b – ii | Primary activities | Annual Report |
| 207-4 b – iii | Number of employees | Financial statements |
| 207-4 b – iv | Revenues from third-party sales | Financial statements |
| 207-4 b – v | Revenues from intra-group transactions | Financial statements |
| 207-4 b – vi | Profit/loss before tax | Financial statements |
| 207-4 b – vii | Tangible assets other than cash and cash equivalents | Financial statements |
| 207-4 b – viii | Corporate income tax paid on a cash basis | Financial statements |
| 207-4 b – ix | Corporate income tax accrued on profit/loss | Financial statements |
| 207-4 b – x | Reasons for difference between corporate income tax accrued on profit/loss and tax due | Financial statements |
| **207-4 c** | **Time period covered by information reported** | Financial statements |

# Reference table

The table below presents the progress made on implementing the provisions of the European Sustainability Reporting Standards as published by the European Commission on 31 July 2023. It indicates where we think we still have work to do, our actions to become compliant and their expected timeframe. This considers phase-in requirements.

| # | Description | Reference | Pages | Explanation |
|---|---|---|---|---|
| **ESRS 2: General disclosures** | | | | |
| BP-1 | General basis for preparation of the sustainability statements | Sustainability statement: Basis for preparation – Level of reporting | 31 | |
| BP-2 | Disclosures in relation to specific circumstances | Sustainability statement: Basis for preparation – Level of reporting, Basis for preparation – Ambition | 31, 32 | |
| GOV-1 | The role of the administrative, management and supervisory bodies | Report of the Supervisory Board | 115-116, 123-130 | |
| GOV-2 | Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies | Sustainability statement: Basis for preparation – Materiality assessment and stakeholder dialogue – Seven steps to determine DMA | 36-39 | |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | Remuneration Report Coöperatie Pricewaterhouse Coopers Nederland U.A. | 172-176 | |
| GOV-4 | Statement on due diligence | Sustainability statement: Statement on sustainability due diligence | 41 | |
| GOV-5 | Risk management and internal controls over sustainability reporting | Risk management | 119-121 | |
| SBM-1 | Strategy, business model and value chain (value-creation process) | Sustainability statement: Strategy and governance – Value creation model | 33-35 | |
| SBM-2 | Interests and views of stakeholders | Sustainability statement: Strategy and governance – Materiality assessment and stakeholder dialogue – Interests and views of stakeholders | 36 | |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Sustainability statement: Strategy and governance – Value creation model, Environmental information, Social information, Governance information, Entity-specific information, Other relevant information | 33-35, 43, 64-65, 95, 102, 104 | Phased-in option used for DR48e and AR22 (anticipated financial effects), in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements. |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | Sustainability statement: Basis for preparation – Materiality assessment and stakeholder dialogue – Seven steps to determine DMA, Strategy and governance – Materiality assessment and stakeholder dialogue<br>Risk management | 36-39<br>119-121 | |

| # | Description | Reference | Pages | Explanation |
|---|---|---|---|---|
| IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | Sustainability statement: Reference table | 110-114 | |
| MDR-P | Policies adopted to manage material sustainability matters | Sustainability statement: Strategy and governance – Materiality assessment and stakeholder dialogue, Policies targets, action plans, metrics and targets, Environmental information – Strategy, governance and action plan: how we manage our impact, Social information – Strategy, governance and action plan: how we manage our impact, Governance information – Strategy, governance and action plan: how we manage our impact, Entity-specific information – Strategy, governance and action plan: how we manage our impact | 36-39, 40, 44-46, 66-67, 78, 81, 83, 92-93, 94, 96-97, 101, 103 | |
| MDR-A | Actions and resources in relation to material sustainability matters | Sustainability statement: Policies targets, action plans, metrics and targets, Environmental information – Strategy, governance and action plan: how we manage our impact, Social information – Strategy, governance and action plan: how we manage our impact, Governance information – Strategy, governance and action plan: how we manage our impact, Entity-specific information – Strategy, governance and action plan: how we manage our impact | 40, 44-46, 66-67, 78, 81, 83, 92-93, 94, 96-97, 101, 103 | |
| MDR-M | Metrics in relation to material sustainability matters | Sustainability statement: Policies targets, action plans, metrics and targets, Environmental information – Metrics, targets and performance (incl. Results 2023/2024), Social information – Metrics, targets and performance (incl. Results 2023/2024), Governance information – Results 2023/2024, Other relevant information: Impact through tax - Tax contribution<br>Independent Assurance Report<br>Appendices: Definitions<br>Remuneration Report Coöperatie Pricewaterhouse Coopers Nederland U.A. | 40, 47-53, 68-77, 79, 82, 85-90, 98-100, 103, 106<br><br>169<br>179-183<br>172-176 | |
| MDR-T | Tracking effectiveness of policies and actions through targets | Sustainability statement, Sustainability statement: Policies targets, action plans, metrics and targets, Environmental information – Metrics, targets and performance (incl. Results 2023/2024), Social information – Metrics, targets and performance (incl. Results 2023/2024), Governance information – Results 2023/2024 | 30, 40, 47-53, 68-77, 79-80, 82, 85-90, 98-100, 103 | |
| **ESRS E1: Climate change** | | | | |
| ESRS 2 GOV-3 | Integration of sustainability-related performance in incentive schemes | Remuneration Report Coöperatie Pricewaterhouse Coopers Nederland U.A. | 172-176 | |
| S: E1-1 | Transition plan for climate change mitigation | Sustainability statement: Environmental information – Strategy, governance and action plan: how we manage our impact | 44-46 | |
| ESRS 2 SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Sustainability statement: Strategy and governance – Value creation model, Environmental information | 33-35 | |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | Sustainability statement: Basis for preparation – Materiality assessment and stakeholder dialogue – Seven steps to determine DMA, Environmental information – Strategy, governance and action plan: how we manage our impact | 36-39, 44-46 | |
| IRO: E1-2 | Policies related to climate change mitigation and adaptation | Sustainability statement: Environmental information – Strategy, governance and action plan: how we manage our impact | 44-46 | |
| IRO: E1-3 | Actions and resources in relation to climate change policies | Sustainability statement: Policies targets, action plans, metrics and targets, Environmental information – Strategy, governance and action plan: how we manage our impact. | 40, 44-46 | |
| M: E1-4 | Targets related to climate change mitigation and adaptation | Sustainability statement: Policies targets, action plans, metrics and targets, Environmental information – Metrics, targets and performance | 40, 47-48 | |
| M: E1-5 | Energy consumption and mix | Sustainability statement: Environmental information – Results 2023/2024 | 49-50 | |

| # | Description | Reference | Pages | Explanation |
|---|---|---|---|---|
| M: E1-5 | Energy consumption and mix – Energy intensity based on net revenue | | | PwC is not a high-climate impact sector organisation, therefore 'energy intensity based on net revenue' is not applicable. |
| M: E1-6 | Gross scopes 1, 2, 3 and total GHG emissions | Sustainability statement: Environmental information – Metrics, targets and performance – Results 2023/2024 – Scope 1,2, and 3 emissions | 50-51 | |
| M: E1-6 | GHG Intensity based on net revenue | Sustainability statement: Environmental information – Metrics, targets and performance – Results 2023/2024 – Other environmental indicators | 52 | |
| M: E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | Sustainability statement: Environmental information – Metrics, targets and performance – Results 2023/2024 – Other environmental indicators | 52-53 | |
| M: E1-8 | Internal carbon pricing | Sustainability statement: Environmental information – Metrics, targets and performance – Results 2023/2024 – Other environmental indicators | 53 | |
| M: E1-9 | Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | | | Phased-in option used for DR 64-70 and AR 69-81 (anticipated financial effects) in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements. |
| **ESRS S1: Own workforce** | | | | |
| ESRS 2 SBM-2 | Interests and views of stakeholders | Sustainability statement: Strategy and governance – Materiality assessment and stakeholder dialogue – interests and views of stakeholders | 36-39 | |
| ESRS 2 SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Sustainability statement: Strategy and governance – Value creation model, Social information | 33-35, 64-65 | |
| IRO: S1-1 | Policies related to own workforce | Sustainability statement: Social information – Own workforce – Working conditions – Strategy, governance and action plan: how we manage our impact, Social information – Own workforce – Career and skills development – Strategy, governance and action plan: how we manage our impact, Social information – Own workforce – Well-being – Strategy, governance and action plan: how we manage our impact, Social information – Own workforce – Equal treatment and opportunity – Strategy, governance and action plan: how we manage our impact | 66-67, 78, 81, 83-84 | |
| IRO: S1-2 | Processes for engaging with own workers and workers' representatives about impacts | Sustainability statement: Social information – Own workforce – Working conditions – Strategy, governance and action plan: how we manage our impact | 66-67, 83 | |
| IRO: S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns | Sustainability statement: Social information – Own workforce – Working conditions – Strategy, governance and action plan: how we manage our impact | 66-67 | |
| IRO: S1-4 | Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | Sustainability statement: Social information – Own workforce – Working conditions – Strategy, governance and action plan: how we manage our impact, Social information – Own workforce – Career and skills development – Strategy, governance and action plan: how we manage our impact, Social information – Own workforce – Well-being – Strategy, governance and action plan: how we manage our impact, Social information – Own workforce – Equal treatment and opportunity – Strategy, governance and action plan: how we manage our impact | 66-67, 78, 81, 83-84 | |
| M: S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Sustainability statement: Social information – Own workforce – Well-being – Results 2023/2024, Social information – Own workforce – Equal treatment and opportunities – Results 2023/2024 | 68-77, 79, 82, 85-90 | |

| # | Description | Reference | Pages | Explanation |
|---|---|---|---|---|
| M: S1-6 | Characteristics of the undertaking's employees | Sustainability statement: Social information – Own workforce – Working conditions – Results 2023/2024 | 69-75 | |
| M: S1-7 | Characteristics of non-employee workers in the undertaking's own workforce | Sustainability statement: Social information – Own workforce – Working conditions – Results 2023/2024 | 76 | |
| M: S1-8 | Collective bargaining coverage and social dialogue | Sustainability statement: Social information – Own workforce – Working conditions – Strategy, governance and action plan: how we manage our impact | 66 | |
| M: S1-9 | Diversity metrics | Sustainability statement: Social information – Own workforce – Equal treatment and opportunities – Strategy, governance and action plan: how we manage our impact | 85-87 | |
| M: S1-10 | Adequate wages | Sustainability statement: Social information – Own workforce – Working conditions – Strategy, governance and action plan: how we manage our impact | 66 | |
| M: S1-11 | Social protection | Sustainability statement: Social information – Own workforce – Well-being – Strategy, governance and action plan: how we manage our impact | 81 | |
| M: S1-12 | Persons with disabilities | Sustainability statement: Social information – Own workforce – Equal treatment and opportunities – Results 2023/2024 | 87 | |
| M: S1-13 | Training and skills development metrics | Sustainability statement: Social information – Own workforce – Career and skills development – Results 2023/2024 | 79-80 | |
| M: S1-14 | Health and safety metrics | | | Not applicable |
| M: S1-15 | Work-life balance metrics | Sustainability statement: Social information – Own workforce – Well-being – Results 2023/2024 | 82 | |
| M: S1-16 | Remuneration metrics (pay gap and total remuneration) | Remuneration Report Coöperatie Pricewaterhouse Coopers Nederland U.A. | 172-176, 88 | |
| M: S1-17 | Incidents, complaints and severe human rights impacts | Sustainability statement: Governance information – Results 2023/2024 | 98 | |
| **ESRS S2: Workers in the value chain** | | | | |
| ESRS 2 SBM-2 | Interests and views of stakeholders | Sustainability statement: Strategy and governance – Materiality assessment and stakeholder dialogue – interests and views of stakeholders | 36-39 | |
| ESRS 2 SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Sustainability statement: Strategy and governance – Value creation model, Social information | 33-35, 65 | |
| S2-1 | Policies related to value chain workers | Sustainability statement: Social information – Workers in the value chain – Strategy, governance and action plan: how we manage our impact, Social information – Workers in the value chain – Outlook, Governance information – Strategy, governance and action plan: how we manage our impact - Third Part Code of Conduct | 92-93, 94, 96 | |
| S2-2 | Processes for engaging with value chain workers about impacts | Sustainability statement: Social information – Workers in the value chain – Outlook | 94 | |
| S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns | Sustainability statement: Social information – Workers in the value chain – Strategy, governance and action plan: how we manage our impact, Social information – Workers in the value chain – Outlook, Governance information – Strategy, governance and action plan: how we manage our impact - Third Part Code of Conduct | 92-93, 94, 96 | |

| # | Description | Reference | Pages | Explanation |
|---|---|---|---|---|
| S2-4 | Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions | Sustainability statement: Social information – Workers in the value chain – Strategy, governance and action plan: how we manage our impact, Social information – Workers in the value chain – Outlook, Governance information – Strategy, governance and action plan: how we manage our impact – Third Part Code of Conduct | 92-93, 94, 96 | |
| S2-5 | Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities | Sustainability statement: Social information – Workers in the value chain – Outlook | 94 | |
| **ESRS G1: Business conduct** | | | | |
| ESRS 2 GOV-1 | The role of the administrative, supervisory and management bodies | Sustainability statement: Basis for preparation – Materiality assessment and stakeholder dialogue – Seven steps to determine DMA<br>Report of the Supervisory Board | 36-39, 115-116<br>123-130 | |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | Sustainability statement: Basis for preparation – Materiality assessment and stakeholder dialogue – Seven steps to determine DMA, Governance information | 36-39, 95 | |
| G1-1 | Business conduct policies and corporate culture | Sustainability statement: Governance information – Business ethics and corporate culture – Strategy, governance and action plan: how we manage our impact, Governance information – Business ethics and corporate culture – Results 2023/2024 | 96-97, 98 | |
| G1-2 | Management of relationships with suppliers | Sustainability statement: Governance information – Business conduct – Sustainable procurement – Strategy, governance and action plan: how we manage our impact | 101 | |
| G1-3 | Prevention and detection of corruption and bribery | Sustainability statement: Governance information – Business conduct – sustainable procurement – Strategy, governance and action plan: how we manage our impact<br>Governance | 97<br>115 | |
| G1-4 | Incidents of corruption or bribery | Sustainability statement: Governance information – Business ethics and corporate culture – Results 2023/2024 | 99 | |
| G1-5 | Political influence and lobbying activities | Sustainability statement: Governance information – Business ethics and corporate culture – Strategy, governance and action plan: how we manage our impact | 97 | |
| G1-6 | Payment practices | | | Determined not to be linked to a material topic for PwC based on DMA outcome, hence not applicable. However, we do report on ‘sustainable procurement’ as we consider working with suppliers who demonstrate ethical practices as our fundament. |

# Governance



The key elements of the governance structure of PwC NL constitute a two-tier governance model and the General Meeting. Each partner is a member of Coöperatie through a private limited liability company (partner BV). In addition, there is a Partners' Council representing the collective interests of the members of Coöperatie, which provides advice on matters presented to Coöperatie.

**Board of Management**

As of 1 July 2022, the Board of Management of Coöperatie (PwC NL) consists of five members. The chairman of the Board of Management (territory senior partner) is formally the only statutory director. The other members of the Board of Management are authorised directors during their term of office. See the table on *page 116* for an overview of the composition of the Board of Management.

All five board members are executive members (100%). For the resume of the Board of Management see next page.

**Allocation of responsibilities within the Board of Management**

The Board of Management is responsible for setting the strategy, goals and achievements, including those related to sustainability matters. The five members of the Board of Management each have their own portfolio with specific focus areas and responsibilities for managing the impact and execution in these areas. The allocation of responsibilities among members reflects their task to manage and supervise the various Lines of Service and market segments (industries, regions) as well as functional tasks such as Finance, Human Capital, IT, Risk & Quality, Markets and Corporate Sustainability. The required areas of expertise and competence are included in the profile descriptions.

In some specific strategic areas such as sustainability, inclusion and diversity, innovation, ethics and business conduct (which are also material topics from the DMA, see *page 36*), the Board of Management is supported by teams that further develop and execute the strategy and plans. These teams report directly to the (portfolio holder in the) Board of Management, present a plan to the Board of Management and periodically report back on progress. We include the expectations of our internal and external stakeholders in the business planning cycle, and periodically update them on our progress. In addition, we have a 'net zero advice group' to evaluate and anticipate progress in this area.

Members of the Board of Management, both individually and collectively, continuously develop the skills needed to perform their role, including as part of their continuous professional education. Each member is responsible for their personal development and expertise building by attending relevant meetings, training courses and seminars. Members of the Board of Management follow internal ESG and digital upskilling programmes. The topics of the training programmes and our other yearly mandatory trainings regarding ethics and compliance cover the topics relevant according to the DMA. On top of that, the Board of Management aims to take into account their sustainability skills and expertise relating to the material impacts, risks and opportunities of the material sustainability topics. Next to that the Board of Management members spend time together dedicated to the mentioned topics and their team development.

**Avoiding conflicts of interest**

Within our governance, arrangements are included in corporate documentation that address possible cases of conflict of interest. According to those arrangements no member of the Board of Management can take part in discussions or decision-making processes that may give rise to a conflict of interest between themselves and PwC. If a board resolution cannot be adopted it will be addressed by the Supervisory Board.

**Competencies and skills matrix**

| | Competencies and skills | | | | | | |
|---|---|---|---|---|---|---|---|
| **Board of Management** | PwC services/ products | Risk & quality | Governance: business ethics | Operations (IT, finance, workplace) | Human Capital | Innovation & digitisation (incl. cyber) | ESG |
| Agnes Koops-Aukes | ● | ● | ● | ○ | ● | ○ | ● |
| Maarten van de Pol | ● | ● | ● | ● | ○ | ○ | ● |
| Janet Visbeen | ● | ● | ● | ○ | ● | ○ | ● |
| Veronique Roos-Emonds | ● | ● | ○ | ● | ○ | ● | ● |
| Wytse van der Molen | ● | ● | ● | ● | ○ | ○ | ● |

○ Has sufficient/advanced knowledge, skills and experience in the area and can make a balanced, independent judgement on the matter

● Is in addition considered an expert in relation to previous or current roles

The purpose of this matrix is to provide an overview on the experience and competencies that PwC considers to be most relevant for stakeholders. The matrix represents to which extent PwC's board members have such experience and competencies (either developed before and/or during their position at PwC). The content of this matrix is subject to change in the light of PwC's continually changing situations, markets and environment. For the appointments of new board members, all relevant competencies are also shared with the AFM based on their standard suitability matrix to assess the collective competence of members of the Board of Management.

# Resume Board of Management

| |  Agnes Koops-Aukes |  Maarten van de Pol |  Janet Visbeen |  Veronique Roos-Emonds |  Wytse van der Molen |
|---|---|---|---|---|---|
| **Board member** | 1969 \| Female \| Dutch \| Executive member | 1972 \| Male \| Dutch \| Executive member | 1970 \| Female \| Dutch \| Executive member | 1975 \| Female \| Dutch \| Executive member | 1969 \| Male \| Dutch \| Executive member |
| **Role/portfolio** | • Chair | • CFO<br>• COO<br>• Corporate Sustainability | • Tax & Legal<br>• Human Capital | • Advisory<br>• Markets | • Assurance<br>• Risk & Quality |
| **Date of appointment to Board of Management** | 1 July 2018 | 1 July 2018 | 1 July 2022 | 1 July 2022 | 1 July 2022 |
| **Term of office end** | 30 June 2026, eligible for reappointment | 30 June 2026, not eligible for reappointment | 30 June 2026, eligible for reappointment | 30 June 2026, eligible for reappointment | 30 June 2026, eligible for reappointment |
| **Experience** | • joined PwC in 1992<br>• appointed to the board of PricewaterhouseCoopers Accountants N.V. in 2013<br>• from 1 July 2018 to 30 June 2022:<br>- authorised executive director of Board of Management of PwC NL, responsible for Assurance<br>- chair of PricewaterhouseCoopers Accountants N.V.<br>• appointed chair of the Board of Management in 2022 | • joined PwC in 1996<br>• appointed to the board of PricewaterhouseCoopers Advisory N.V. in 2013<br>• from 1 July 2018 until 30 June 2022:<br>- authorised executive director of the Board of Management of PwC NL, responsible for Advisory<br>- chair of the board of PricewaterhouseCoopers Advisory N.V. | • joined PwC in 2004<br>• appointed to the board of PricewaterhouseCoopers Belastingadviseurs N.V. in 2015<br>• appointed chair of the board of PricewaterhouseCoopers Belastingadviseurs N.V. in 2022 | • joined PwC in 2005<br>• appointed to the board of PricewaterhouseCoopers Advisory N.V. in 2018 (till 2019)<br>• appointed chair of the board of PricewaterhouseCoopers Advisory N.V. in 2022 | • joined PwC in 1994<br>• appointed to the board of PricewaterhouseCoopers Accountants N.V. in 2016:<br>- responsible for Markets, Operations and Finance until 2018<br>- thereafter for Risk & Quality<br>• appointed chair of the board of PricewaterhouseCoopers Accountants N.V. in 2022 |
| **External positions** | • Member stakeholder forum NBA (since 1 October 2023) | | • Ambassador Stichting Pink Media<br>• Member of the board of Human Rights Watch Netherlands | | • Member of the Public Interest Steering Group (NBA) |

| Bodies | Roles and responsibilities | Appointment by | Members 2023/2024 |
|---|---|---|---|
| **Board of Management** | • Responsible for performance of and managing the company, guided by interests of the company and the enterprise connected with it.<br>• Ensuring that the company acts in accordance with the objectives defined in its articles of association.<br>• Responsible for i) defining the long-term goals and strategy of the company (including sustainability), ii) preparation and execution of general policies, iii) identifying and managing risks associated with the strategy and business activities of the company and developing policies and procedures around risks that are consistent with the company's strategy and risk appetite, and iv) assessing and analysing the risks related to the strategy and business activities and setting targets for measuring progress on policies and action plans to realise strategy execution.<br>• Monitor and oversee progress related to the strategy (including sustainability-related risks and opportunities) and that targets are achieved.<br>• Ensuring that the company is in good standing and in full compliance with relevant legislation, rules, standards and procedures.<br>• Responsible for preparation of the company's financial budget, annual plans and reporting on this (internally and externally). | The chair of the Board of Management is appointed by the General Meeting on the basis of a proposal from the Supervisory Board with due respect for the provisions of the Audit Firms Supervision Act (Wta) and the Decree on the Supervision of Audit Firms.<br><br>Appointment is for a term of four years, with eligibility for reappointment for one additional term of up to four years.<br><br>The chair of the Board of Management appoints the other members of the Board of Management.<br><br>Before the appointment of the members of the Board of Management, the AFM assesses their suitability in connection with the conduct of the business of PricewaterhouseCoopers Accountants N.V. PwC has an internal job profile for the members of the Board of Management in line with the Wta suitability policy issued by the AFM. | Members during 2023/2024:<br>- Agnes Koops-Aukes (chair)<br>- Maarten van de Pol<br>- Janet Visbeen<br>- Veronique Roos-Emonds<br>- Wytse van der Molen.<br><br>All members qualify as policymakers of PricewaterhouseCoopers Accountants N.V. according to the Wta. |
| **Supervisory Board** | • Supervises the Board of Management and overall business affairs of the company and the enterprise connected with it and advises the Board of Management on strategic topics.<br>• Has a role in specific decisions regarding PricewaterhouseCoopers Accountants N.V., which holds a licence as an audit firm granted by the AFM in line with legislation regarding audit firms in the Netherlands.<br>• Has four committees from among its members: Audit Committee, Public Interest Committee, Remuneration Committee and Selection and Appointment Committee. Their task is to assist and advise the Supervisory Board in fulfilling its responsibilities.<br>• The tasks and procedures of the Supervisory Board and its committees are outlined in their charters, which can be found on the *PwC website*. | The members of the Supervisory Board are appointed by the General Meeting of Coöperatie PricewaterhouseCoopers Nederland U.A. on the basis of a proposal submitted by the Supervisory Board on the advice of its Selection and Appointment Committee.<br><br>Members of the Supervisory Board are appointed for a term of four years, with eligibility for reappointment for one additional term of up to four years.<br><br>Before the appointment of the members of the Supervisory Board, the AFM has to assess their suitability in connection with the exercise of their supervisory role. PwC has an internal job profile for the members of the Supervisory Board in line with the Wta and the Wta suitability policy issued by the AFM. | Members during 2023/2024:<br>- Chris Buijink (chair)<br>- Baukje Dreimüller<br>- Floor Rink<br>- Jan Sijbrand<br>- René van Schooten<br>- Saskia Vlaar.<br><br>All members qualify as policymakers of PricewaterhouseCoopers Accountants N.V. according to the Wta. |

| Bodies | Roles and responsibilities | Appointment by | Members 2023/2024 |
|---|---|---|---|
| **General Meeting** | • Approves Board of Management resolutions regarding entering into new association agreements with partners.<br>• Appoints the chair of the Board of Management and all members of the Supervisory Board.<br>• Adopts the annual financial statements of Coöperatie and approves the budget and overall strategy of PwC NL.<br>• Appoints the external auditor nominated by the Supervisory Board.<br>• Amends the Articles of Association. | Not applicable | All members of Coöperatie PricewaterhouseCoopers Nederland U.A. (the operating companies of the individual partners). |
| **Partners' Council** | Represents the collective interests of the members of Coöperatie and provides advice to the members on matters that are presented. The Partners' Council may also provide advice to the Board of Management of Coöperatie, either upon request or at its own initiative, and may mediate between the partner concerned and the respective board in cases of internal dispute. | The members of the Partners' Council are appointed by the members of Coöperatie for a term of four years, with eligibility for reappointment for one additional term of four years. | Members during 2023/2024:<br>- Jeroen Elink Schuurman (chair)<br>- Joukje Janssen<br>- Martijn van Kessel<br>- Paul Nillesen<br>- Sander Gerritsen<br>- Shana Laurie de Hernandez<br>- Willem Schouten<br>- Wilmer Kloosterziel. |

### Remuneration

For remuneration-related items and the application of our Remuneration Policy during the year, see the Remuneration Report in the appendix of this Annual Report on pages 172-176.

### Corporate Governance Code

PwC voluntarily applies the Dutch Corporate Governance Code. Compliance to this code contributes to confidence in good and responsible management and integration into society.

### Other bodies

Next to the governance bodies mentioned, PwC has various bodies that play a role in the governance of the organisation:

- Lines of Service Boards and Internal Firm Services Management Team
- Given the size of their organisations and the nature of their businesses, the Lines of Service are structured operationally into business units (BUs).

# Risk management



Success in achieving our strategic objectives depends largely on our ability to respond to the complex and competitive environment in which we work. Key complicating factors currently include the war in Ukraine and compliance with EU sanctions, the tight labour market, rapid technological developments and stringent scrutiny by supervisory bodies. As our objective is to identify and act upon risks in a timely manner, we monitor developments and trends as they evolve in society in general, in the business environment in which we operate and within our organisation. This will contribute to the long-term success of our business.

Risk management is the process of identifying, assessing and controlling risks and is focused on continuous improvement. A risk or an opportunity is an uncertain event with causes, probability of occurrence and effects on objectives. Our approach to risk management is based on the 'plan, do, check and act' cycle (PDCA). Our risk strategy is founded in the Network Standards provided by the PwC Network.

The responsibility for identifying and managing risks lies with the Lines of Service Boards and, ultimately, the Board of Management with supervision from our Supervisory Board. A safe and respectful work environment and a commitment to our values and ethical behaviour are part of PwC's Code of Conduct and therefore our risk culture. The tone at the top is key within that risk culture.

We use a Three-Lines Model to set the roles and responsibilities related to managing risks:

1. The first line establishes and maintains appropriate processes for the management of operations and risk and internal control. It ensures compliance with legal, regulatory and ethical expectations. Managing risks is integrated into our operations, supported by several staff functions.
2. Operating from an independent position, the second line provides complementary expertise, support, monitoring and challenge related to the management of risk.
3. The third line provides independent and objective assurance and advice to (senior) management on the adequacy and effectiveness of governance and risk management (including internal controls). The third line is provided by the Internal Audit Department.

Our risk appetite describes the extent to which we accept risks in realising our strategic objectives. Considering the societal impact of our services, we follow a prudent approach with a low to moderate risk appetite. The Board of Management discusses the strategic risk assessment and mitigating measures, evaluating those outcomes against the defined risk appetite which, we revised in 2023/2024.

In our services to clients we have Quality Management Systems (QMSs) in place for each Line of Service (Assurance, Tax & Legal and Advisory). As we aim for high quality, the operational processes used to provide clients with services also entail a variety of risk management policies. This differs per Line of Service as each has its own specific requirements and procedures due to the difference in service delivery, legislation, regulatory requirements and professional standards. A detailed description of Assurance's QMS is provided in the Transparency Report. For Tax & Legal the QMS specifies the expected key activities in quality requirements. The Advisory QMS is also ISO 9001:2015-certified.

Monitoring and reviewing the QMS is embedded in our operations. Compliance with the Network Risk Management Policies is assessed through Engagement Compliance Reviews (ECRs). The PwC Network executes Quality Management Reviews (QMRs) for the Assurance Line of Service. The Compliance Officer has a legally delegated supervisory responsibility regarding compliance with laws and regulations and regarding the operation of the Assurance QMS. PwC has extended this monitoring role for the Compliance Office to include all three Lines of Service.

The Internal Audit Department periodically reviews the design and operational effectiveness of QMSs, carrying out a risk-specific programme of audits. The reports resulting from these reviews are discussed with the Board of Management and shared with the Supervisory Board.

A fraud risk analysis is carried out annually for PwC NL. We have a range of mitigation measures, with clear core values, policies, procedures and training in place. Key fraud risk areas are related to payments, purchases, (non)financial reporting and management override of controls.

## Overview of main risks

At least once a year we assess our risks regarding PwC's The New Equation strategy and our risk appetite. The main strategic risks are included in the table below where we set out the main risks identified, and the most relevant mitigation and actions being taken to prevent or mitigate any occurrence and/or impact. The risks were scored based on an assessment of impact should the risks occur and the likelihood that this will happen.

In the event that one of the main risks actually materialises, that is not expected to lead to any doubt about the organisation continuing on a going-concern basis in the coming twelve months. This is confirmed by the Board of Management in the Statement by the Board of Management on *page 122* of this report.

| Strategic priority | Risk | Risk description | Risk trend | Key mitigation and actions |
|---|---|---|---|---|
| **Client focused** | Societal risks and trust | Failure to anticipate, understand and respond to market and societal expectations and concerns, or to engage in the broader societal agenda, will erode trust in our profession and in our business and put the relevance and value of PwC at risk. | = | 1. Engagement with stakeholders via the stakeholder dialogue including constructive dialogue with professional bodies and standard setters like the NBA, NOB and members of parliament, EU parliament and institutions like VNO-NCW.<br>2. Engagement with clients via client review conversations.<br>3. Active participation in media by sharing thought leadership knowledge and views.<br>4. For tax services our partners and staff must adhere to the three-pillar strategy being 1) legislation, 2) Global Tax Code of Conduct, and 3) the tax strategy of the client.<br>5. Root cause analysis to understand and solve issues.<br>6. NL Priority Accounts (NLPA) programme, leveraging on the best expertise from across the firm (from NL and our network).<br>7. Client-focused goals setting in BMG&D.<br>9. Transparency on failure and remedial actions and how we implement learnings.<br>10. Adherence to the VNO-NCW Tax Governance Code. |
| | Regulations and/ or public policy – general | Failure to constructively engage stakeholder groups in support of our purpose will constrain our ability to influence the regulatory agenda and increase the risk of regulatory change that would hamper our ability to operate in a sustainable way. | ^ | 1. Engagement with stakeholders via the stakeholder dialogue (see R1).<br>2. Constructive dialogue with oversight bodies.<br>3. Participation in the NBA's *Stuurgroep Publiek belang* and Stakeholdersforum.<br>4. Participation in European Contact Group with the other largest international professional services networks in Europe. |
| | Regulations and/ or public policy – Independence | Failure to comply with independence requirements or manage the ongoing complexity and changes in independence regulations, while attempting to grow our business in new areas and meet changing expectations. | = | 1. Policies and procedures that are designed to help PwC comply with relevant standards. These are reviewed and revised when changes arise such as to the IESBA Code.<br>2. Monitoring of changes in our business model and independence implications.<br>3. Increase awareness and communication on independence via tone at the top, training and more. |
| | Regulations and/ or public policy – Ethics and compliance | Failure to manage and comply with legal, ethical or professional requirements leading to supervisory action and/or significant conflicts of interest. | ^ | 1. Policies and procedures that are designed to help PwC to comply with relevant requirements.<br>2. Remedial actions associated with learning and integrity.<br>3. Increase awareness and communication on ethics and compliance topics through a.o. tone at the top and training.<br>4. Monitoring compliance to the Learning code of conduct. |
| | Technology enabled disruption | Failure to prepare for and respond to disruption, including bringing new services and solutions to the market with speed and agility. | ^ | 1. Roll-out of go-to-market strategy of strategic technology initiatives. Investing in technology alliances.<br>2. Investing in upskilling partners and staff re ESG and digital capabilities.<br>3. Investing in technology and tools.<br>4. Implementing the Evolved PwC Professional leadership framework. |

^ = rising   v = declining   = = stable

| Strategic priority | Risk | Risk description | Risk trend | Key mitigation and actions |
|---|---|---|---|---|
| **Community of solvers** | Network mutuality/ alignment | Failure to act collaboratively as member firms given pressures caused by conflicting regional and national priorities in the external environment. | = | 1. PwC Europe, PwC EMEA and PwC Global Leadership teams who set priorities and focus on cooperation.<br>2. Hold (key) positions in the network. |
| | People | Failure to attract, retain and develop appropriate talent in order to realise opportunities and meet clients' changing needs and enable our diversity (background, skills, gender etc.). | ^ | 1. Recruiting people with expertise in areas like ESG and AI.<br>2. Diversity and inclusion programme.<br>3. Labour market and recruitment campaigns.<br>4. Investment in talent hub and ADM (including SDCs) that save time, reduce costs and ensure a consistent way of working.<br>5. Monitoring talent pipeline and for leadership roles succession planning. |
| **Sustainable growth** | Black and Green Swan events | Failure to prepare for events with implications in terms of immediate/disaster response, reputational damage or potential macroeconomic impact such as regulatory change, inflation, environmental events of macroeconomic disruption created by events such as a pandemic. | = | 1. Business continuity plan and crisis management policies. |

^ = rising  v = declining  = = stable

## Sustainability-related risks

For several years we have been reporting on climate-related risks and opportunities as recommended by the Task Force on Climate-related Financial Disclosures (TCFD). An overview of our TCFD disclosures can be seen on *pages 44-48*.

A DMA assessment is performed including identifying our sustainability risks. Efforts regarding this materiality assessment in line with the ESRS requirements have required firm-wide involvement, including at the highest level of the organisation. This Annual Report includes the results of the DMA on *page 36*. Mitigating actions are disclosed for the impacts deemed significant or crucial. In 2024/2025 we will bring the outcome of the DMA and broader risk and opportunity assessment together to align on the mitigation and actions to take in relation to the risk appetite.

The majority of reported data is prepared by Finance, Facility Management, Corporate Sustainability and Human Capital. Controls are in place to ensure reliable reporting on non-financial metrics. For processes without controls, the third line provides independent risk based audit activities. We have started drafting a risk and control matrix for non-financial information reporting and are setting up a control framework for non-financial information.

# Statement by the Board of Management



The Board of Management is responsible for the preparation of the financial statements in accordance with applicable reporting standards. The responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Management also prepared the Report of the Board of Management in which we endeavour to present a fair view of the development and performance of our business. It contains a selection of the main developments in the financial year and is not limitative.

Our organisation has internal risk management and control systems that are suitable for the organisation and ensure we comply with applicable laws and regulations. As a PwC member firm, we must comply with the PwC Network Standards and the Network Risk Management Policies (as described on *page 119* of this annual report). We have also implemented measures to prevent fraud and corruption within our organisation. The objective of the aforementioned systems is to manage, rather than eliminate, the risk of failure to achieve our business objectives and the risk of material errors to the financial reporting. Accordingly, these systems can only provide reasonable, not absolute, assurance.

Our organisation has identified the main risks it faces. And these can be found on *pages 120-121* of this annual report. Developments that are currently unknown to the Board of Management or considered to be unlikely may change the future risk profile of the organisation.

The Board of Management monitors the operation of the internal risk management and control systems, making improvements where necessary. The results of these monitoring activities have been shared with the Audit Committee, Supervisory Board and PwC NL's external auditor. With reference to best practice 1.4.3 of the Dutch Corporate Governance Code the Board of Management confirms that to the best of our knowledge:

- The report provides insights into shortcomings in the effectiveness of the internal risk management and control systems. We refer to *page 11* for an update regarding the ongoing investigation into improper answer sharing.
- The organisation's internal risk management and control systems are aimed at providing reasonable assurance that the financial reporting, as included in the financial statements, does not contain any errors of material importance.
- There is under the current circumstances a reasonable expectation that the organisation will be able to continue in operation and meet its liabilities for at least twelve months as from the date hereof, making it appropriate to adopt the going concern basis in preparing the financial statement.
- There are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of the organisation's business in the coming twelve months as from the date hereof.
- The sustainability information included in our report is prepared with reference to the reporting requirements of the ESRS and EU Taxonomy.

Amsterdam, 3 October 2024

The Board of Management:
Agnes Koops-Aukes (statutory director)
Maarten van de Pol*
Janet Visbeen*
Veronique Roos-Emonds*
Wytse van der Molen*

*Authorised executive director

# Report of the Supervisory Board

# A personal note from Chris Buijink, chair of the Supervisory Board



Looking back at the financial year 2023/2024 from the perspective of the Supervisory Board is not an easy task, I must admit. The wide variety of subjects we dealt with makes it hard to summarise the past year in broad strokes and a more nuanced picture is required.

On the one hand, this annual report reflects some significant successes that were achieved over the past year and the advances that PwC made in a number of areas. These include the implementation of Microsoft Copilot for all PwC staff, the major strides taken in terms of growth and investment, and the sound progress made with regards to the mandatory firm rotation. These are results of which PwC can be proud, especially given the current economic climate. And I am satisfied that the Supervisory Board has played its part by encouraging, advising and overseeing the Board of Management in achieving these successes.

On the other hand, we as the Supervisory Board have spent a vast amount of time on the ongoing investigation into improper answer sharing; a subject which goes to the core of PwC in terms of trust and integrity. The Supervisory Board oversees the investigation and through our meetings with PwC's Board of Management and the investigation team remains closely involved in the process.

The investigation is expected to be finalised during the 2024/2025 financial year. However, the fact that improper answer sharing occured at PwC Netherlands is damaging to the integrity and trust that must serve as the foundation of the organisation. It is important that PwC continues to evaluate existing remedial measures and to introduce new ones where necessary.

As the Supervisory Board, we will continue to monitor the investigation and the implementation of remedial measures.

Although the investigation took much of our time over the past year, we made sure that conversations on other strategically important topics stayed on the agenda. For instance, our conversations with the Board of Management about the long-term strategy emphasised the importance of PwC's position in the market. How does PwC wish to be distinctive for clients? Where do we hope to make a difference in society? And what is needed for that to happen in terms of investments and attracting, developing and retaining the required talent? We will continue to focus on these vital areas in the coming year.

The report also reflects on our core values and the new composition of the Supervisory Board. We were delighted when Baukje Dreimüller, Floor Rink and Saskia Vlaar took up their roles on 1 July 2023, and they have come to know the organisation very well over the past year. Their fresh perspective, expertise and qualities have given a positive new impulse to the Supervisory Board as a team and our roles as supervisor, advisor and employer.

Finally, on behalf of the entire Supervisory Board, may I extend my heartfelt gratitude to everybody at PwC for their tireless efforts, dedication and expertise. All of them played a crucial part in PwC's achievements during the financial year 2023/2024.

Chris Buijink
*Chair of the Supervisory Board*

# Key discussion themes in financial year 2023/2024



## Strategy

PwC depends on its creativity and capacity to adapt, evolve and transform in order to stay relevant in the market and society of the future. This also applies to learning from missteps and changing the organisation for the better. The way in which the Assurance, Tax & Legal and Advisory Lines of Service combine their talents is very important in this respect. And we have encouraged the Board of Management to think big, with a focus on the long term and, where possible, to accelerate innovation in the short term.

The Board of Management has identified several specific strategic growth areas over the past year, discussed the reinvention of its own business model with the Supervisory Board, and strengthened the focus on PwC's key clients and core capabilities. The Supervisory Board fully supports this approach and constantly challenges management to translate ambitions into tangible plans and strategic choices. An example of this is the additional alignment brought into the mandatory firm rotation process, which had an impressive outcome for PwC.

## Technology

PwC has achieved considerable progress in establishing the foundations for AI within the company over the past year. The Supervisory Board has taken a keen interest in possibilities such as ChatPwC, Harvey and AI solutions for clients. We have encouraged the Board of Management to stay at the forefront of technology innovation in order to retain a clear position in the market.
We discussed the opportunities and challenges of the rise of GenAI for PwC. A good example is the pricing of PwC services, with the traditional rates-times-hours model being finite. The inherent dilemmas in finding the balance between speed and diligence when adopting new technology was part of the discussions between the Supervisory Board and Management Board. We expect PwC to be able to make a difference for clients and society on this point by adding trust to today's rapidly evolving technology landscape.

## Sustainability

The past year has seen us pay considerable attention to the implementation of the CSRD, including several in-depth sessions with subject-matter experts exploring the background of the EU directive, PwC's service offerings in assisting companies in their transformation, the challenges and opportunities for organisations, and PwC's own double materiality assessment. PwC's own CSRD implementation journey the coming year will include an in-depth discussion with the Board of Management regarding the impact, risks and opportunities in relation to the material topics as well as the challenges and ambitions related to reducing negative impacts of the material topics.  This applies equally to our oversight of target setting related to material impacts, risks and opportunities, and monitoring the progress towards these targets.

The Supervisory Board believes that sustainability has become more relevant strategically and needs to be integrated within PwC's processes and structures at an accelerated pace. We asked the Board of Management to give priority to obtaining reliable data, expertise and technology both internally for PwC and externally for clients. It is commendable that PwC has chosen to adhere to the ESRS reporting requirements before actually being required to do so, starting with this year's Annual Report.

## Quality

Quality will consistently be a key focus in our oversight. We discussed at length various initiatives related to people management over the past year, reflecting the fact that people are at the heart of PwC's purpose and licence to operate: building trust in society and solving important problems. We are grateful for the attention that the Board of Management pays to the development of partners and trust that the introduction of the renewed Evolved PwC Professional global leadership framework will also enhance the upskilling and recognition of all PwC professionals.

We also monitored the development of a new governance structure to match demand and supply for PwC's internal services. Bearing in mind Dr Ziggy Switkowski's independent review of the culture, governance and accountability within PwC Australia after conflicts of interest in the PwC Australia's tax practice, we have asked that special attention be paid to, among other things, the positioning of the risk functions in the organisation. This resulted in a better anchoring of the direct reporting line to the board members compared to the first proposal regarding the new governance, to ensure the independent and advisory role of the risk function.

## How

Our monitoring of the strategic agenda's advancement is covered in quarterly reports that shed light on successful points and areas requiring increased attention. Regular financial reports also allow us to track financial outcomes against the budget and previous year's results. Just as in 2022/2023, we emphasised the need for a greater focus on client-oriented time during discussion of these reports. We have also encouraged the Board of Management to create a clear overview of the investments being made in areas such as technology and alliances.

# Core values and self evaluation of the Supervisory Board



The Supervisory Board has previously defined three core values to steer its actions. These values were a component of the self-assessment of the Supervisory Board, which provide a framework to consider their approach, objectives and behaviour. This year our self-evaluation has been guided by external boardroom experts. They prepared our self-evaluation workshop based on relevant documents and in-depth individual interviews with the Supervisory Board, Board of Management and other relevant key officers and internal stakeholders. In addition, individual feedback was collected from the members of the Supervisory Board on each other's conduct. The Supervisory Board discussed the feedback regarding their individual behaviour with a focus on interaction.

## Critical and engaged

The investigation into improper answer sharing has had a major influence on the role of the Supervisory Board in the year under review, required frequent additional project meetings and taken up a considerable share of the agenda. The Supervisory Board was highly engaged in the investigation process, having many critical conversations with the investigation team, the Board of Management, the Assurance Board and partners. This sometimes led us to change our priorities and reduce the time usually taken for orientation sessions within the organisation.

Similar to the previous year, the Supervisory Board held dedicated discussions with both the Tax & Legal Board and the Advisory Board. Interactions with the Assurance Board occurred during the regular cycle of meetings of the Supervisory Board and were further intensified in connection with the investigation into improper answer sharing. In these exchanges, we posed probing questions as an informed external observer to fully grasp internal activities, offer feedback and bring in an outside view.

## Open and keen to learn

In keeping with last year's self-evaluation, the Supervisory Board dived deeper into the themes of sustainability and technology/AI to support us in our ability to properly judge relevant developments in these areas. Members of the Supervisory Board, both individually and collectively, continuously develop the skills needed to perform their role, including as part of their continuous professional education. Each member feels responsible for their personal development and expertise building by attending relevant meetings, training courses and seminars.

## Respectful and challenging

The investigation into improper answer sharing has been a learning experience for the Supervisory Board, providing useful insights into the boardroom dynamics. Key areas of attention currently are the balance between strategic and operational oversight, the governance structure, the behaviour and culture within the partnership and organisation, and ways to further improve the sounding board role. The impact of the investigation into improper answer sharing will put considerable pressure on the Board of Management and the organisation as a whole over the coming years and the Supervisory Board should take a supportive role for the challenges ahead.

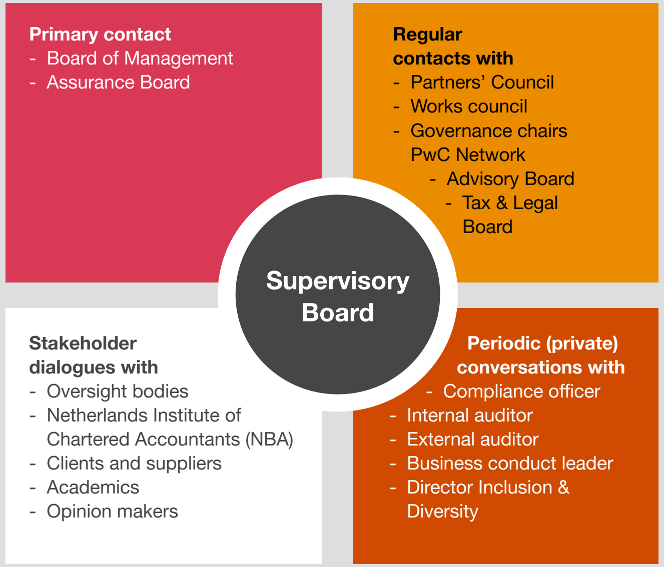
## Composition of the Supervisory Board

Part of the self-evaluation is also a reflection on the composition and competencies of the Supervisory Board. Since Baukje Dreimüller, Floor Rink and Saskia Vlaar joined us on 1 July 2023, the Supervisory Board has had a very diverse composition, with members complementing each other in who they are and the experience they bring to the table. This enables us to act independently and critically with respect to each other, the Board of Management and PwC.

The first part of the year was marked by the onboarding of these new members. The programme consisted of individual introductory meetings with, for example, the compliance officer and deputy, the internal auditor, the business conduct leader and the quality management system lead of Assurance. In addition, collective training sessions took place on topics such as the partner evaluation and income system.

## Outside meetings

Next to the meetings with the Board of Management, the Supervisory Board puts high value on establishing contacts across PwC to properly understand what is going on in the organisation. The dialogues with external stakeholders also contribute to deepening our supervision.



# Supervisory Board committees



The Supervisory Board has four committees, namely the Public Interest Committee, Audit Committee, Remuneration Committee and Selection and Appointment Committee, all of which have an advisory role within the board. The separate committee reports show the composition and focus of each, together with a summary of the key matters on their agendas.

## Report of the Public Interest Committee

Members 2023/2024: All members of the Supervisory Board are members of the Public Interest Committee. The committee is chaired by Jan Sijbrand

Focuses on the social aspects relevant to PwC, including safeguarding the public interest in the audit opinions issued by PricewaterhouseCoopers Accountants N.V. and regulatory affairs. Each meeting is attended by the chair of the Board of Management, the chair of the Assurance Board and the member responsible for risk and quality, the compliance officer, deputy compliance officer and public affairs manager. The committee meets regularly with other members of the Assurance Board.

An overview of key issues discussed by the Public Interest Committee in 2023/2024 can be found in its contribution to the Transparency Report by PricewaterhouseCoopers Accountants N.V. (see *PwC NL website*) and includes the report by Dr Ziggy Switkowski, who conducted a review of the culture, governance and accountability at the Australian firm on behalf of PwC Australia after conflicts of interest in its tax practice, the social debate on the so-called ‘double hatters’ (partners and directors who combine their role at audit or consulting organisations or law firms with an academic position), and the increasingly important role of accountants in auditing sustainability information. Also, the Public Interest Committee played an important role with regard to the design and scope of the investigation into improper answer sharing and the measures to be taken. This led to several additional project meetings and the committee being convened three times as often in the past year as would normally be the case.
Other discussion topics relevant this past year have been:
- The audit firm’s quality management system and the design and operational effectiveness in relation to the quality objectives, including the quality indicator reporting that monitors the progress made with regard to the objectives.
- Societal interest developments related to PwC’s practice such as the role of PwC Advisory in the public domain and independence rules in this domain.
- Developments relating to the audit profession, including in the market, the proposed Accountancy Amendment Act (Wijzigingswet Accountancysector) published at the end of 2023, the NBA publication on transparency and confidentiality, the dialogue about anchoring the ‘Verklaring omtrent risicobeheersing’ for companies, and the findings of the Audit Sector Quartermasters (Kwartiermakers toekomst accountancysector.)
- Internal and external reviews, including the results of the review carried out by the AFM into engagement quality control review (*Opdrachtgerichte kwaliteitsbeoordeling*) and follow up to the AFM review of the fraud risk assessment.
- Discussions between PwC and the AFM regarding the audit firm, including incidents notified to the AFM and data-driven supervision.
- Updates on the stakeholder dialogue and PwC publications with a public-social impact.

## Report of the Remuneration Committee

Members 2023/2024:
Jan Sijbrand (chair), Chris Buijink, Floor Rink, Saskia Vlaar

Focuses on remuneration of members of the Board of Management and the Assurance Board, and of partners/directors and staff. Chair of the Board of Management is the primary contact. Meets regularly with the chair of the Partners’ Council.

Overview of key issues discussed by the Remuneration Committee in 2023/2024:
- Proposed remuneration of Board of Management and Assurance Board members.
- Remuneration-related topics following the implementation of the CSRD.
- Remuneration-related topics regarding the ongoing investigation into improper answer sharing.
- Updates to the remuneration policy for partners and the process relating to evaluation and remuneration, especially quality outcomes & behaviours and mapping.
- Evaluation of the quality of Assurance partners/directors acting as external auditors and remuneration.
- Remuneration policies and conditions of employment for staff and directors, including equal pay and mobility policy.
- Pay ratios within PwC NL.
- The Remuneration Committee’s Remuneration Report, as adopted by the Supervisory Board, is included as an appendix to this Annual Report (*pages 172-176*).

## Report of the Audit Committee

Members 2023/2024:
René van Schooten (chair), Baukje Dreimüller, Jan Sijbrand, Saskia Vlaar

Focuses on finance and reporting, internal and external audits, risk and IT (security). CFO of the Board of Management is primary contact. Meets regularly with those responsible for internal audit, risk, finance, IT/information security, and the Assurance Board member responsible for finance. Holds private discussion each year with the external auditor (not attended by CFO and internal auditor).

Overview of key issues discussed by the Audit Committee in 2023/2024:
- Periodic financial management reports and forecasts, the results and the draft annual financial statements.
- Board of Management's In-Control statement giving insight into design and operational effectiveness of internal risk management and control systems.
- External auditor's management letter & report and discussions with the external auditor about audit plan and approach. Effectiveness of the audit process evaluated during private discussions between the Audit Committee and the external auditor.
- Updates on the implementation of CSRD within PwC, review of non-financial information by the external auditor and the fraud risk assessment thereof.
- Business planning cycle for budget, including the budget for Assurance.
- Internal audit charter, internal audit year plan and internal audit reports. Effectiveness of internal audit processes evaluated via in-depth discussions of internal audit reports, as well as regular (private) meetings between the Audit Committee chair and the internal auditor prior to Audit Committee meetings.
- Technology updates, including information security and data protection updates.
- Updates on risks and effects of the Ukraine war on PwC's service offerings and KYC process.
- The tax control framework.
- Investments in PwC focus areas such as ADMs for Assurance, M&A pipeline and evaluation of previous acquisitions.

## Report of the Selection and Appointment Committee

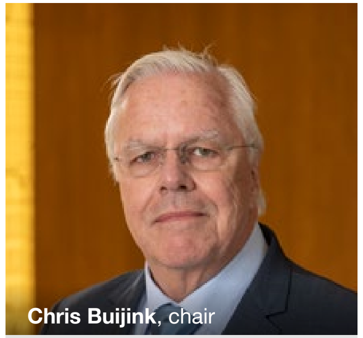
Members 2023/2024:
Chris Buijink (chair), Baukje Dreimüller, Floor Rink, René van Schooten

Focuses on appointment and signing authority of external auditors (partners/directors), succession within the Supervisory Board and Board of Management, performance evaluations of the Board of Management and Assurance Board by the Supervisory Board, and human capital strategy and developments. Chair of the Board of Management is the primary contact person. Meets regularly with members of the Board of Management responsible for Human Capital, the Human Capital director and the Business Conduct Leader.

Overview of key issues discussed by the Selection and Appointment Committee in 2023/2024. In addition to the recurring topics below, a considerable amount of time was spent on the ongoing investigation into improper answer sharing cases. As a result, the Selection and Appointment Committee had numerous extra project meetings, often joined by the two Supervisory Board members who are not part of the committee, and the committee being convened almost five times as often in the past year as would normally be the case.
- Evaluation of selection of partner and director candidates before appointment as external auditors within Assurance, including the selection process itself.
- Improvement plans and signing authority of external auditors after shortcomings were identified, including evaluation thereof and decisions about dismissal. No cases of suspension or dismissal of external auditors arose in this financial year.
- Setting goals and evaluating performance of Board of Management members and Assurance Board members in their role as policymakers under the Wta, the internal auditor and the compliance officer.
- The succession within the Supervisory Board and the Board of Management.
- The ambitions, action plans and updates related to inclusion and diversity within PwC.
- The Human Capital strategy and developments such as the Evolved PwC Professional framework, talent acquisition, workloads and the People Survey.
- Ethics and business conduct, including a safe working environment, complaints, notification and whistle-blowing procedures, and the follow-up on the transgressive behaviour survey.
- Partner affairs, including personal development initiatives for partners.

# Members of the Supervisory Board

All Supervisory Board (100%) members qualify as independent within the meaning of the Supervisory Board Regulations and the Dutch Corporate Governance Code. Supervisory Board members are obliged to inform the chair of the Supervisory Board before they accept any additional positions and to report any potential conflict of interest. No conflicts of interest occurred in the year under review that required a Supervisory Board member to abstain from attending a meeting or adopting a decision.

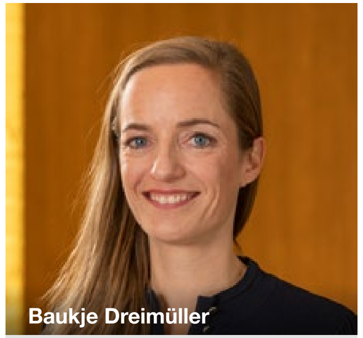


**Chris Buijink**, chair

(1954, male, Dutch)

Former principal positions:
- Chair of the Dutch Banking Association 2013-2021
- Ministry of Economic Affairs 1980-2013 (Secretary-General 2007-2013)

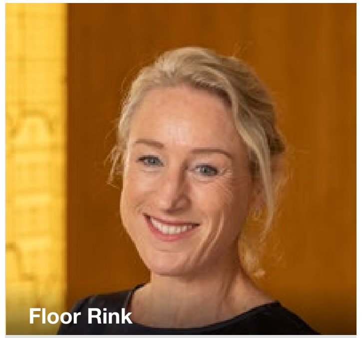
Other positions:
- Member of the Supervisory Board of H'ART Museum (previously the Hermitage Amsterdam)
- Chairman of the Joint Consultative Committee ESTEC-NL Authorities



**Baukje Dreimüller**

(1981, female, Dutch)

Principal position
- General Counsel Royal Schiphol Group N.V.



**Floor Rink**

(1975, female, Dutch)

Principal position:
- Full professor in Organisational Behaviour, Faculty of Economics and Business, University of Groningen

Other positions:
- Member of the Scientific Board Dutch Association of Healthcare Governance (NVTZ)
- Strategic board advisor and facilitator of board evaluations

**Jan Sijbrand**

(1954, male, Dutch)

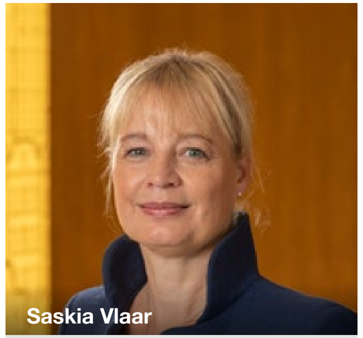
Former principal position:
- Member of the Executive Board and chairman for supervision of the Dutch Central Bank (DNB).

Other positions:
- Independent non-executive director of AIB Group plc and Allied Irish Banks p.l.c.

**René van Schooten**

(1959, male, Dutch)

Former principal position:
- Member of the Board of Management of Philips Lighting N.V./Signify N.V.



**Saskia Vlaar**

(1970, female, Dutch)

Principal position
- Member of the Board of AiNed

Other positions
- Member of the Supervisory Board of Stichting Noordwest Ziekenhuisgroep
- Member and vice chair of the Supervisory Board of Coöperatie SURF U.A.
- Member of the Supervisory Board of EMIXA Holding B.V.
- Advisor on digital transformation (self-employed)

| | Chris Buijink | Baukje Dreimüller | Floor Rink | Jan Sijbrand | René van Schooten | Saskia Vlaar |
|---|---|---|---|---|---|---|
| Initial appointment | 2021 | 2023 | 2023 | 2019 | 2021 | 2023 |
| Re-appointment | | | | 2023 | | |
| End of term | 2026 | 2027 | 2027 | 2027 | 2026 | 2027 |
| Attendance at regular Supervisory Board meetings | 4/4 | 4/4 | 4/4 | 4/4 | 4/4 | 4/4 |
| Committee memberships and attendance regular committee meetings* | - Public Interest Committee 4/4<br>- Selection and Appointment Committee 4/4<br>- Remuneration Committee 4/4 | - Public Interest Committee 4/4<br>- Selection and Appointment Committee 4/4<br>- Audit Committee 5/5 | - Public Interest Committee 4/4<br>- Selection and Appointment Committee 4/4<br>- Remuneration Committee 4/4 | - Public Interest Committee 4/4<br>- Audit Committee 5/5<br>- Remuneration Committee 4/4 | - Public Interest Committee 4/4<br>- Selection and Appointment Committee 4/4<br>- Audit Committee 5/5 | - Public Interest Committee 4/4<br>- Remuneration Committee 4/4<br>- Audit Committee 5/5 |

* Excluding the additional project meetings related to the ongoing investigation into improper answer sharing.

**Competencies and skills matrix**

| | Competencies and skills | | | | | | |
|---|---|---|---|---|---|---|---|
| **Supervisory Board** | PwC services/ products | Risk & quality | Governance: business ethics | Operations (IT, finance, workplace) | Human Capital | Innovation & digitisation (incl cyber) | ESG |
| Chris Buijink | ● | ○ | ● | ○ | ● | ○ | ○ |
| Baukje Dreimüller | ● | ● | ● | ○ | ● | ○ | ● |
| Floor Rink | ● | ○ | ● | ○ | ● | ○ | ● |
| Jan Sijbrand | ● | ● | ● | ● | ○ | ○ | ○ |
| René van Schooten | ● | ● | ○ | ● | ○ | ● | ○ |
| Saskia Vlaar | ● | ○ | ○ | ● | ○ | ● | ○ |

○ Has sufficient/advanced knowledge, skills and experience in the area and can make a balanced, independent judgement on the matter
● Is in addition considered an expert in relation to previous or current roles

The purpose of this matrix is to provide an overview on the experience and competencies that PwC considers to be most relevant for stakeholders. The matrix represents to which extent PwC's Supervisory Board Members have such experience and competencies (either developed before and/or during their position at PwC). The content of this matrix is subject to change in the light of PwC's continually changing situations, markets and environment. Going forward we aim to take into account the sustainability skills and expertise of the Supervisory Board members relating to the material impacts, risks and opportunities of the material sustainability topics. For the appointment of new board members, all relevant competencies are also shared with the AFM based on their standard suitability matrix to assess the collective competence of members of the Supervisory Board.

## Remuneration Report

The Remuneration Report on *pages 172-176* is an integral part of the Report of the Supervisory Board.

## This Annual Report

After discussing the Annual Report and financial statements, the Supervisory Board concluded that these present a fair view and have been prepared on a basis that is consistent with the previous year.

Amsterdam, 3 October 2024

The Supervisory Board

Chris Buijink (chair)
Baukje Dreimüller
Floor Rink
René van Schooten
Jan Sijbrand
Saskia Vlaar

# Financial statements

## Coöperatie PricewaterhouseCoopers Nederland U.A.

# 1. Consolidated financial statements

## 1.1. Consolidated balance sheet at 30 June 2024 (before appropriation of result) (in € x 1,000)



| | | 30 June 2024 | | 30 June 2023 | |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| **Intangible fixed assets** | [1] | | | | |
| Software | | 22 | | 76 | |
| Goodwill | | 1,054 | | 2,739 | |
| | | | **1,076** | | **2,815** |
| **Tangible fixed assets** | [2] | | | | |
| Leasehold improvements | | 10,275 | | 11,597 | |
| Office furniture | | 6,290 | | 7,143 | |
| Office equipment | | 9,136 | | 13,240 | |
| Fixed assets under construction | | 3,269 | | 1,782 | |
| | | | **28,970** | | **33,762** |
| **Financial fixed assets** | [3] | | | | |
| Participating interest | | 1 | | 1 | |
| Other participations | | 3,568 | | 3,568 | |
| Deferred tax assets (non-current) | | 1,386 | | 197 | |
| Other receivables | | 21,893 | | 18,731 | |
| | | | **26,848** | | **22,497** |
| **Current assets** | | | | | |
| **Work in progress** | [4] | | **81,796** | | **68,420** |
| **Receivables** | | | | | |
| Receivables from clients | [5] | 203,531 | | 225,603 | |
| Receivables from other participations | [6] | 5,377 | | 3,340 | |
| Deferred tax assets (current) | [3] | 1,122 | | 818 | |
| Taxes and social security charges | | 613 | | 581 | |
| Other receivables | [7] | 15,269 | | 9,850 | |
| Prepayments and accrued income | [8] | 18,187 | | 17,710 | |
| | | | **244,099** | | **257,902** |
| **Cash and cash equivalents** | [9] | | **145,256** | | **135,895** |
| **Total** | | | **528,045** | | **521,291** |

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

## Equity and liabilities

| | | 30 June 2024 | | 30 June 2023 | |
|---|---|---|---|---|---|
| **Group equity** | [10] | | **107,561** | | **94,402** |
| **Provisions** | [11] | | **23,825** | | **11,183** |
| **Non-current liabilities** | | | | | |
| Other loans and liabilities | [12] | - | | 1,039 | |
| Accrued expenses and deferred income | [13] | 35 | | 45 | |
| | | | **35** | | **1,084** |
| **Current liabilities** | | | | | |
| Liabilities to suppliers | [14] | 26,397 | | 28,352 | |
| Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A. | [15] | 179,883 | | 201,764 | |
| Payables to other participations | | 231 | | - | |
| Taxes and social security charges | [16] | 61,231 | | 54,780 | |
| Other liabilities | [17] | 100,090 | | 94,701 | |
| Accrued expenses and deferred income | [18] | 28,792 | | 35,025 | |
| | | | **396,624** | | **414,622** |
| **Total** | | | **528,045** | | **521,291** |

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

## 1.2. Consolidated profit and loss account for the year ended 30 June 2024 (in € x 1,000)



| | | 2023/2024 | | 2022/2023 | |
|---|---|---|---|---|---|
| Net revenue | [19] | 1,081,878 | | 1,037,730 | |
| Other revenue | | - | | 1,181 | |
| **Total revenue** | | | **1,081,878** | | **1,038,911** |
| Cost of work contracted-out and other external costs | [20] | 124,828 | | 145,949 | |
| Salaries | | 381,682 | | 358,454 | |
| Social security charges | | 58,130 | | 54,163 | |
| Pension contributions | | 31,652 | | 28,908 | |
| Amortisation and depreciation of fixed assets | [21] | 11,436 | | 9,654 | |
| Travel costs and other personnel costs | [22] | 146,511 | | 135,136 | |
| Other operating costs | [23] | 137,981 | | 114,025 | |
| **Total operating costs** | | | **892,220** | | **846,289** |
| **Operating profit** | | | **189,658** | | **192,622** |
| Interest and other financial income | [24] | 9,205 | | 3,146 | |
| Interest and other financial expenses | [25] | -2,962 | | -849 | |
| **Result before taxation and management fee** | | | **195,901** | | **194,919** |
| Management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A. | [26] | -180,529 | | -182,198 | |
| **Result before taxation and after management fee** | | | **15,372** | | **12,721** |
| Corporate income tax | [27] | -3,684 | | -2,800 | |
| **Profit after tax** | | | **11,688** | | **9,921** |

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

## 1.3. Consolidated statement of cash flows for the year ended 30 June 2024 (in € x 1,000)

| | | 30 June 2024 | | 30 June 2023 | |
|---|---|---|---|---|---|
| **Cash flow from operating activities** | | | | | |
| Operating profit | | | **189,658** | | **192,622** |
| **Adjustments for:** | | | | | |
| Amortisation, depreciation and impairments | [21] | 11,542 | | 10,726 | |
| Movements in provisions | [11] | 12,642 | | -1,094 | |
| Movement in accrued expenses and deferred income (non-current) | [13] | -10 | | -1,046 | |
| | | | **24,174** | | **8,586** |
| **Changes in working capital** | | | | | |
| Receivables | [5-8] | 13,867 | | -39,037 | |
| Work in progress | [4] | -13,376 | | 9,158 | |
| Current liabilities | [14-18] | -19,505 | | -2,219 | |
| | | | **-19,014** | | **-32,098** |
| **Cash flow from business operations** | | | **194,818** | | **169,110** |
| Interest paid | [25] | -2,962 | | -849 | |
| Interest received | [24] | 9,205 | | 3,146 | |
| Corporate income tax | | -3,430 | | -11,629 | |
| | | | **2,813** | | **-9,332** |
| Management fee Coöperatie PricewaterhouseCoopers Nederland U.A. | [26] | | **-180,529** | | **-182,198** |
| **Cash flow from operating activities** | | | **17,102** | | **-22,420** |

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

| | | 30 June 2024 | | 30 June 2023 | |
|---|---|---|---|---|---|
| **Cash flow from investing activities** | | | | | |
| Additions to intangible fixed assets | [1] | - | | -353 | |
| Disposals of intangible fixed assets | [1] | 236 | | 28 | |
| Additions to tangible fixed assets | [2] | -5,907 | | -12,283 | |
| Disposals of tangible fixed assets | [2] | 660 | | 406 | |
| Additions to financial fixed assets | [3] | -4,698 | | -6,373 | |
| Disposals of financial fixed assets | [3] | 1,536 | | 8,241 | |
| | | | **-8,173** | | **-10,334** |
| | | | | | |
| **Cash flow from financing activities** | | | | | |
| Additions to members' capital | [30] | 17,507 | | 9,737 | |
| Repayment on members' capital | [30] | -6,115 | | -6,587 | |
| Profit distribution | [31] | -9,921 | | -6,987 | |
| Other loans and liabilities | [12] | -1,039 | | -573 | |
| | | | **432** | | **-4,410** |
| | | | | | |
| **Net cash flow** | | | **9,361** | | **-37,164** |
| | | | | | |
| **Cash and cash equivalents - opening** | | **135,895** | | **173,059** | |
| Net cash flow | | 9,361 | | -37,164 | |
| | | | | | |
| **Cash and cash equivalents - closing** | | | **145,256** | | **135,895** |

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

# 1.4. Notes to the consolidated financial statements

## Activities and large company regime

The activities of Coöperatie PricewaterhouseCoopers Nederland U.A. ('the Company') and those of its subsidiaries comprise Assurance, Tax & Legal and Advisory services. These activities are further described in the Report of the Board of Management. The Company is registered at the Chamber of Commerce under number 34344598.

The Company meets the criteria of a large company regime (structuurregime), as laid down in article 2:63b paragraph 1 of the Dutch Civil Code, for the financial year 2023/2024.

On October 13, 2022, the Company declared to the commercial register that the Company meets the criteria for a large company regime (structuurregime), as laid down in article 2:63b paragraph 1 of the Dutch Civil Code (the "Declaration"). The Company is obliged to amend its articles of association in accordance with articles 2:63f to 2:63j of the Dutch Civil Code no later than the date on which the Declaration has been registered in the commercial register for three continuous years.

## Going concern assumption

The financial statements of the Company have been prepared based on a going concern assumption. The Board of Management is responsible for the continuity of the Company, including operational and financial aspects. The operational activities are expected to generate sufficient positive cashflow to meet the organisation's obligations. If additional liquidity is required, a credit facility totalling € 25 m (2022/2023: € 25 m) was available to the Company. None was drawn down as of the balance sheet date nor during the financial year. A budget has been prepared for the Company for the 2024/2025 financial year: based on the expected financial performance and the information the Board of Management currently has at its disposal, the organisation is expected to generate sufficient free cash flow to meet its obligations.

## Group relationships

From 1 July 2023, the private limited liability companies owned by the professional practitioners (the 'partner BVs') have each entered into an association agreement with the Company, under which the partner BV makes the professional practitioner available to practice one of the professions described under 'Activities' in return for a management fee.

## General accounting policies

The consolidated financial statements are prepared in accordance with the requirements of Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standards ('*Richtlijnen voor de jaarverslaggeving*') as published by the Dutch Accounting Standards Board. Where no specific accounting policy is noted, assets and liabilities are carried at the historical cost at which they were acquired or incurred, respectively.

## Principles of consolidation

The consolidated financial statements include the financial statements of the Company and of those group companies in which, directly or indirectly, it has a shareholding of more than one half of the voting rights or can otherwise exercise control. Together, these are referred to in the financial statements as 'the Group'.

Intercompany transactions and profits, and balances between group companies and other consolidated entities, are eliminated to the extent that the results have not yet been realised through transactions with third parties. The accounting policies of group companies and other consolidated entities have been changed where necessary, to correspond with the prevailing group accounting policies.

The entities included in the consolidation for the period from 1 July 2023 to 30 June 2024 are:
- Coöperatie PricewaterhouseCoopers Nederland U.A., Amsterdam (100%);
- PwC Business Solutions Holding (NL) B.V., Amsterdam (100%);
- Holding PricewaterhouseCoopers Nederland B.V., Amsterdam (100%);
- PricewaterhouseCoopers B.V., Amsterdam (100%);
- PricewaterhouseCoopers Accountants N.V., Amsterdam (100%);
- PricewaterhouseCoopers Advisory N.V., Amsterdam (100%);
- PricewaterhouseCoopers Belastingadviseurs N.V., Amsterdam (100%);
- PricewaterhouseCoopers Certification B.V., Amsterdam (100%);
- PricewaterhouseCoopers Compliance Services B.V., Amsterdam (100%);
- PricewaterhouseCoopers Deelnemingen B.V., Amsterdam (100%);
- PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V., Amsterdam (100%);
- PwC Strategy& (Netherlands) B.V., Amsterdam (100%);
- PricewaterhouseCoopers Academy Netherlands VOF, Amsterdam (100%);
- PricewaterhouseCoopers Consulting Services Holding B.V., Amsterdam (100%).

## Fiscal unity

All abovementioned consolidated entities form a fiscal unity for corporate income tax purposes with Coöperatie PricewaterhouseCoopers Nederland U.A.

Except for PricewaterhouseCoopers Academy Netherlands VOF and PricewaterhouseCoopers Deelnemingen B.V., all of the abovementioned consolidated entities form a fiscal unity for value-added tax purposes with Coöperatie PricewaterhouseCoopers Nederland U.A.

### Acquisitions of group companies
The results and identifiable assets and liabilities of acquired entities are recognised in the consolidated financial statements from the date of acquisition, being the date on which control is obtained.

The purchase price is the monetary amount, or equivalent, agreed for the acquisition of the acquired entity plus any costs directly attributable to the acquisition. Where the acquisition cost exceeds the net fair value of the identifiable assets and liabilities, the excess is recognised as goodwill under intangible fixed assets.

### Estimates
In applying accounting policies and financial reporting requirements, the Board of Management needs to make judgements and estimates that may be critical to the amounts reported in the financial statements. The most significant estimates, uncertainties and judgements are considered to be the valuation of work in progress and receivables and the measurement of provisions.

Where necessary to provide the insight required by Article 2:362, clause 1 of the Dutch Civil Code, the nature of these judgements and estimates, and details of the underlying assumptions, are provided in the note disclosures for the relevant balance sheet items.

### Related parties
Related parties are defined as those legal entities that can be controlled, jointly controlled or significantly influenced by the Company and those legal entities that can control the Company. The director under the Articles of Association, the authorised executive directors, the members of the Supervisory Board of the Company and the close relatives of these board members are also defined as related parties.

The nature and extent of transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions, together with any other information necessary to provide sufficient insight.

## Accounting policies for assets and liabilities

### General
The principles used for valuation and determination of the result are based on the going-concern assumption. Unless otherwise indicated, all amounts in the consolidated financial statements are reported in thousands. Amounts followed by ‘m’ are in millions.

### Comparison with prior year
The Group’s financial year runs from 1 July to 30 June. The accounting policies applied in determining balance sheet and profit and loss account items are unchanged from prior year.

### Foreign currencies
The financial statements are presented in euro, which is both the functional and the presentation currency of the Company. Foreign currency transactions in the reporting period are converted at the exchange rates prevailing on the transaction dates. Monetary amounts denominated in foreign currencies are converted into the functional currency at the exchange rates prevailing at the balance sheet date. Resulting exchange differences are taken to the profit and loss account, except where hedge accounting is applied. Non-monetary assets carried at acquisition cost in a foreign currency are converted using the exchange rates prevailing on the transaction dates.

### Financial instruments
Primary financial instruments comprise other financial interests, receivables, cash and cash equivalents, other loans, liabilities to suppliers and liabilities to members of Coöperatie. The accounting policies for these items are set out individually below.

Derivatives are initially recognised in the balance sheet at fair value. The subsequent measurement of derivative financial instruments depends on whether or not the instrument is quoted in an open market. If the underlying object of the derivative financial instrument is listed on a stock exchange, it is measured at fair value and changes in value are recognised in the profit and loss account (if no hedge accounting is applied). If the object is not listed on a stock exchange, it will be stated at cost or fair value, if lower. Insofar as the fair value as determined at the balance sheet date is lower than the cost price of the derivative, the difference is recognised in the profit and loss account (if no hedge accounting is applied).

### Software
Software is carried at acquisition cost less accumulated depreciation and impairment provisions. Software is depreciated on a straight-line basis over its expected useful life.

### Goodwill
Goodwill is determined as the excess of the acquisition cost over the fair value of identifiable assets and liabilities acquired less accumulated amortisation and impairment provisions. Goodwill is amortised on a straight-line basis over its expected useful life.

## Tangible fixed assets

Tangible fixed assets are carried at acquisition cost less accumulated depreciation determined on a straight-line basis over their expected useful lives and taking account of any residual values. Assets under construction are not depreciated.

## Financial fixed assets

Participating interests over which significant influence is exercised are carried at net asset value, determined using the same accounting policies as used in these financial statements. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence. Participating interests acquired are recognised initially at the fair value of the identifiable assets and liabilities on acquisition and subsequently on the basis of the accounting policies used for these financial statements using this initial value as a basis. If the measurement of a participating interest based on net asset value is negative, it will be stated at nil. If and insofar as the Company can be held fully or partially liable for the debts of the participation or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Other participations are carried at the lower of acquisition cost and, where there are indications of impairment, the best estimate of their recoverable amount.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations and the accounting policies used in these financial statements, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses. The calculation of deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law. Deferred income tax is recognised at nominal value.

Other receivables presented under financial fixed assets include loans. These receivables are initially measured at fair value and subsequently carried at amortised cost. Impairments are deducted from amortised cost and expensed in the profit and loss account.

## Pillar Two

The Dutch Minimum Taxation Act (also known as Pillar Two) will become effective for the Company and its group companies in the financial year 2024/2025. As the legislation was not yet effective on the reporting date, the Company has no related tax burden. The Company applies the required exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to RJ 272 issued in February 2024.

The Group anticipates that it can apply the initial phase exclusion exemption, which means that no material impact is expected for the coming years. Due to the complexities in applying the legislation and calculating the Global Anti-Base Erosion (GloBE) income, the Company is continuing to assess the impact of Pillar Two legislation on its future financial performance.

## Impairment of fixed assets

At each balance sheet date, the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill cannot be reversed.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

## Work in progress

Work in progress comprises services delivered but not yet invoiced and is carried at the amounts expected to be recovered from clients. Where the net amount of work performed, provisions and invoiced amounts on any individual project is negative, this net amount is recognised under other liabilities.

## Receivables
Receivables are recognised initially at the fair value of the service provided and subsequently at amortised cost, which for current receivables is the nominal amount, net of provisions for doubtful debts.

Other receivables all mature within one year.

## Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, bank balances and deposits with maturities of less than twelve months. Bank overdrafts are included in payables to credit institutions in current liabilities. Cash and cash equivalents are carried at their nominal amounts.

## Provisions
Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required, and a reliable estimate can be made.

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as at the balance sheet date. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, unless the time value of money is not material. Where the effect of the time value of money is not material, provisions are measured at nominal value.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Personnel provisions relate to long-term disability benefit top-ups, long-service entitlements and severance pay. The provisions for long-service entitlements are carried at present value using a discount rate of 3.5% (30 June 2023: 3.25%) and taking account of staff turnover probability. The provision for long-term unemployment benefit top-ups is carried at its present value using a discount rate of 3.5% (30 June 2023: 3.25%).

A provision for restructuring costs is recognised when the Group has a detailed, formal restructuring plan and, prior to the reporting date, has detailed what is expected from the parties involved in the restructuring in terms of initiating its implementation or has announced its key elements. A detailed restructuring plan determines at least the operations involved or their part, the key locations to be included, the location, positions and approximate number of employees to be compensated in exchange for termination of their employment, the expenditures expected to be incurred and the planned implementation timeline. A restructuring provision does not include future operating expenses.

The provision for severance pay and other provisions are carried at the nominal amounts of the expected cost of settlement. Other provisions are measured at present value and include provisions for restoration obligations at the end of rental contracts and professional liability. Restoration obligations at the end of rental contracts are provided evenly over the rental period.

## Accrued expenses and deferred income (non-current)
Non-current accrued expenses and deferred income include incentives received in connection with the rent of a number of office premises. These amounts are of a long-term nature and are recognised as income on a straight-line basis over the term of the rental contracts.

## Non-current liabilities
Liabilities are recognised initially at fair value, increased by transaction costs directly attributable to the assumption of the liability, and subsequently at amortised cost. The difference between the carrying amount and the ultimate repayment is charged to income as interest expense over the term of the liability based on the effective interest rate.

## Current liabilities
On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are measured at the amortised cost. Bonus and untaken leave entitlements are carried at the amounts required for monetary settlement. The liability recognised for bonuses reflects a best estimate of the expenditure necessary to settle the obligation. This is usually the nominal value. Other current liabilities all mature within one year.

## Operating leases
The Group has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the Group. The lease contracts are recognised as operational leases. Lease payments are recorded on a straight-line basis in the consolidated profit and loss account for the duration of the contract, taking account of reimbursements received from the lessor.

## Accounting policies for the profit and loss account

### General

Profit after tax represents the difference between the recoverable value of services rendered and the costs and other charges incurred during the year. Losses are recognised as and when they occur and to the extent that they can be reliably estimated.

### Net revenue

Net revenue is measured as the fair value of the consideration received or receivable for satisfying performance obligations contained in contracts with clients, including expenses and disbursements net of discounts but excluding value-added tax. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal will not be required when uncertainties regarding the level of the variable consideration are subsequently resolved. Revenue is recognised when, or as, the Group satisfies performance obligations by transferring control of services to clients. This occurs as follows for the Group's various contract types:

- Time-and-materials contracts are recognised as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.
- Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on actual inputs of time and expenses relative to total expected inputs.
- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.
- Contingent-fee contracts, over and above any agreed minimum fee, are recognised when the contingent event occurs and the Group has become entitled to the revenue.
- Licence-fee contracts that provide a right to use the Group's intellectual property ('IP'), as it exists at the date the licence is granted, are recognised when the licence agreement is entered into and the licensee is able to use and benefit from the licence. Licence-fee contracts that provide a right of access to the Group's IP, as it exists throughout the licence period, are recognised over time to reflect the pattern in which the benefits of access transfer to the client over the licence period.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation in proportion to its value. Where these are not directly observable, they are estimated based on the expected cost-plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone sale price of each performance obligation.

Estimates of revenues, costs or the extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit and loss account in the period in which the circumstances that give rise to the revision become known.

For time-and-materials, fixed-fee and licence-fee contracts, fees are usually billed on account based on a payment schedule. For performance-fee and contingent-fee contracts, fees are usually billed and paid when entitlement to the revenue has been established. If the revenue recognised by the Group exceeds the amounts billed, work in progress (current asset) is recognised. If the amounts billed exceed the revenue recognised, work in progress (other liabilities) is recognised. The Group's standard payment terms require settlement of invoices within 15 days of receipt.

The Group does not adjust the transaction price for the time value of money as it does not have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

### Other revenue

Other revenue includes revenue generated from non-core business-related activities.

### Cost of work contracted-out and other external costs

Cost of work contracted-out and other external costs are allocated to the period concerned and directly relate to engagements.

### Operating costs

Operating costs are recognised at historical cost on an accrual basis.

### Salaries and social security charges

Salaries and wages (including bonuses and holiday allowances) and social security charges are recognised in the profit and loss account when they are due.

### Pension contributions

The Group has a number of pension schemes. For all schemes, the contributions are based on salary for the year in question (defined contribution schemes) and are payable to insurance companies or pension funds. Contributions are recognised when they become due. Under the schemes, the Group has no further legal or constructive obligation should a funding deficit arise at the insurance company or pension fund.

The Group pays contributions to pension funds and insurance companies based on (legal) requirements and/or a contractual or voluntary basis. Contributions are recognised as employee cost when they are due. If contributions already paid exceed the contribution payable to the pension provider, the excess is recognised as a prepayment if these lead to a refund or reduction of future payments. Contributions due but not yet paid are presented as liabilities.

### Amortisation and depreciation of intangible and tangible fixed assets

Intangible fixed assets, including goodwill, are amortised over their estimated useful lives from the date they are available for use. The effects of any changes in estimated useful economic lives are reflected prospectively in future amortisation charges.

Depreciation of tangible fixed assets is based on acquisition cost and is charged to the profit and loss account on a straight-line basis reflecting the estimated useful lives of the assets and their expected residual values.

Gains and losses from the occasional sale of intangible and tangible fixed assets are included in amortisation and depreciation.

### Interest income and expenses

Interest income and expenses, including transaction costs relating to loans received, are recognised evenly over the periods to which they relate based on the effective interest rate inherent in the underlying assets and liabilities.

### Exchange differences

Exchange differences arising on settlement or conversion of monetary items in foreign currency are recognised in the profit and loss account in the year in which they arise, unless hedge accounting is applied.

### Dividends receivable

Dividends from other participations and securities are recognised when the Group becomes entitled to receive them.

### Corporate income tax

Corporate income tax on the result is calculated based on the result of the Group before taxation and after management fee and taking account of non-deductible costs and temporary differences. Corporate income tax on management fees is levied at the level of the partner BVs as the ultimate recipients of the management fees.

### Management fee

Members of the Company (being the partner BVs of the professional practitioners) are entitled to a management fee pursuant to the association agreements. The agreements with members no longer include Holding PricewaterhouseCoopers Nederland B.V. (‘Holding PwC NL’) as of this financial year so the Company no longer charges management fees to Holding PwC NL.

### Segment information

As the Group’s operations are performed primarily through three Lines of Service (Assurance, Tax & Legal and Advisory) and one central support service line (Other), segment information is provided along these lines.

## Basis of preparation of the consolidated statement of cash flow

### General

The cash flow statement is prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies are translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities.

### Working capital

Working capital represents the aggregate amount of receivables and work in progress net of current liabilities excluding amounts owed to credit institutions.

# 1.5. Notes to the consolidated balance sheet at 30 June 2024 (in € x 1,000 unless otherwise stated)



## [1] Intangible fixed assets

The movements are as follows:

| | | | 2023/2024 | 2022/2023 |
|---|---|---|---|---|
| | Software | Goodwill | Total | Total |
| **Balance at 1 July** | | | | |
| At cost | 165 | 4,471 | 4,636 | 4,311 |
| Accumulated amortisation | -89 | -1,732 | -1,821 | -391 |
| **Carrying amount** | **76** | **2,739** | **2,815** | **3,920** |
| **Movements** | | | | |
| Disposals | - | - | - | -28 |
| Remeasurement | - | -236 | -236 | 353 |
| Amortisation | -54 | -1,449 | -1,503 | -1,430 |
| | **-54** | **-1,685** | **-1,739** | **-1,105** |
| **Balance at 30 June** | | | | |
| At cost | 165 | 4,235 | 4,400 | 4,636 |
| Accumulated amortisation | -143 | -3,181 | -3,324 | -1,821 |
| **Carrying amount** | **22** | **1,054** | **1,076** | **2,815** |
| Amortisation percentages | 20-45 | 10-35 | | |

During the period from 5 June 2019 to 30 June 2024, the Company shared 30% in the revenues and costs of PricewaterhouseCoopers Technology Consulting Belgium B.V. In addition, 70% of the balance of income and expenses of the corresponding Dutch activities with PwC Belgium, Germany and Switzerland was settled during the same period. The receivable or debt arising from this right and this obligation are included in the balance sheet under other receivables, other loans and liabilities and goodwill. As a result, the original goodwill was decreased by € 236 in this year and this has been recognised as 'Remeasurement' in the above statement of movements. As at 30 June 2024 the carrying amount of the goodwill of PricewaterhouseCoopers Technology Consulting (Netherlands) B.V. is nil.

## [2] Tangible fixed assets

The movements are as follows:

| | | | | | 2023/2024 | 2022/2023 |
|---|---|---|---|---|---|---|
| | Leasehold improvements | Office furniture | Office equipment | Fixed assets under construction | Total | Total |
| **Balance at 1 July** | | | | | | |
| At cost | 14,561 | 8,850 | 19,776 | 1,782 | 44,969 | 33,443 |
| Accumulated depreciation | -2,964 | -1,707 | -6,536 | - | -11,207 | -2,262 |
| **Carrying amount** | **11,597** | **7,143** | **13,240** | **1,782** | **33,762** | **31,181** |
| **Movements** | | | | | | |
| Additions | 1,116 | 672 | 2,092 | 2,027 | 5,907 | 12,283 |
| Disposals | -182 | -1 | -1,514 | -540 | -2,237 | -757 |
| Accumulated depreciation on disposals | 182 | 1 | 1,394 | - | 1,577 | 351 |
| Depreciation | -2,438 | -1,525 | -6,076 | - | -10,039 | -9,296 |
| | **-1,322** | **-853** | **-4,104** | **1,487** | **-4,792** | **2,581** |
| **Balance at 30 June** | | | | | | |
| At cost | 15,495 | 9,521 | 20,354 | 3,269 | 48,639 | 44,969 |
| Accumulated depreciation | -5,220 | -3,231 | -11,218 | - | -19,669 | -11,207 |
| **Carrying amount** | **10,275** | **6,290** | **9,136** | **3,269** | **28,970** | **33,762** |
| Depreciation percentages | 10-20 | 10-20 | 13-45 | | | |

Depreciation of leasehold improvements is based on the remaining term of the rental contracts adjusted, where necessary, for any early termination of rental contracts.

## [3] Financial fixed assets

The movements are as follows:

| | Participating interest | Other partici-pations | Deferred tax assets | Other receivables | 2023/2024 Total | 2022/2023 Total |
|---|---|---|---|---|---|---|
| **Balance at 1 July** | **1** | **3,568** | **197** | **18,731** | **22,497** | **25,058** |
| Additions | - | - | 1,189 | 4,698 | 5,887 | 6,373 |
| Disposals/repayment | - | - | - | -1,163 | -1,163 | -8,166 |
| Movement to the profit and loss account | - | - | - | -373 | -373 | -768 |
| **Balance at 30 June** | **1** | **3,568** | **1,386** | **21,893** | **26,848** | **22,497** |

### Participating interest
The Company's share in PwC Digital Technology Services B.V. is 25%. This participating interest is carried at net asset value.

### Other participations
Other participations include a number of participations, primarily participations in other PwC Network entities that operate for the benefit of the global PwC Network. None of these interests are held for trading.

The Group holds the following participations:

| Name and location | Share in issued capital % |
|---|---|
| PwC Business Solutions B.V., Amsterdam | 19.90 |
| PricewaterhouseCoopers Europe GmbH, Frankfurt am Main | 16.67 |
| Lifeguard Finance B.V., Amsterdam | 16.35 |
| PricewaterhouseCoopers IT Services Ltd., London | 11.10 |
| Scorius Holding B.V., Haarlem | 10.00 |
| PricewaterhouseCoopers Services B.V., Rotterdam | 9.10 |
| L & F Holdings Limited, Bermuda | 7.14 |
| PwC Service Delivery Centre (Egypt) Holdings No. 1 Limited, London | 5.00 |
| S&H (Guernsey) Ltd., Guernsey | 3.00 |
| PwC Strategy& Parent (UK) Ltd., London | 2.40 |

### Deferred tax assets
Deferred tax assets relate to temporary tax differences of € 2.5 m (30 June 2023: € 1.0 m) arising mainly on differences in depreciation periods for tangible fixed assets and on the timing of recognition of office vacancy costs. An amount of € 1.1 m (30 June 2023: € 0.8 m) of the deferred taxes balance is expected to be recoverable within one year and is presented under current assets.

### Other receivables
Other receivables consist of five receivables (30 June 2023: five). The fair value of other receivables does not differ materially from the carrying amount.

The first receivable is a Floating Rate Subordinated Unsecured Loan Note of € 1.7 m (30 June 2023: € 1.7 m) provided to Lifeguard Finance B.V. The receivable is subordinated to all other creditors of Lifeguard Finance B.V. Interest is payable semi-annually at the end of February and August and is set at the end of August each year at six-month Euribor plus 0.75%. For the period from 28 February 2024 to 31 August 2024, interest has been set at 4.82%. The principal, together with any unpaid interest, is repayable in full on 31 December 2026.

The second receivable concerns loan notes of € 10.7 m (30 June 2023: € 11.8 m) provided to PwC Digital Technology Services B.V. Interest of 3.5% is payable annually. The principal, together with any unpaid interest, is repayable in full on 31 December 2032.

The third receivable is a loan granted to a third party for a total amount of € 2.0 m (30 June 2023: € 1.5 m). Interest of 4% is payable annually. The principal, together with any unpaid interest, is repayable in full on 17 August 2027.

The fourth receivable concerns a loan note of $ 7.8 m (€ 7.4 m) (30 June 2023: $ 3.5 m (€ 3.4 m)) granted to PwC Business Solutions B.V. The interest for the loan is set at 5.2% and is payable annually. The principal, together with any unpaid interest, is repayable on 30 June 2035.

The fifth receivable concerns a loan granted to a third party for the amount of $ 177 (€ 166). The interest for the loan is set at 3% and is payable annually. The principal, together with any unpaid interest, is repayable on 30 June 2026.

## [4] Work in progress

Work in progress at 30 June 2024 is stated net of on account billings amounting to € 88.4 m (30 June 2023: € 107 m).

## [5] Receivables from clients

Receivables are due within one year and are not interest-bearing. A provision for doubtful debts of € 6.7 m was carried at 30 June 2024 (30 June 2023: € 5.8 m). The fair value of the receivables from clients approximates the carrying amount, given the current nature of the receivables from clients and the fact that provisions for doubtful debts have been recognised where necessary.

## [6] Receivables from other participations

Receivables from other participations are due within one year and are not interest-bearing.

## [7] Other receivables

Other receivables are as follows:

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Loan receivable | 2,710 | - |
| Receivables from personnel | 578 | 553 |
| Stichting Verrekenfonds | 542 | 630 |
| Other | 11,439 | 8,667 |
| **Total** | **15,269** | **9,850** |

All other receivables have a maturity of less than one year.

The loan receivable concerns an original loan of € 3.5 m granted to a related party. In 2017/2018 an impairment of € 3.5 m was recognised in relation to this receivable as a consequence of lower expected repayments. In 2023/2024 it was agreed that an amount of € 2.7 m will be repaid by the borrower in 2024/2025. As a consequence, the carrying amount of the loan increased to € 2.7 m and is reported as short term receivable. The adjustment in the carrying amount of the loan is recognised as a gain in the profit and loss account.

## [8] Prepayments and accrued income

Prepayments and accrued income, all due within one year, are as follows:

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Prepaid rental costs | 5,343 | 5,777 |
| Prepaid car lease cost | 1,497 | 1,912 |
| Accrued income | 694 | 3,563 |
| Prepaid insurance premiums | 83 | 40 |
| Other | 10,570 | 6,418 |
| **Total** | **18,187** | **17,710** |

## [9] Cash and cash equivalents

€ 4.4 m (30 June 2023: € 2.9 m) of the cash and cash equivalents was not freely available. This relates to lease and other obligations of the Group.

## [10] Group equity

Disclosures regarding members' capital accounts are provided in the notes to the company financial statements. A consolidated statement of comprehensive income is not presented, as there is no difference between profit after tax and comprehensive income (2022/2023: the same).

## [11] Provisions

The movements are as follows:

| | | | 2023/2024 | 2022/2023 |
|---|---|---|---|---|
| | Personnel | Other | Total | Total |
| **Balance at 1 July** | **4,948** | **6,235** | **11,183** | **12,277** |
| Additions | 3,050 | 11,182 | 14,232 | 4,962 |
| Utilisation | -842 | -748 | -1,590 | -668 |
| Releases | - | - | - | -5,388 |
| **Balance at 30 June** | **7,156** | **16,669** | **23,825** | **11,183** |

Approximately € 9.9 m (30 June 2023: € 10.2 m) of the provisions is of a long-term nature.

Personnel provisions include amounts for long-term disability benefit top-ups, long-service entitlements and severance pay. Personnel provisions also include a restructuring provision to cover the costs of employment reduction.

Other provisions include a provision for obligations to restore leased premises at the end of the lease period of € 1.6 m (2022/2023: € 1.5 m); this provision is recognised evenly over the lease period.

Other provisions also include professional liability provisions of € 3.7 m (30 June 2023: € 4.1 m) relating to work performed until the balance sheet date. Releases relate primarily to changes in the estimated costs of outstanding claims. All of the claims are disputed, and provisions have been formed for any loss still expected to be incurred by the Group in relation to ongoing claims. The Group is insured against any such claims. While the outcome of these disputes cannot be predicted with certainty, legal advice and other information received indicate that they will have no significant effect on the financial position of the Group.

One of the group companies (PricewaterhouseCoopers Accountants N.V.) has committed itself to its oversight bodies to conduct an investigation into improper answer sharing. A provision has been recognised for the expected costs of completing the investigation.

## [12] Other loans and liabilities

PricewaterhouseCoopers Enterprise Advisory BV has provided PricewaterhouseCoopers Advisory N.V. a loan. This loan will be repaid in four instalments. The last instalment is due on 30 September 2024. The interest rate is set at 3.5%. No security has been provided. The remaining amount of the loan at 30 June 2024 is € 133, which is reported under current liabilities (30 June 2023: € 144).

The remainder of the other loans and liabilities concerns the obligation as explained under [1] Intangible fixed assets. The amount at 30 June 2024 is € 467 (30 June 2023: € 761), which is reported under current liabilities (30 June 2023: € 437).

## [13] Accrued expenses and deferred income (non-current)

Non-current accrued expenses and deferred income include the long-term element of incentives received under a number of office lease agreements released to the profit and loss account over the duration of the related rental contracts. The portion to be released to the profit and loss account in 2024/2025 is included in short-term accrued expenses and deferred income in current liabilities.

The deferred rental incentives are released as follows:

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| From 1-5 years | 35 | 45 |
| **Carrying amount** | **35** | **45** |

## [14] Liabilities to suppliers

Liabilities to suppliers are all due within one year.

## [15] Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A.

The liability to members of Coöperatie PricewaterhouseCoopers Nederland U.A. has a remaining term of less than one year and is interest-bearing. The average interest rate for 2023/2024 was 1.76% (2022/2023: 0.41%).

Part of this debt is an amount withheld as a clawback from the profit share of partners who are auditors in public practice for 2023/2024. The clawback withholding is remitted to Foundation Measure 3.5. The remittance of the deduction for 2023/2024 takes place after the balance sheet date. For more detailed information on the clawback scheme we refer to *page 173*.

## [16] Taxes and social security charges

Taxes and social security charges, all due within one year, are as follows:

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Value-added tax | 39,598 | 37,495 |
| Wage tax and social security charges | 20,126 | 17,285 |
| Corporate income tax | 1,507 | - |
| **Total** | **61,231** | **54,780** |

## [17] Other liabilities

Other liabilities are as follows:

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Work in progress for which on account billings exceed the project revenue earned | 42,510 | 39,726 |
| Bonuses payable | 28,980 | 29,451 |
| Accrued leave entitlements and holiday allowances | 26,974 | 24,601 |
| Other | 1,626 | 923 |
| **Total** | **100,090** | **94,701** |

Work in progress at 30 June 2024 is stated net of on account billings amounting to € 98.8 m (30 June 2023: € 94 m).

All other liabilities fall due in less than one year. The fair value of the other liabilities approximates the book value due to their short-term nature.

## [18] Accrued expenses and deferred income (current)

Accrued expenses and deferred income comprise accruals for invoices to be received and the current portion of incentives received under a number of office lease agreements.

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Invoices to be received | 25,952 | 32,611 |
| Current portion of incentives received under lease agreements for office premises | 10 | 1,046 |
| Other | 2,830 | 1,368 |
| **Total** | **28,792** | **35,025** |

## Off-balance sheet liabilities and commitments

- PricewaterhouseCoopers B.V. stands surety for the annual Group profit-linked periodic benefit payments administered by Stichting Verrekenfonds, for the beneficiaries of one of the legal predecessors of the legacy firm Coopers & Lybrand. In 2023/2024, the payments amounted to € 0.3 m (2022/2023: € 0.4 m). The payments are due for the lifetimes of the individual beneficiaries.
- Guarantees provided in relation to lease and other obligations amount to € 2.5 m at 30 June 2024 (€ 2.5 m at 30 June 2023), with the longest-running guarantee expiring on 30 September 2029.
- PricewaterhouseCoopers B.V. has undertaken to indemnify a third party for 2.4% of certain liabilities that that party may incur under an agreement to fund supplementary payments of non-Dutch pensions.
- PricewaterhouseCoopers Deelnemingen B.V. has undertaken to bear 2.4% of the damages certain third parties may suffer in relation to their responsibilities in a certain non-Dutch Retirement Medical Trust.
- PricewaterhouseCoopers Deelnemingen B.V. entered into a loan agreement with PwC Digital Technology Services B.V. of € 15.3 m. At 30 June 2024, an amount of € 10.7 m had been drawn down (30 June 2023: € 11.8 m).
- Upon request PricewaterhouseCoopers Deelnemingen B.V. is obliged to provide additional funding to PwC Service Delivery Centre (Egypt) Holdings No. 1 Limited for a maximum amount of $ 450. At 30 June 2024 additional funding of € 166 was provided.
- PricewaterhouseCoopers Deelnemingen B.V. entered into a loan agreement with PwC Business Solutions B.V. of $ 25.4 m for the development and roll-out of a new global audit methodology system. The interest rate is set at 5.2%. At 30 June 2024, an amount of € 7.4 m had been drawn down (30 June 2023: € 3.4 m).

- PricewaterhouseCoopers B.V. is one of the subordinated guarantors for a loan granted by a third party (lender) to PwC Yönetim Danışmanlığı AŞ. Whenever PwC Yönetim Danışmanlığı AŞ and local guarantors do not pay any amount when due or in connection with the loan agreement, the subordinated guarantors shall immediately on demand pay the respective percentages of the amount stated in the guarantee agreement. The maximum amount will be decreased proportionally with each repayment of the principal amount of the loan. The maximum guaranteed amount by PricewaterhouseCoopers B.V. is € 3.2 m.
- The investigation into improper answer sharing is still in progress. Given the current status of the investigation and the uncertain outcome, the expected financial impact is uncertain and cannot be quantified.

The Group has long-term rental contracts (offices and cars), other operating lease obligations (office equipment) and facility services insourcing obligations totalling € 208 m (30 June 2023: € 207 m).

These obligations mature as follows:

| in € millions | 30 June 2024 | 30 June 2023 |
|---|---|---|
| < 1 year | 59 | 62 |
| From 1-5 years | 127 | 124 |
| > 5 years | 22 | 21 |
| **Total obligations** | **208** | **207** |

# 1.6. Notes to the consolidated profit and loss account for the year ended 30 June 2024 (in € x 1,000)



## [19] Net revenue

Net revenue consists of the operations performed primarily through the three Lines of Service (Assurance, Tax & Legal and Advisory).

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Assurance | 416,034 | 393,592 |
| Advisory | 371,069 | 371,890 |
| Tax & Legal | 292,387 | 267,496 |
| Charged costs | 2,171 | 4,493 |
| Other | 217 | 259 |
| **Total** | **1,081,878** | **1,037,730** |

Net revenue is earned primarily in the Netherlands. In addition to work performed, revenue includes the charging of costs incurred (particularly travel costs) to clients.

## [20] Cost of work contracted-out and other external costs

These relate to third-party services, including those from other members of the PwC Network, and out-of-pocket expenses directly attributable to engagements.

## [21] Amortisation and depreciation of fixed assets

The amortisation and depreciation of fixed assets is as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Amortisation of intangible fixed assets | 1,503 | 1,430 |
| Depreciation of tangible fixed assets | 10,039 | 9,296 |
| | **11,542** | **10,726** |
| Result on disposals | -106 | -1,072 |
| **Total** | **11,436** | **9,654** |

## [22] Travel costs and other personnel costs

Travel costs and other personnel costs are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Travel costs | 65,568 | 57,258 |
| Other personnel costs | 80,943 | 77,878 |
| **Total** | **146,511** | **135,136** |

A part of the travel costs in particular is reimbursed by clients. The other personnel costs consist, among others, of costs for temporary staff, education, non-salary related benefits for personnel, personnel-related activities and costs related to well-being.

## [23] Other operating costs

Other operating costs are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Occupancy costs | 37,873 | 32,944 |
| Technology | 34,005 | 32,300 |
| External consultants' fees | 10,802 | 6,457 |
| Sales and business development | 7,799 | 8,623 |
| Early-retirement benefits | 177 | 800 |
| Other costs | 47,325 | 32,901 |
| **Total** | **137,981** | **114,025** |

Other costs include membership contributions to PricewaterhouseCoopers International Ltd., insurances, costs related to professional liabilities and (in the financial year 2023/2024) incurred and expected costs relating to completing the investigation into improper answer sharing.

**Operating leases**
The Group charged € 54.3 m (2022/2023: € 46.8 m) to the profit and loss account for operating lease costs during the year, relating to office premises and the leased car fleet and parking space.

## [24] Interest and other financial income

Interest and other financial income are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Interest from banks | 5,321 | 1,651 |
| Reversal impairment loan | 2,710 | - |
| Dividends | 300 | 13 |
| Foreign currency results | - | 526 |
| Other interest income | 874 | 956 |
| **Total** | **9,205** | **3,146** |

## [25] Interest and other financial expenses

Interest and other financial expenses are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Interest paid to members of the Company | 2,398 | 639 |
| Foreign currency results | 479 | - |
| Other interest expenses | 85 | 210 |
| **Total** | **2,962** | **849** |

## [26] Management fee Coöperatie PricewaterhouseCoopers Nederland U.A.

The aggregate remuneration accruing from the Dutch PwC entities to the members of the Company, is as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Management fee payable by the Company to its members | 180,529 | 182,198 |
| Return on capital contributions paid to members of Coöperatie* | 11,688 | 9,921 |
| | **192,217** | **192,119** |
| | | |
| Average number of partners (FTE) | 296 | 288 |
| | | |
| Average management fee per partner** | 647.8 | 668.1 |

* After adoption of the financial statements.
** Includes return on members' capital contributions as part of the profit appropriation.

In addition to their management fee, the members of the Company also receive car and expense allowances, amounting to € 8.9 m (2022/2023: € 8.6 m), and interest on their current accounts, amounting to € 2.4 m (2022/2023: € 0.6 m). These interest expenses are recognised as an expense by the Company.

## [27] Corporate income tax

Corporate income tax is as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Result before taxation and after management fee | 15,372 | 12,721 |
| Book/tax differences | | |
| - Non-deductible items | 2,143 | 1,490 |
| - Temporary differences | 3,283 | -2,007 |
| **Taxable profit** | **20,798** | **12,204** |
| | | |
| Tax thereon | 5,366 | 2,985 |
| Adjustments relating to current year deferred tax | -861 | 532 |
| Correction of previous years | -821 | -717 |
| | | |
| **Corporate income tax** | **3,684** | **2,800** |
| | | |
| Effective tax rate | 24.0% | 22.0% |
| Applicable tax rate | 25.8% | 25.4% |

Corporate income tax on the management fees is levied at the level of the members of the Company (the partner BVs). Permanent differences include non-deductible amortisation of goodwill. Temporary differences relate primarily to different rates for the amortisation and depreciation of assets.

Corporate income tax paid and received is included in one aggregate net amount in the statement of cash flows.

## 1.7. Other notes (in € x 1,000)

**External auditor's fees**

The following fees were charged to and borne by the Group for work done during the year by the auditor and the auditor's firm as defined in Section 1 (1 a and e) of the Audit Firms Supervision Act.

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Audit of the financial statements | 490 | 464 |
| Tax advisory engagements | - | - |
| Other audit engagements | 99 | 102 |
| Other non-audit engagements | - | 9 |
| **Total** | **589** | **575** |

### Financial instruments and risk management

**Foreign exchange risk**

The Group operates primarily within the European Union. Foreign exchange risks arise mainly on positions and transactions in US dollars. The Board of Management's policy is to hedge foreign exchange positions and not to take speculative positions. The Group uses both primary and derivative financial instruments for hedging purposes.

Any significant foreign exchange risk relating to future cash flows from operating activities in foreign currencies is hedged by means of currency forward contracts under terms determined by the timing of the underlying receivables and obligations. Gains and losses on instruments used to hedge off-balance sheet positions are deferred until the hedged positions are recognised. There were no contracts outstanding at 30 June 2024.

At 30 June 2024, receivables in US dollars and other currencies amounted to € 9.4 m (30 June 2023: € 7.5 m) and € 2.3 m (30 June 2023: € 3.5 m), respectively. Liabilities in US dollars and other currencies amounted to € 8.0 m (30 June 2023: € 6.0 m) and € 3.5 m (30 June 2023: € 3.2 m), respectively.

**Interest rate risk and cash flow risk**

Interest-rate risk for the Group relates primarily to the loan of € 1.7 m receivable from Lifeguard Finance B.V., with interest receivable semi-annually at six-month Euribor plus 0.75% at the end of August each year (for the period from 28 February 2024 to 31 August 2024: 4.82%).

Interest-rate risk on financial assets and liabilities is not hedged.

**Credit risk**

The Group is exposed to the risk of counterparty default, though this risk is limited due to the large number and diversity of the Group's receivables. There is concentration of credit risk only as a result of the limited geographical spread of receivables concentrated in the Netherlands. Credit risk is further mitigated by the application of client acceptance and credit control procedures.

**Liquidity risk**

Liquidity risk is mitigated by the fact that the cash flow from operating activities generates sufficient liquidity to meet ongoing obligations. Furthermore, the Group has access to revolving credit facilities with one large Dutch bank of € 25 m in total (last year: € 25 m). There were no credit facilities outstanding at 30 June 2024.

**Fair value**

The carrying amounts of financial instruments under receivables and liabilities carried at amortised cost do not differ significantly from fair values.

## Segment information (in € x 1,000)

| 2023/2024 | Assurance | Tax & Legal | Advisory | Other [1] | Eliminations | Total |
|---|---|---|---|---|---|---|
| Net revenue from external clients | 416,034 | 292,387 | 371,069 | 2,388 | - | 1,081,878 |
| Net internal revenue | 8,570 | 37,273 | 24,091 | 470 | -70,404 | - |
| **Total revenue** | **424,604** | **329,660** | **395,160** | **2,858** | **-70,404** | **1,081,878** |
| | | | | | | |
| Costs of work contracted-out and other external costs | 53,201 | 35,008 | 94,258 | 48 | -57,687 | 124,828 |
| Staff costs | 155,101 | 101,075 | 130,296 | 84,992 | - | 471,464 |
| Amortisation and depreciation of fixed assets | - | 333 | 1,116 | 9,987 | - | 11,436 |
| Other operating costs | 181,403 | 103,531 | 102,965 | -90,690 | -12,717 | 284,492 |
| **Total operating costs** | **389,705** | **239,947** | **328,635** | **4,337** | **-70,404** | **892,220** |
| | | | | | | |
| **Operating profit** | **34,899** | **89,713** | **66,525** | **-1,479** | **-** | **189,658** |
| Net financial income and expenses | -2,095 | -2,127 | -1,812 | 12,277 | - | 6,243 |
| Corporate income tax | -58 | -46 | -68 | -3,512 | - | -3,684 |
| Management fee to members | - | - | - | -180,529 | - | -180,529 |
| **Profit after tax** | **32,746** | **87,540** | **64,645** | **-173,243** | **-** | **11,688** |

[1] Internal costs are charged to group companies and recognised as other operating costs under Other.

| People employed in FTE [2] | Assurance | Tax & Legal | Advisory | Other | Total |
|---|---|---|---|---|---|
| **Average number in 2023/2024** | | | | | |
| - Partners | 104 | 101 | 90 | 1 | 296 |
| - Other professionals | 1,859 | 1,013 | 1,290 | 3 | 4,165 |
| - Support staff | 45 | 15 | 11 | 1,037 | 1,108 |
| **Total** | **2,008** | **1,129** | **1,391** | **1,041** | **5,569** |
| Working/active outside the Netherlands | 13 | 12 | 6 | 1 | 32 |

[2] FTE (excluding trainees) means full-time equivalents.

| 2022/2023 | Assurance | Tax & Legal | Advisory | Other [1] | Eliminations | Total |
|---|---|---|---|---|---|---|
| Net revenue from external clients | 393,592 | 267,496 | 371,890 | 4,752 | - | 1,037,730 |
| Net internal revenue | 9,543 | 37,487 | 21,394 | 477 | -68,901 | - |
| Other revenue | - | 1,181 | - | - | - | 1,181 |
| **Total revenue** | **403,135** | **306,164** | **393,284** | **5,229** | **-68,901** | **1,038,911** |
| | | | | | | |
| Costs of work contracted-out and other external costs | 51,385 | 41,686 | 113,953 | 87 | -61,162 | 145,949 |
| Staff costs | 147,511 | 94,574 | 117,496 | 81,944 | - | 441,525 |
| Amortisation and depreciation of fixed assets | - | 333 | 1,026 | 8,295 | - | 9,654 |
| Other operating costs | 148,844 | 97,950 | 96,776 | -86,670 | -7,739 | 249,161 |
| **Total operating costs** | **347,740** | **234,543** | **329,251** | **3,656** | **-68,901** | **846,289** |
| | | | | | | |
| **Operating profit** | **55,395** | **71,621** | **64,033** | **1,573** | **-** | **192,622** |
| Net financial income and expenses | -1,687 | -1,548 | -1,329 | 6,861 | - | 2,297 |
| Corporate income tax | 182 | 55 | 114 | -3,151 | - | -2,800 |
| Management fee to members | - | - | - | -182,198 | - | -182,198 |
| **Profit after tax** | **53,890** | **70,128** | **62,818** | **-176,915** | **-** | **9,921** |

[1] Internal costs are charged to group companies and recognised as other operating costs under Other.

| People employed in FTE [2] | Assurance | Tax & Legal | Advisory | Other | Total |
|---|---|---|---|---|---|
| **Average number in 2022/2023** | | | | | |
| - Partners | 104 | 98 | 85 | 1 | 288 |
| - Other professionals | 1,826 | 985 | 1,189 | 10 | 4,010 |
| - Support staff | 48 | 14 | 10 | 997 | 1,069 |
| **Total** | **1,978** | **1,097** | **1,284** | **1,008** | **5,367** |
| Working/active outside the Netherlands | 19 | 13 | 7 | 1 | 40 |

[2] FTE (excluding trainees) means full-time equivalents.

# 2. Company financial statements

## 2.1. Company balance sheet at 30 June 2024 (before appropriation of result) (in € x 1,000)

| | | 30 June 2024 | | 30 June 2023 | |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| **Financial fixed assets** | | | | | |
| Participating interests | [28] | 200,418 | | 10,259 | |
| Subordinated loans to participating interest | [29] | 80,740 | | 69,352 | |
| Deferred tax assets (non-current) | [3] | 1,386 | | 187 | |
| | | | **282,544** | | **79,798** |
| **Current assets** | | | | | |
| **Receivables** | | | | | |
| Subordinated loans to participating interest | [29] | 4,875 | | 4,869 | |
| Receivables from group companies | | - | | 185,390 | |
| Deferred tax assets (current) | [3] | 1,122 | | 818 | |
| Taxes and social security charges | | - | | 71 | |
| Other receivables | | 2,215 | | 2,080 | |
| Prepayments and accrued income | | 334 | | 165 | |
| | | | **8,546** | | **193,393** |
| **Cash and cash equivalents** | | | **22,214** | | **24,039** |
| **Total** | | | **313,304** | | **297,230** |

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

## Equity and liabilities

| | | 30 June 2024 | | 30 June 2023 | |
|---|---|---|---|---|---|
| **Equity** | | | | | |
| Members' capital accounts | [30] | 95,873 | | 84,481 | |
| Undistributed profit | [31] | 11,688 | | 9,921 | |
| | | | **107,561** | | **94,402** |
| **Provisions** | [32] | | **117** | | **211** |
| **Current liabilities** | [33] | | | | |
| Liabilities to suppliers | | 117 | | 180 | |
| Liabilities to group companies | [34] | 22,280 | | - | |
| Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A. | [15] | 179,883 | | 201,764 | |
| Taxes and social security charges | [35] | 1,716 | | 33 | |
| Other liabilities | | 1,630 | | 640 | |
| | | | **205,626** | | **202,617** |
| **Total** | | | **313,304** | | **297,230** |

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

## 2.2. Company profit and loss account for the year ended 30 June 2024 (in € x 1,000)

| | | 2023/2024 | | 2022/2023 | |
|---|---|---|---|---|---|
| **Net revenue** | [36] | | **11,136** | | **202,857** |
| Salaries | | 904 | | 779 | |
| Social security charges | | 121 | | 98 | |
| Pension contributions | | 194 | | 178 | |
| Other operating costs | [37] | 9,246 | | 10,256 | |
| **Total operating costs** | | | **10,465** | | **11,311** |
| **Operating profit** | | | **671** | | **191,546** |
| Interest and other financial income | [38] | 7,352 | | 4,440 | |
| Interest and other financial expenses | [39] | -2,399 | | -716 | |
| Result of participating interests | [28] | 190,159 | | - | |
| **Result before taxation and management fee** | | | **195,783** | | **195,270** |
| Management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A. | [26] | -180,529 | | -182,198 | |
| **Result before taxation and after management fee** | | | **15,254** | | **13,072** |
| Corporate income tax | | -3,566 | | -3,151 | |
| **Profit after tax** | | | **11,688** | | **9,921** |

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

# 2.3. Notes to the company financial statements

## Activities

Among other things, the activities of the Company with its registered office in Amsterdam consist of the management and financing of the activities of its participations, as well as making available natural persons ('professional practitioners') who practice a profession as stated in the 'Activities' [note 1.4] of the Company via the private limited companies ('partner BVs') held by them either directly or indirectly, as well as making professionals available to the Lines of Service.

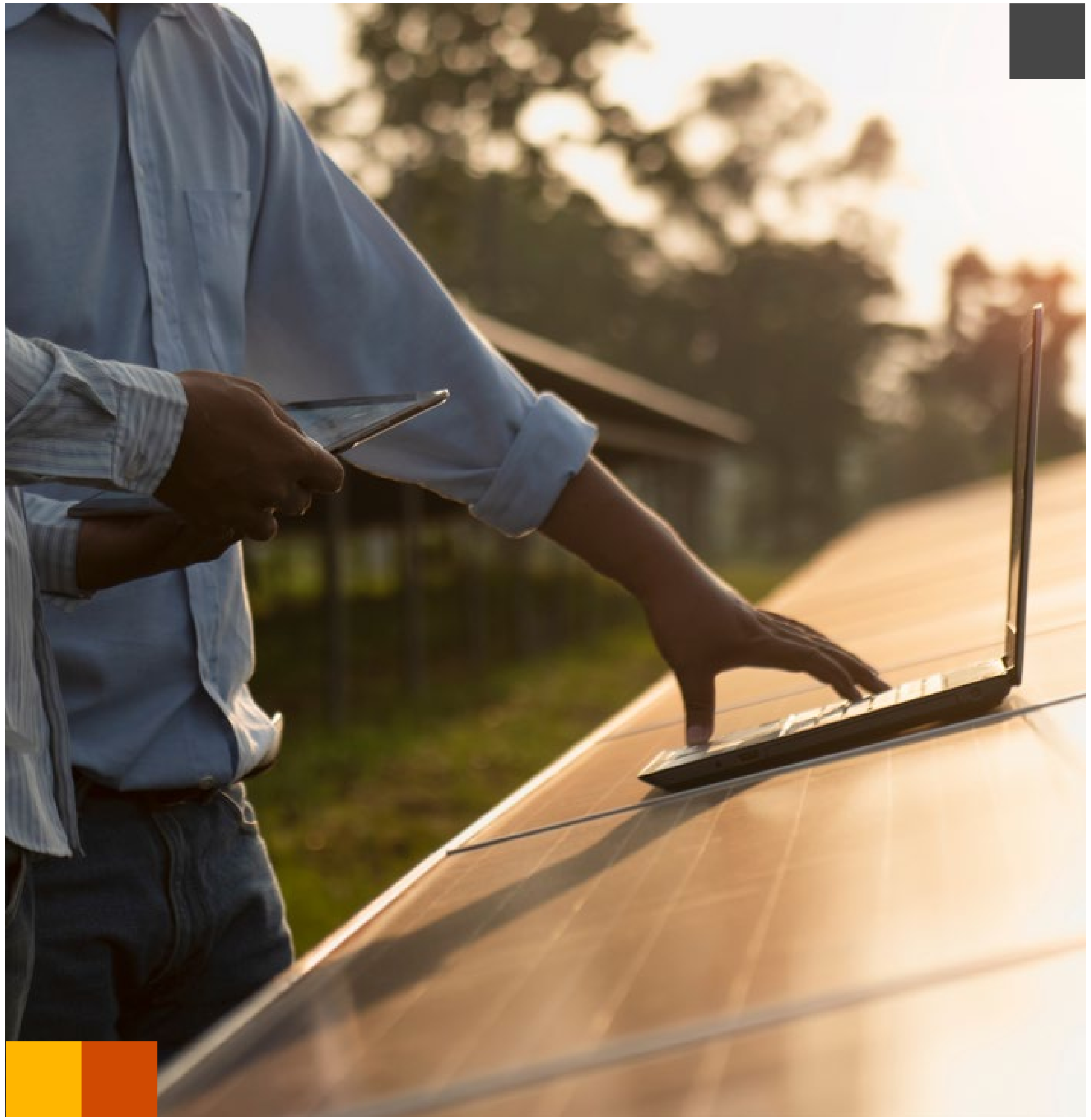
## Accounting policies for assets and liabilities and for the profit and loss account

## General

The accounting policies used for the company financial statements are the same as those used for the consolidated financial statements. Participating interests over which significant influence or control can be exercised are carried at net asset value, determined in accordance with the accounting policies used for the consolidated financial statements. The accounting policies are included in the general notes to the consolidated financial statements.

## Management fee

Members of the Company (being the partner BVs of the professional practitioners) are entitled to a management fee pursuant to the association agreements. The agreements with members no longer include Holding PwC NL as of this financial year so the Company no longer charges management fees to Holding PwC NL.



# 2.4. Notes to the company balance sheet at 30 June 2024 (in € x 1,000 unless otherwise stated)

## [28] Participating interests

These consist of direct holdings in the following entities:
- PwC Business Solutions Holding (NL) B.V., Amsterdam (100%);
- Holding PricewaterhouseCoopers Nederland B.V., Amsterdam (100%).

Movements during the year are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| **Balance at 1 July** | **10,259** | **10,259** |
| Add: result of participating interests | 190,159 | - |
| **Balance at 30 June** | **200,418** | **10,259** |

The association agreements with members no longer include Holding PwC NL as of this financial year so the Company no longer charges management fees to Holding PwC NL. As a consequence the Company reports a result of participation in Holding PwC NL.

## [29] Subordinated loans to participating interest

The nominal loan amount per professional practitioner made available was increased to € 325 at 1 July 2023 (30 June 2023: € 286). On 30 June 2024, the principal amount lent by the Company is € 85,615 (30 June 2023: € 74,221). The interest rate is 8.25% (2022/2023: 5.75%), based on a 15-year external capital market interest rate plus a risk premium. The principal amount of the loan fluctuates annually on 1 July based on the number of professional practitioners made available.

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Holding PricewaterhouseCoopers Nederland B.V. | 85,615 | 74,221 |
| Receivable within one year | -4,875 | -4,869 |
| **Balance at 30 June** | **80,740** | **69,352** |

## [30] Members' capital accounts

At 30 June 2024, the balance of the members' capital accounts is € 95,873 divided into 295 capital contributions of € 325 each (30 June 2023: € 84,481 divided into 295 contributions of € 286 each).

Movements during the year are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| **Balance at 1 July** | **84,481** | **56,800** |
| Add: undistributed profit | - | 24,531 |
| Capital deposit | 17,507 | 9,737 |
| Less: repayment of capital | -6,115 | -6,587 |
| **Balance at 30 June** | **95,873** | **84,481** |

The members of the Company agreed in 2022/2023 to increase the members' capital contributions to € 325 each, with an effective date of 1 July 2023.

## [31] Undistributed profit

Movements during the year are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| **Balance at 1 July** | **9,921** | **31,518** |
| Add: result current financial year | 11,688 | 9,921 |
| Less: addition to members' capital accounts | - | -24,531 |
| Less: profit distribution | -9,921 | -6,987 |
| **Balance at 30 June** | **11,688** | **9,921** |

## [32] Provisions

The movements are as follows:

| | | | 2023/2024 | 2022/2023 |
|---|---|---|---|---|
| | Personnel | Other | Total | Total |
| **Balance at 1 July** | **24** | **187** | **211** | **328** |
| Additions | 4 | 5 | 9 | 13 |
| Utilisation | -5 | -98 | -103 | -98 |
| Releases | - | - | - | -32 |
| **Balance at 30 June** | **23** | **94** | **117** | **211** |

Personnel provisions include amounts for long-term disability benefit top-ups, long-service entitlements and severance pay. Other concerns a provision for a disability benefit to a former partner.

## [33] Current liabilities

All current liabilities are due within one year. Given the short-term nature of the liabilities, the fair values of current liabilities approximate their carrying amounts.

## [34] Liabilities to group companies

Liabilities to group companies are due within one year and are not interest-bearing.

## [35] Taxes and social security charges

Taxes and social security charges, all due within one year, are as follows:

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Corporate income tax | 1,677 | - |
| Wage tax and social security charges | 39 | 33 |
| **Total** | **1,716** | **33** |

**Off-balance sheet assets and commitments**

The Company is jointly and severally liable for remittance of the corporate income tax and value-added tax due under the fiscal unities for these taxes.

# 2.5. Notes to the company profit and loss account for the year ended 30 June 2024 (in € x 1,000 unless otherwise stated)



## [36] Net revenue

Net revenue is as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Management fee Holding PricewaterhouseCoopers Nederland B.V. | - | 189,656 |
| Car and expense reimbursements | 8,933 | 8,646 |
| Charged costs | 2,171 | 4,493 |
| Other | 32 | 62 |
| **Total** | **11,136** | **202,857** |

The association agreements with members no longer include Holding PwC NL as of this financial year so the Company no longer charges management fees to Holding PwC NL.

## [37] Other operating costs

Other operating costs are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Car and expense reimbursements | 8,933 | 8,646 |
| Early-retirement benefits | 177 | 800 |
| Other costs | 136 | 810 |
| **Total** | **9,246** | **10,256** |

## [38] Interest and other financial income

Interest and other financial income are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Interest from banks | 1,229 | 260 |
| Other interest income | 6,123 | 4,180 |
| **Total** | **7,352** | **4,440** |

## [39] Interest and other financial expenses

Interest and other financial expenses are as follows:

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Interest paid to members of Coöperatie | 2,398 | 639 |
| Other interest expenses | 1 | 77 |
| **Total** | **2,399** | **716** |

# 2.6. Other notes

## Remuneration of the members of the Board of Management and the Supervisory Board

| | 2023/2024 | 2022/2023 |
|---|---|---|
| Members of the Board of Management | 5,050 | 5,050 |
| Members of the Supervisory Board | 482 | 365 |
| | **5,532** | **5,415** |

## Members and former members of the Board of Management

The remuneration of the Board of Management, comprising the director under the Articles of Association and the four authorised executive directors, amounted to € 5.1 m for 2023/2024 (2022/2023: € 5.1 m for the director under the Articles of Association and the four authorised executive directors). In addition to their remuneration, the members of the Board of Management also receive car and expense allowances, amounting to € 0.2 m (2022/2023: € 0.2 m).

## Members and former members of the Supervisory Board

The Company has a Supervisory Board since 24 March 2022. The Supervisory Board currently has six members. Reference is made to the Remuneration Report of the Supervisory Board included on *page 172* of this Annual Report.

## Average number of employees

The Company has an average number of employees of 12 (2022/2023: 10) of whom no employees (2022/2023: no employees) work outside the Netherlands.

The consolidated average number of people employed in FTE is included in section ‘segment information’ in the consolidated financial statements.

Amsterdam, 3 October 2024

**The Board of Management:**
A.L. Koops-Aukes RA (director under the Articles of Association)
Drs. M.C.W. van de Pol RA *
Drs. W.J. van der Molen RA *
Drs. V.A.P.M. Roos-Emonds *
Drs. J. Visbeen *

**The Supervisory Board:**
Drs. C.P. Buijink (Chair)
Mr. B.C. Dreimüller
Prof. Dr. F.A. Rink
Ir. C.L. van Schooten
Dr. J. Sijbrand
Drs. S.J. Vlaar

* Authorised titulair member

# 3. Other information

## 3.1. Provisions of the Articles of Association governing the appropriation of result



Article 27 of the Company's Articles of Association prescribes the following:

- After adoption of the Annual Accounts by the General Meeting, the net profits of the Company shall be allocated in equal shares to the Capital and Reserve Accounts of the members as of the end of the financial year, unless the General Meeting decides otherwise. The 'net gains' or 'net losses' of the Cooperative shall be the gains or losses of the Cooperative determined by applying the accounting methods and principles used to prepare the Annual Accounts.
- The net losses of the Company for each financial year of the Cooperative shall also be charged in equal shares to the Capital and Reserve Accounts of the members, unless the General Meeting decides otherwise.
- The General Meeting is authorised to decide on (i) distributions to members – each for an equal share – from their respective Capital and Reserve Accounts and (i) interim distributions by way of advance payment.
- The resolutions referred to in the above bullet point may be passed only if and to the extent that the balance of the members' Capital and Reserve Accounts does not become less than the amount of the Capital Contribution multiplied by the number of members of the Cooperative.
- Payments made by the Cooperative to a member under this Article shall be made to a bank account designated by the member for that purpose.

# 3.2. Independent Auditor's Report



To: the members and Supervisory Board of Coöperatie PricewaterhouseCoopers Nederland U.A.

## A. Report on the audit of the financial statements 2023/2024 included in the Annual Report

### Our opinion

We have audited the financial statements 2023/2024 of Coöperatie PricewaterhouseCoopers Nederland U.A. based in Amsterdam. The financial statements comprise the consolidated financial statements and the Company financial statements.

| We have audited | Our opinion |
|---|---|
| The financial statements comprise:<br>1. the consolidated and Company balance sheet as at 30 June 2024;<br>2. the consolidated and Company profit and loss account for the year ended 30 June 2024; and<br>3. the notes comprising a summary of the accounting policies and other explanatory information. | In our opinion, the accompanying financial statements give a true and fair view of the financial position of Coöperatie PricewaterhouseCoopers Nederland U.A. as at 30 June 2024 and of its result for the period from 1 July 2023 to 30 June 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code. |

### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Coöperatie PricewaterhouseCoopers Nederland U.A. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## B. Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

### Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 10,818,000. The materiality is based on a benchmark of revenues (representing 1.0% of the consolidated revenues).

We considered both result before taxation and management fee as well as consolidated revenues as a benchmark for determination of the materiality, which we consider to be the principal considerations for members of Coöperatie PricewaterhouseCoopers Nederland U.A. in assessing the financial performance of the Company. In consultation with the Audit Committee we decided to apply a benchmark of 1.0% of consolidated revenue, which is a lower level than what is generally accepted as a benchmark of revenues.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of € 540.900, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### Scope of the group audit

Coöperatie PricewaterhouseCoopers Nederland U.A. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Our group audit mainly focused on significant group entities. We consider an entity significant when:
- it is of individual financial significance to the group; or
- the component, due to its specific nature or circumstances, is likely to include significant risks of material misstatement, whether due to fraud or error of the group financial statements.

We have:
- performed audit procedures ourselves at group entities:
  - Holding PricewaterhouseCoopers Nederland B.V.;
  - PricewaterhouseCoopers B.V.;
  - PricewaterhouseCoopers Accountants N.V.;
  - PricewaterhouseCoopers Belastingadviseurs N.V.; and
  - PricewaterhouseCoopers Advisory N.V.
- performed review procedures or specific audit procedures at other group entities.

For clarification purposes we hereby show our scope:


By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

## Audit approach going concern

As explained in the section 'Going concern assumption' on page 137 of the financial statements, the board has carried out a going concern assessment for the period of twelve months from the date of preparation of the financial statements and has not identified any events or circumstances that may cause reasonable doubt on the entity's ability to continue as a going concern (hereinafter: 'going concern risks').

Our audit procedures to evaluate the board's going concern assessment included:
- Discussing and evaluating the assessment with management exercising professional judgment and maintaining professional skepticism. We specifically focused on the process followed by management to make the assessment, management bias that could represent a risk, the impact of current events and conditions on the Company's operations and forecasted cash flows, with a focus on whether the Company will have sufficient liquidity to continue to meet its obligations.
- We took notice of the business plan for the upcoming years up to and including fiscal year 2026/2027, the most recent results in 2024/2025, and discussed recent developments regarding the going concern assumption with several relevant bodies (finance management, management board and supervisory board) within the organization.

We concluded that management's use of the going concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. We found the disclosure in section 'Going concern assumption' on page 137 of the financial statements to be adequate.

## Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud and non-compliance with laws and regulations. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the fraud risks and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the results thereof. We refer to section 'Risk management' of the Report of the Board of Management for management's fraud risk assessment in which the management board reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk analysis, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying risks of material misstatements of the financial statements due to fraud, we evaluated fraud risk factors with respect to fraudulent financial reporting, misappropriation of assets and bribery and corruption. We evaluated whether these fraud risk factors indicate that a risk of material misstatement due to fraud is present.
We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and inquired with relevant executives, directors, internal audit, the Audit Committee and the Supervisory Board.

The fraud risks identified by us and the specific procedures performed are as follows:

| A risk exists that management overrides internal control measures | Audit procedures and observations |
|---|---|
| Management is in a unique position to perpetrate fraud because management is able to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.<br>Therefore, in all our audits, we pay attention to the risk of management override of controls for:<br>▶ journal entries and other adjustments made throughout the year and during the course of preparing the financial statements;<br>▶ estimates and estimation processes;<br>▶ significant transactions outside the ordinary course of business. | We have performed the following procedures to address the risk of management override:<br>▶ Evaluated the design, existence and operative effectiveness of internal control measures in the process for generating and processing journal entries and making estimates, assuming a risk of management override of controls of that process;<br>▶ Selected journal entries based on risk criteria such as manual journal entries in revenue recognition and other manual journal entries that have an impact on the profit and loss account. We performed audit procedures on these journal entries, in which we also paid attention to significant transactions outside the ordinary course of business;<br>▶ Performed a retrospective analysis of estimates which management made within the preparation of the annual report, including estimates regarding work in progress, valuation of assets and estimates regarding provisions.<br>▶ Furthermore, we incorporated elements of unpredictability in our audit.<br><br>Our audit procedures did not reveal any specific indications of fraud or suspicions of fraud in respect of management override of controls, potentially resulting in material misstatements. |

| The risk of fraudulent financial reporting in the valuation and existence of work in progress and related revenue recognition, as a result of estimates | Audit procedures and observations |
|---|---|
| This risk is part of our key audit matters. We refer to the key audit matter 'Valuation and existence of work in progress' | |

The audit procedures described above have resulted in sufficient and appropriate audit evidence to mitigate the potential fraud risks and non-compliance risks. Our audit procedures did not lead to indications or suspicions for fraud potentially resulting in material misstatements. In respect of the improper answer sharing in mandatory tests and assessments, we refer to the related key audit matter.

## Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Valuation and existence of work in process and related revenue recognition | Audit procedures and observations |
|---|---|
| Valuation of work in progress, including the related revenue recognition, is an important focus area during our audit due to accounting estimates where management makes significant judgements. Both the valuation and existence of work in progress are a potential fraud risk due to the significant accounting estimates. In our professional judgement, the presumed risk of fraud in revenue recognition will, if this occurs, in almost all cases lead to errors regarding the valuation and existence of work in progress balances at year end.<br><br>The valuation of work in progress at balance sheet date requires a high degree of judgement due to inherent uncertainty about the accuracy of the expected results of current engagements which is based on an estimate of time and costs to be incurred in comparison with the fee received. | Our audit procedures included an assessment of the design, implementation and effectiveness of the internal controls within PwC as described in the internal fraud risk analysis to the extent relevant for the audit of the financial statements, testing relevant controls and performing substantive procedures. We concluded that the internal control system regarding the existence and valuation of work in progress and revenue recognition is adequate to mitigate the identified risks and we relied on some internal key controls during our audit. As described in the internal fraud risk analysis, the controls are also designed to prevent fraudulent reporting of work in progress.<br><br>The substantive procedures consisted of an analysis to determine whether the balance of the work in progress at year-end is invoiced in the next financial year and reconciliation of confirmations received from the responsible partners and directors.<br><br>Furthermore, we tested the provision for work in progress by comparing the realization for each partner during the year and in the first two months after year-end, with the realization for each project included in work in progress at year-end. We discussed the findings of these analysis' with the responsible Line of Service controllers.<br><br>Our procedures did not result in material findings with respect to the valuation work in progress at 30 June 2024. |

| Impact of the investigation into improper answer sharing with regard to mandatory tests and assessments on the annual report | Audit procedures and observations |
|---|---|
| PwC is performing an investigation, supported by internal and external advisors, into improper answer sharing with regard to mandatory tests and assessments during the period from July 2017 to October 2023. This investigation is currently ongoing. We refer to section **'Update regarding the investigation into improper answer sharing'** in the Report of the Board of Management, and regarding provisions note 11 and the note regarding off-balance sheet liabilities and commitments of the financial statements.<br><br>The exact results and outcome of the investigation are unknown at the time of preparing the financial statements.<br><br>A provision has been recognized for future costs of completing the investigation. Given the current status of the investigation and the uncertain outcome, further financial impact is uncertain and cannot be estimated reliably.<br><br>We identify this as a key audit matter based on the sensitivity and complexity of the investigation, the potential magnitude of the provision and the high degree of judgement and estimation involved in determining the provision. | Our audit procedures included inquiries of officials responsible for oversight of the investigation, including amongst others members of the Management Board and Supervisory Board, the project team and its external advisors to get an understanding of the current status and (intermediate) findings of the investigation.<br><br>We reviewed correspondence with the regulators PCAOB and AFM.<br><br>We assessed the (intermediate) findings of the investigation and discussed these with the members of the Management Board and Supervisory Board. This assessment included the evaluation and review of the scope and investigation approach, asking questions on specific findings and understanding in which way findings may lead to possible sanctions as well as inspecting minutes of the Supervisory Board meetings.<br><br>We assessed the position of PwC in which the potential financial impact involved and the accounting treatment of potential provisions that should be recognized are addressed. We took into account publicly available information on similar investigations globally.<br><br>We reviewed the disclosures in section 'Update regarding the investigation into improper answer sharing' in the Report of the Board of Management, and regarding provisions note 11 and the note regarding off-balance sheet liabilities and commitments of the financial statements, considering the audit evidence obtained from the ongoing investigations, (intermediate) findings and communications with the regulators.<br><br>Based on our procedures, we found that the Management Board's assessment on the (potential) provisions is appropriate based on the audit evidence obtained and we did not identify material exceptions in the disclosures related to the improper answer sharing. |

## C. Report on other information included in the annual report

Other information includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. The annual report contains sustainability information. An assurance report on the sustainability information (limited assurance) was issued by BDO Audit & Assurance B.V. dated 3 October 2024.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## D. Report on other legal and regulatory requirements

### Engagement
We were engaged by the supervisory board as auditor of Coöperatie PricewaterhouseCoopers Nederland U.A. on 17 June 2016, as of the audit for financial year 2016/2017 and have operated as statutory auditor ever since that financial year.

## E. Description of responsibilities regarding the financial statements

### Responsibilities of management and the supervisory board for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

## Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determine the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Utrecht, 3 October 2024

For and on behalf of BDO Audit & Assurance B.V.,

drs. J.F. van Erve RA

# 3.3 Limited assurance report of the independent auditor on the Sustainability statement



To: the members and Supervisory Board of Coöperatie PricewaterhouseCoopers Nederland U.A.

## Limited assurance conclusion

We have conducted a limited assurance engagement on the 'Sustainability statement' - included in section 'Sustainability statement', 'Governance', 'Risk management', 'Report of the Supervisory Board', 'Remuneration Report Coöperatie PricewaterhouseCoopers Nederland U.A.' and the corresponding appendices of these sections in the annual report – of the Report of the Board of Management of Coöperatie PricewaterhouseCoopers Nederland U.A. (the 'Company') as at 30 June for the period from 1 July 2023 to 30 June 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the process carried out by the Company to identify the information to be included in the Sustainability statement is not with reference to the description set out in 'Materiality assessment and stakeholder dialogue' on page 36, which incorporates the applicable requirements of the ESRS;
- the Sustainability Statement is not prepared, in all material respects, with reference to Article 29(a) of EU Directive 2013/34/EU, including:
  - compliance with the requirements of the European Sustainability Reporting Standards (ESRS) ('the applicable criteria');
  - with respect to the disclosures in the Sustainability statement identified by 'Assessment of alignment with EU Taxonomy Regulation', compliance with Article 8 of EU Regulation 2020/852 (the 'Taxonomy Regulation').

## Basis for our conclusion

We conducted our limited assurance engagement on the Sustainability statement in accordance with Dutch law, including Dutch Standard 3810N '*Assurance-opdrachten inzake duurzaamheidsverslaggeving*' (Assurance engagements relating to sustainability reports) which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. This engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the 'Our responsibilities for the limited assurance engagement of the Sustainability statement' section of our report.

We are independent of Coöperatie PricewaterhouseCoopers Nederland U.A. in accordance with the '*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten*' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the '*Verordening gedrags- en beroepsregels accountants*' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Applicable criteria

The reporting criteria applied for the preparation of the Sustainability statement are the European Sustainability Reporting Standards as set out in Annex 1 to the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (hereafter: ESRS), the ESRS reference table on pages 110-114 and the supplementary internally applied reporting criteria as disclosed on pages 179-183 of the Annual Report.

The comparability of sustainability information between companies and over time may be affected by the absence of an uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the Sustainability statement needs to be read and understood together with the criteria applied.

## Limitations to the scope of our assurance engagement

The Sustainability statement includes prospective information such as ambitions, strategy, plans, expectations and estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. Therefore, it's inherent to prospective information, that the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of this prospective information in the Sustainability statement.

The references to external sources or websites in the Sustainability statement are not part of the Sustainability statement that we provide assurance on. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

## Responsibilities of the Board of Management for the Sustainability statement

The Board of Management is responsible for the preparation and fair presentation of the Sustainability statement in accordance with the criteria as included in the 'applicable criteria' section, including the identification of stakeholders and the definition of material matters. The Board of Management is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Board of Management regarding the scope of the Sustainability statement and the reporting policy are summarized in the section 'Basis for preparation' of the Sustainability statement.

Furthermore, the Board of Management is responsible for such internal control as it determines is necessary to enable the preparation of the Sustainability statement free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process of Coöperatie PricewaterhouseCoopers Nederland U.A.

## Our responsibilities for the limited assurance engagement of the Sustainability statement

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of information. The procedures vary in nature and timing from, and are less in extent, as compared to a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the '*Nadere voorschriften kwaliteitssystemen*)' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the Company;
- evaluating the appropriateness of the criteria applied, their consistent application and the relevant disclosures contained in the Sustainability statement. This includes evaluating the outcomes of the double materiality assessment and evaluating the reasonableness of estimates made by the Board of Management;
- obtaining a general understanding of the systems and processes underlying the collection, reporting and consolidation of the Sustainability statement, including obtaining an understanding of the internal control environment, to the extent relevant to our assurance engagement, without testing the operating effectiveness of the Company's internal controls;
- identifying areas of the Sustainability statement where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the Sustainability statement responsive to this risk analysis. These procedures consisted among other of:
  - obtaining inquiries from the Board of Management (and/or relevant employees) responsible for sustainability strategy, policy and performance;
  - taking note of the minutes of the meetings of the Board of Management, the other persons charged with governance and of other meetings that are relevant to the content of the Sustainability statement;
  - obtaining inquiries of relevant employees responsible for providing information for, carrying out internal control procedures on, and consolidating the data in the Sustainability statement;
  - reviewing the suitability of the assumptions and third-party sources used for the calculations underlying the impact data;
  - obtaining assurance evidence that the Sustainability statement reconciles with the Company's underlying records;
  - reviewing, on a limited test basis, relevant internal and external documentation, to determine the reliability of the information included in the Sustainability statement;
  - evaluating data and trends;
- reconciling the relevant financial information with the financial statements;
- reading information in the Annual Report 2023/2024 outside the scope of our assurance engagement to identify any material inconsistencies with the Sustainability statement;
- evaluating the overall presentation and balanced content of the Sustainability statement;
- considering whether the Sustainability statement as a whole, including the topics covered and the disclosures included, is clearly and adequately disclosed in accordance with the criteria applied.
- obtaining an understanding of the procedures performed by PwC's internal audit department.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Utrecht, 3 October 2024

For and on behalf of BDO Audit & Assurance B.V.,

drs. J.F. van Erve RA

# Appendices

# Remuneration Report Coöperatie PricewaterhouseCoopers Nederland U.A.

## for the financial year ended 30 June 2024



This Remuneration Report was prepared by the Supervisory Board's Remuneration Committee on 24 September 2024 and adopted by the Supervisory Board on 24 September 2024. It is part of the Report of the Supervisory Board, included in the Annual Report of Coöperatie PricewaterhouseCoopers Nederland U.A.

The report sets out PwC's remuneration framework and addresses the remuneration of partners, staff, Board of Management and Supervisory Board in 2023/2024. General information about the remuneration within PwC is also included.

### Partner remuneration – Quality is the heart of our remuneration policy

Given the public importance of PwC's work, remuneration policies for partners are designed to ensure that quality under which independence, and compliance with internal and external regulations have an impact on performance evaluation and remuneration. The partner evaluation and remuneration process are supervised by the Supervisory Board and its Remuneration Committee.

Partner remuneration varies with the financial performance of PwC NL and is based on a points system in which the euro value per point is determined as the profit available divided by the aggregate number of points in circulation. The points allocated to partners are 50% fixed as equity and responsibility-based ('mapping') and 50% variable as performance-based ('rating'). The variable element is determined based on individual partner performance in the areas of Clients (weighting: 50%), People (25%) and Firm/Strategy (25%). Quality is a significant element in all three components. An on-target performance means full partner entitlement to the variable 50% element. A positive or negative outcome to the annual evaluation process can lead to an adjustment to the variable 50% element. An unsatisfactory quality performance rating of an individual partner can therefore significantly affect the amount of an individual partner's remuneration. Quality is also rewarded positively, with an above-average rating potentially being rewarded with additional remuneration.

PwC uses a Recognition and Accountability Framework to facilitate a common approach to holding partners and staff accountable for quality outcomes and quality behaviours. Applicable to the Lines of Service and Internal Firm Services, the framework describes the expectations and details the interventions and recognition commensurate with quality outcomes (such as internal and/or external quality reviews) and quality behaviours (such as the attitude to quality, personal behaviour and other important compliance matters).

Meeting the minimum requirements for conduct (i.e. the behaviour that we at least expect from everyone) will not result in additional remuneration. These 'baseline expectations' involve meeting the Code of Conduct, complying with all applicable internal and external regulatory requirements and being proactively engaged within the firm. Non-compliance with baseline expectations can have a negative effect on total remuneration of between 12.5% and 50%.

The partner evaluation and remuneration process can be summarised as follows:

Table I

| Start of the financial year | | End of the financial year | | |
|---|---|---|---|---|
| **Mapping** | **Goal setting** | **Evaluation** | **Rating** | **Remuneration** |
| Based on proposals by the different Lines of Service Boards in close cooperation with the Markets Leader, where applicable, the Board of Management defines the roles and responsibilities of individual partners at the start of the financial year. This process places partners into categories and in a specific position within the category. The Remuneration Committee reviews the outcome of this process. | In consultation with the primary and secondary reviewers, individual partners set personal goals related to quality, roles and responsibilities, personal development and PwC NL's strategic priorities. | At the end of the financial year, a development and evaluation conversation assesses personal goals within the components Clients, People and Firm/ Strategy. In preparation for this, partners evaluate areas such as the extent to which they have contributed to the strategic priorities of PwC NL. | The outcome of the assessment is expressed in a performance rating on a scale of 1 to 5 for each of the three components (Clients, People and Firm/ Strategy).<br>The Lines of Service Boards in close cooperation with the Markets Leader, where applicable, submit the proposed ratings to the Board of Management.<br>The Board of Management decides on the individual performance ratings, after receiving the assessment of the Remuneration Committee regarding the effectiveness and correct execution of the remuneration process. | As a result of this process, individual partners receive a profit share that reflects their role/responsibilities (50% fixed) and performance (50% variable).<br>They receive their profit shares in the partner BVs through which they operate under an association agreement with PwC NL. These partner BVs bear the costs of pension provisioning, insurances and taxation. |

Within this framework, the Remuneration Committee and Supervisory Board evaluate the performance ratings and mapping of partners based on stratifications. With the assistance of the Partners' Council, the Remuneration Committee monitors the effectiveness and correct execution of the remuneration process in accordance with the applicable requirements and reports its findings to the Supervisory Board. The Remuneration Committee and Supervisory Board specifically focus on how quality (compliance and the results of the quality reviews) may affect partner remuneration based on the Recognition and Accountability Framework. Where a partner evaluation results in an unsatisfactory rating, the Board of Management assesses whether this performance is incidental or whether there are indications of longer-term issues, which need to be followed up. The Remuneration Committee and Supervisory Board also supervise this process.

This year saw the Remuneration Committee and Supervisory Board continue to encourage the Board of Management to improve the evaluation and remuneration process, with a focus on the process of mapping. While the Board of Management made significant progress in this respect, the committee sees potential for further growth and advised that a stronger link be created between mapping and PwC's strategy.

**Assurance**
PwC's Transparency Report sets out the evaluation and remuneration policies of Assurance partners in particular. The Remuneration Committee and Supervisory Board reviewed the 2023/2024 outcomes of this process.

Partners who act as external auditors are subject to a clawback scheme. Under this scheme, one sixth of each individual partner's annual remuneration (after corporate taxes) is accrued or withheld for a period of six years. When an external auditor issues an incorrect opinion for which the auditor is culpable and which has resulted in societal damage, part or all of the ringfenced remuneration is withheld from the partner and invested in measures to improve quality in PwC NL. The proposal to withhold (part of the) remuneration is subject to approval by the Supervisory Board. No clawback was required under this scheme in 2023/2024.

## Staff remuneration and evaluation based on performance and behaviour

Along the same lines as for the partners, PwC employees set out their goals for the coming year with their immediate superior. Based on individual appraisals and other feedback, they determine the progress to date halfway through the year. The extent to which the objectives have been met is assessed at the end of the year and moderated in meetings by the team leaders and coaches to ensure objectivity.

The remuneration process for directors follows part of the process for partners: the performance evaluation is also based on the components Clients, People and Firm/Strategy, with quality being a significant element in all three. The outcome of the evaluation is expressed in a performance rating on a scale of 1 to 5 to determine the individual bonus. The tenure in role, overall performance and available salary budget are factors taken into account when determining the salary.

The remuneration process for other staff is based on two elements. ‘Impact’ is the basis for the bonus and reflects the business and behavioural influence achieved during the performance year. Linked to the goal-setting agreed at the start of the year, it consists of both ‘what’ (relating to Clients, People, Firm/strategy and ‘other’) and ‘how’ (behaviour in line with our values). The second element is ‘progression’, which is the basis for salary increases. This covers growth and development as a person and professional in relation to the PwC Professional competency framework. In Tax & Legal, Assurance and Advisory, salary grids are the basis for the salary increase based on position and progression. Internal Firm Services has a wide diversity of roles and salary increases are based on percentages related to position and progression.

During the year under review, the Remuneration Committee discussed the remuneration policies and conditions of employment for employees, including distinctive features of the PwC NL salary structure. This included discussion on the intent and impact of the PwC employment conditions and ensuring a fair remuneration package. The output of external benchmarks and the views of the Works Council were taken into account. After due discussion, the Supervisory Board approved the proposed changes and the Remuneration Committee recommended that the Board of Management consider opportunities to simplify the employment schemes where feasible.

### Equal pay

The section Social information: Own workforce – Equal treatment and opportunity provides insight into the outcomes of the internal assessment of equal variable and fixed pay of all employees and partners, for 2023/2024 and compared to 2022/2023 and 2021/2022. This year the methodology for calculating the gap has changed with reference to the reporting requirements of the ESRS.

### Pay ratios

Table II of this Remuneration Report shows the average total remuneration within PwC, the relationship of the highest remuneration within PwC to the average and median within PwC, and the relationship of the remuneration of the chair of the Board of Management to the average within PwC.

Table II

| Management fee, salary and emoluments | 2023/2024 | 2022/2023 | Δ% |
|---|---|---|---|
| Available for distribution to partners (€ million) | 192.2 | 192.1 | 0.1% |
| Average partner management fee (€ x 1,000) * | 647.8 | 668.1 | -3.0% |
| Staff bonuses (€ million) | 28.2 | 32.0 | -11.9% |
| Average salary cost per FTE (€ x 1,000) | 89.4 | 86.9 | 2.9% |
| Average bonus per FTE (€ x 1,000) ** | 5.4 | 6.3 | -14.3% |

* Payments are made from the management fee relating to items such as goodwill rights, pension contributions, social security and disability contributions, and life insurance premiums.
** Part of the reduction in bonus per FTE is caused by one time bonus payments in 2022/2023 to support a large part of the staff to cover exceptionally high energy costs.

| | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|---|
| Ratio highest remuneration – median * | 22.3 | 20.4 | | | |
| Ratio highest remuneration – average * | 14.0 | 12.4 | 13.6 | 13.8 | 22.6 |
| Ratio remuneration Board of Management chair – average * | 11.5 | 11.7 | 13.1 | 11.2 | 12.2 |

* Based on annual total remuneration, including bonuses, pension allowances and benefits in kind, such as private use of lease cars, as at 30 June. The annual total remuneration excludes expense allowances provided to cover genuine business costs and the use of company assets provided to perform work (e.g. mobile phone, laptop).
The comparative ratios have changed due to the change in methodology based on the reporting requirements of the ESRS. The ratios of 2022/2023 using the GRI methodology amounted to 24.0, 15.5 and 14.4. Compared to the GRI methodology used in previous years, the main differences are:
1. In line with reporting requirements of the ESRS, multiple additional loan components are included in annual total remuneration.
2. Only active partners and individuals employed at the reporting date are considered (GRI: former employees who left during the financial year were also included).
3. The total pension premium paid by PwC is included in the total remuneration received by employees (GRI: PwC’s contribution was not included).
4. The benefit related to the private use of cars is included both for employees (based on fiscale bijtelling) and the car allowances for partners. (GRI: the car allowance received by partners was not included).

## Remuneration of the Board of Management

The performance of the members of the Board of Management is evaluated by the Supervisory Board, which sets long-term goals for the Board of Management as a whole as well as for the individual members. These are based on the key elements of the PwC strategy, linked to the PwC values, and geared to delivering on our purpose while embedding the ESG objectives. For the year under review, these goals have been linked to PwC's 'The New Equation' strategy with a focus on clients, people, technology, quality and sustainable growth.

Depending on the role of each Board of Management member, some individual goals are linked to one or more qualitative sustainability-related objectives, such as GHG emission reductions, inclusion and diversity, people and client satisfaction, human capital development and sustainable growth. The current remuneration policy does not quantifiably determine how remuneration is dependent on measuring performance against these sustainability-related performance metrics.

The performance and progress made during the financial year was monitored on a regular basis by the Supervisory Board by means of a mid-year evaluation interview and a year-end performance interview between each member of the Board of Management and counterparties from the Supervisory Board. These evaluations included an assessment of their performance against set goals and the time spent by members of the Board of Management on their various roles.

The Supervisory Board determines the remuneration of individual members of the Board of Management in compliance with the Dutch Audit Firms Supervision Act and in line with criteria set by the General Meeting. This means members receive a fixed non-profit-related remuneration rather than the points-based remuneration of other partners. The Supervisory Board determined the remuneration for the individual members of the Board of Management for 2023/2024 as set out in Table III.

The annual evaluation of the fixed remuneration in relation to factors such as the responsibilities and tasks of board members and relevant societal/external or internal developments, did not lead to an adjustment of this amount as of 1 July 2023.

In addition to the fixed non-profit-related remuneration, the Supervisory Board is authorised to levy a downward correction on members of the Board of Management of up to 20% when justified by the quality of their performance as a professional practitioner. The Supervisory Board is also authorised to determine an additional remuneration of up to 20% of the fixed remuneration based on the achievement of mid-/long-term goals set by the Supervisory Board. As stated, while some of these goals are linked to sustainability-related matters, the current remuneration policy does not explicitly determine the proportion of remuneration dependent on sustainability-related targets and/or impacts. With regard to the financial year 2023/2024 no such downward correction or additional remuneration was determined.

The amounts are determined before taxes, social insurance contributions, pensions and similar items. In accordance with the association agreements, remuneration is paid to the partner BVs and the individual Board of Management members are responsible for paying taxes, pension arrangements and insurances. No personal loans, guarantees or advance payments have been provided to, or on behalf of, members of the Board of Management.

In addition to the fixed non-profit-related remuneration, Board of Management members receive expense allowances in line with those set for all partners. In a similar vein, they also receive an annual member's fee on capital contributed. Due to the fixed non-profit-related basis for the remuneration, the scenario analyses provided by the Dutch Corporate Governance Code are not considered.

### Assurance Board

The Supervisory Board also determines the remuneration of the members of the Assurance Board in accordance with the remuneration policy for Board of Management members as set out above.

Table III

| Remuneration for the Board of Management (€) * | 2023/2024 | 2022/2023 |
|---|---|---|
| Agnes Koops-Aukes | 1,150,000 | 1,150,000 |
| Wytse van der Molen | 975,000 | 975,000 |
| Maarten van de Pol | 975,000 | 975,000 |
| Veronique Roos-Emonds | 975,000 | 975,000 |
| Janet Visbeen | 975,000 | 975,000 |

* Total remuneration before the obligatory Stichting Verrekenfonds deductions and before the amounts withheld annually in connection with the clawback scheme for members of the Board of Management who have been authorised by the Supervisory Board to act as external auditor

## Remuneration of the Supervisory Board

The remuneration of Supervisory Board members consists of a fixed annual amount, determined by the General Meeting. As Supervisory Board regulations require remuneration to be independent of the organisation's results and proportionate to the responsibilities involved and time needed to properly discharge responsibilities, it is not linked to any of the firm's performance targets.

For the financial year 2023/2024, the chair of the Supervisory Board received an annual remuneration of €77,000, members of the Supervisory Board €52,000, committee chairs €10,000 and committee members €7,500. Supervisory Board members are also entitled to claim for expenses incurred. No personal loans, guarantees or advance payments have been provided to, or on behalf of, members of the Supervisory Board.

Table IV

| **Remuneration for the Supervisory Board for 2023/2024 (€)** | Remuneration for chairing or membership of the **Supervisory Board** | Remuneration for chairing or membership of the **Audit Committee** | Remuneration for chairing or membership of the **Remuneration Committee** | Remuneration for chairing or membership of the **Selection and Appointment Committee** | Remuneration for chairing or membership of the **Public Interest Committee** | **Total remuneration for 2023/2024** | Total remuneration for 2022/2023 |
|---|---|---|---|---|---|---|---|
| Chris Buijink | 77,000 | - | 7,500 | 10,000 | 7,500 | 102,000 | 95,000 |
| Baukje Dreimüller * | 52,000 | 7,500 | - | 7,500 | 7,500 | 74,500 | - |
| Floor Rink * | 52,000 | - | 7,500 | 7,500 | 7,500 | 74,500 | - |
| Jan Sijbrand | 52,000 | 7,500 | 10,000 | - | 10,000 | 79,500 | 70,000 |
| René van Schooten | 52,000 | 10,000 | - | 7,500 | 7,500 | 77,000 | 62,500 |
| Saskia Vlaar * | 52,000 | 7,500 | 7,500 | - | 7,500 | 74,500 | - |
| Naomi Ellemers | - | - | - | - | - | - | 70,000 ** |
| Frits Oldenburg | - | - | - | - | - | - | 67,500 ** |

* Joined Supervisory Board on 1 July 2023.
** Supervisory Board member up to and including 30 June 2023.

# Status of legal proceedings



PwC provides services to an extensive number of clients, and in a very small number of cases this can lead to legal proceedings. A brief explanation of the current cases is set out below.

## Assurance and Advisory

We are not involved in legal or disciplinary proceedings.

## Tax & Legal

On 21 December 2015, the Dutch tax authority levied a fine on a PwC tax advisor in connection with alleged improper advice regarding a fiscal structure. This was contested before the court that agreed to the objections and, annulled the fine in its verdict dated 10 June 2021. The Dutch tax authority appealed against this judgement. On 14 June 2022, the appeal court reconfirmed the original decision and annulled the fine. The Dutch tax authorities have since started a procedure at the Supreme Court which is ongoing.

In August 2021, PwC concluded a transaction with the Public Prosecutor's Office related to a case where PwC was suspected of deliberately providing incorrect information to the Dutch tax authorities. Disciplinary proceedings were started against the partner and staff member involved. On 22 June 2022, the disciplinary court rejected the complaints. The Dutch tax authority appealed this decision, but the court of appeal rejected the complaints. These proceedings have now ended.

## Other

On 14 May 2021, a former director of the NBA filed a complaint against five (former) board members of the NBA for acting negligently in their investigation into the former director and his subsequent dismissal. One of these (former) NBA board members is a partner associated with PricewaterhouseCoopers Accountants N.V. The Disciplinary Court of Accountants considered one aspect of the 24 complaints filed by the former director to be justified and issued the five (former) board members a warning. Both the former director and the five (former) board members filed an appeal against the decision. In January 2024, at the request of the parties, these appeal proceedings were terminated before the court of appeal had rendered a decision. The proceeding has therefore ended.

# Our legal structure



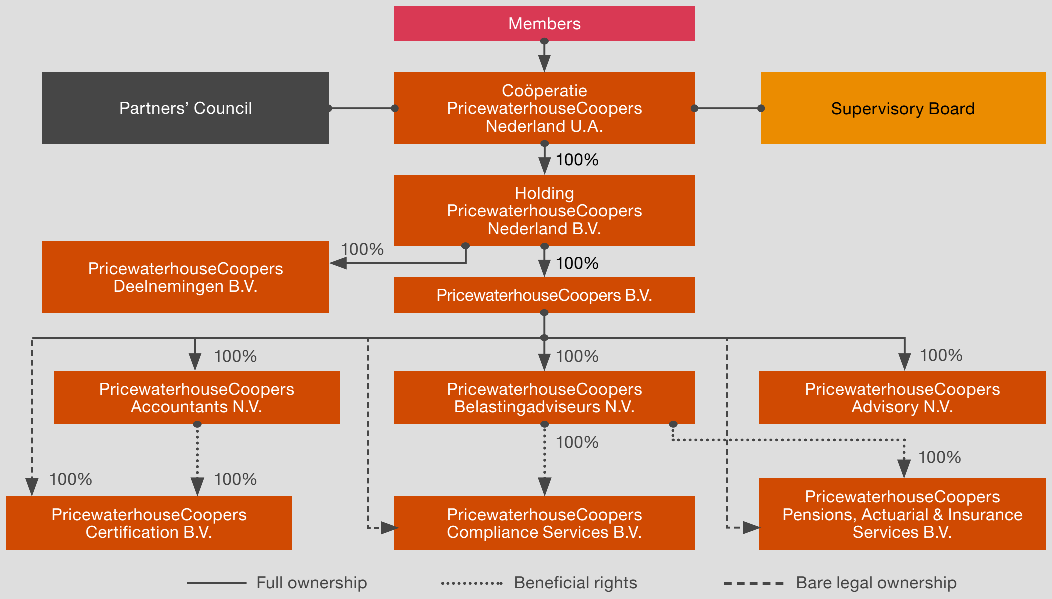
## Legal structure

As Coöperatie is the group head of PwC NL, the Supervisory Board has been set up at the level of Coöperatie. In accordance with the Wta the Supervisory Board also supervises PricewaterhouseCoopers Accountants N.V.

The private limited liability companies owned by the professional practitioners (partner BVs) are members of Coöperatie. Coöperatie has concluded association agreements with each of the partner BVs. Under these agreements, the professional practitioners are made available by the partner BVs to practise one of the professions within the Lines of Service (Assurance, Tax & Legal and Advisory) in exchange for a management fee.

Coöperatie has the following wholly-owned operational subsidiaries:
- Holding PricewaterhouseCoopers Nederland B.V.
- PricewaterhouseCoopers Deelnemingen B.V.
- PricewaterhouseCoopers B.V.
- PricewaterhouseCoopers Accountants N.V. (Assurance)
- PricewaterhouseCoopers Belastingadviseurs N.V. (Tax & Legal)
- PricewaterhouseCoopers Advisory N.V. (Advisory)
- PricewaterhouseCoopers Compliance Services B.V.
- PricewaterhouseCoopers Certification B.V.
- PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V.

**Simplified legal structure as of 30 June 2024**




### PwC Europe collaboration

PricewaterhouseCoopers Europe GmbH (PwC Europe GmbH) facilitates internal coordination and other support services to its shareholders[3]. The shares in PwC Europe GmbH are equally divided among the shareholders.

### PwC Network

The company and its subsidiaries (PwC NL) are members of a global network of separate and independent member firms operating locally in countries around the world (the PwC Network). The member firms that comprise the global PwC Network are members of PricewaterhouseCoopers International Limited (PwCIL), a United Kingdom-based private company limited by guarantee. The PwC Network, therefore, is not an international partnership and the member firms do not constitute any form of legal partnership or group of companies, except in a very limited number of cases that have been agreed upon for specific purposes.

PwCIL has a coordinating role, including for example issuing standards in the areas of risk and quality management. It does not provide services to clients, but focuses solely on reinforcing and supporting the network in the areas of strategy, knowledge development and expertise of the professionals and protection of the PwC brand. PwCIL does not own any of the member firms.

All services are delivered by the individual member firms for their own account and risk. PwCIL is not responsible or liable for any actions or omissions of any of its member firms, nor can it exercise control over their professional opinions or bind them in any way. Member firms may not act as an agent for or representative of PwCIL or any other member firm, and are responsible solely for their own actions or omissions.

**3** PricewaterhouseCoopers AG, PricewaterhouseCoopers Belgium BV, PricewaterhouseCoopers Deelnemingen B.V., PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, PwC Beteiligungsgesellschaft mbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and PwC Yönetim Danismanligi Anonim Sirketi.

# Definitions



## Environment

- Conversion factor (CF): our conversion factors (hereafter: CFs) are used to translate data into carbon emissions or other measurement units. They are updated annually in line with the most recently published conversion factors. Where available, we use conversion factors published and supported by national authorities (co2emissiefactoren.nl) and our direct suppliers. Additionally, we use the DEFRA conversion factors and the Global Warming Potential (GWP) published by the IPCC in its fourth Assessment Report.
- Fossil energy: the sum of energy consumed by fossil fuel lease cars and natural gas combustion in buildings.
- Fossil fuel lease cars: our fossil fuel lease car energy consumption is based on the total kilometres registered in our mileage registration system by employees and partners with petrol, diesel, CNG and hybrid lease cars (including commute kilometres). We determine the number of kilometres per lease car category based on a split provided by HC from all lease cars. We convert the km into MWh using conversion factors provided by PwC Global, adopted from DEFRA.
- District heating: our purchased non-renewable heat (district heating) is for 92% based on actual consumption. The remainder is calculated based on square metres of buildings in use (that is, average usage district heating in GJ per $m^2$ multiplied by the number of m2 leased per office location for the reporting period). We convert the GJ into MWh using the International System of Units conversion available on the DEFRA database.
- Renewable energy: the sum of energy consumed from renewable sources, namely: biogas combustion, purchased renewable electricity, heat, steam and onsite renewable electricity.
- Biogas combustion in buildings: our biogas combustion is for 88% based on actual consumption. The remainder is calculated based on cubic metres of buildings (that is, average usage gas in $m^3$ per $m^2$ multiplied by the number of $m^2$ leased per office location for the reporting period). We convert the $m^3$ into MWh using conversion factors provided by PwC Global, adopted from DEFRA.
- Purchased renewable electricity: our total purchased renewable electricity (according to RE100 requirements) consists of electricity consumed in buildings and by electric lease cars. Our electricity consumption in buildings is for 97% based on actual consumption. The remainder is calculated based on square metres of buildings (that is, average usage electricity in kWh per $m^2$ multiplied by the number of $m^2$ leased per office location for the reporting period). Our electric lease car energy consumption is based on the total kilometres registered in our mileage registration system by employees and partners (including commute kilometres). We determine the number of kilometres per lease car category based on a split provided by HC from all lease cars. We convert the km into MWh using conversion factors provided by PwC Global, adopted from DEFRA.
- Purchased renewable heat: our total purchased renewable heat (thermal energy storage) is for 80% based on actual consumption. The remainder is calculated based on square metres of buildings (that is, average usage renewable heat in GJ per $m^2$ multiplied by the number of $m^2$ leased per office location for the reporting period). We convert the GJ into MWh using the International System of Units conversion available on the DEFRA database.
- Purchased renewable cooling: our total purchased renewable cooling is reported under the renewable heat (thermal energy storage). The thermal energy storage includes both heat and cooling.
- Onsite renewable electricity: our total renewable electricity generated (kWh) by solar panels in the Amsterdam, Rotterdam, Utrecht and Zwolle offices during the reporting period. 100% of this electricity is consumed by the office locations where the electricity is generated.
- Energy efficiency: our total energy consumption, that is our fossil energy plus our renewable energy consumption, as a percentage of our PwC NL office space in use ($m^2$) during the reporting period.
- Renewable energy use: our renewable energy consumption (kWh) as a percentage of our total energy consumption (fossil energy + renewable energy) in kWh.
- Renewable electricity use: our purchased renewable electricity (kWh) consumption, as a percentage of our total electricity consumption (kWh).
- Renewable electricity generation: our total renewable electricity generated (kWh) by solar panels in the Amsterdam, Rotterdam, Utrecht and Zwolle offices as a percentage of our total electricity consumption (kWh).
- Gross scope 1 emissions: our gross scope 1 emissions ($tCO_2e$) consist of fossil fuel lease cars emissions and biogas emissions. Our fossil fuel lease cars emissions are based on our fossil fuel lease car usage (km). The emissions are calculated by multiplying kilometres per type of lease car by the CF for the specific car category. Our biogas emissions are based on our biogas combustion ($m^3$) multiplied by CF from co2emissiefactoren.nl.
- Gross location-based scope 2 emissions: our gross location-based scope 2 emissions ($tCO_2e$) consist of our onsite renewable electricity (kWh), purchased renewable electricity (kWh), district heating (GJ), purchased renewable heat (GJ) and our lease car electricity usage (km) multiplied by the corresponding location-based CFs from co2emissiefactoren.nl.
- Gross market-based scope 2 emissions: our gross market-based scope 2 emissions ($tCO_2e$) consist of our onsite renewable electricity (kWh), purchased renewable electricity (kWh), district heating (GJ), purchased renewable heat (GJ) and our lease car electricity usage (km) multiplied by the corresponding market-based CFs from co2emissiefactoren.nl.
- Gross scope 3 GHG emissions: our significant gross scope 3 emissions ($tCO_2e$) consist of the following categories: purchased goods and services, capital goods, waste generated in operations, business travel and employee commuting. The quantities consumed in these categories are multiplied by the corresponding CFs.
- Purchased goods and services: our emissions from purchased goods ($tCO_2e$) consist of purchased paper (kg) multiplied by the corresponding CF from Milieubarometer.
- Capital goods: our emissions from capital goods ($tCO_2e$) consist of phones, laptops, monitors and portable screens purchased, multiplied by the lifecycle CF reported by suppliers.
- Waste generated in operations: our emissions from waste generated in operations ($tCO_2e$) consist of (non)recycled waste (kg) multiplied by the CF provided by our supplier. The waste data are for 90% based on actual registrations. The remainder is calculated based on square metres of buildings (that is, average waste generated in kg per $m^2$ multiplied by the number of $m^2$ leased per office location for the reporting period).
- Business travel: the sum of our emissions from business travel ($tCO_2e$) emission categories: air, car, public transport and accommodation.

- Air: our emissions ($tCO_2e$) from air travel consist of kilometres flown multiplied by the respective CF from DEFRA per flight category (including radiative forcing). The flights are categorised in distances (hauls <460km, ≥460km and <3700km) and classes (Economy, Premium Economy, Business and First Class).
- Car: our emissions ($tCO_2e$) from car travel consist of lease car waivers (km), rental vehicles (km) and taxis (km) multiplied by the respective CFs from co2emissiefactoren.nl. The lease car waiver kilometres are calculated as a percentage (estimate based on historical data) of the total kilometres in our mileage registration system. The rental vehicle kilometres are calculated based on the average rental kilometres per day (average is based on data provided by Statistics Netherlands). Our taxi kilometres are calculated based on the actual spend.
- Public transport: our emissions ($tCO_2e$) from public transport consist of international train travel (km) and national train, bus, tram and metro travel (km) multiplied by the respective CFs from co2emissiefactoren.nl.
- Accommodation: our emissions ($tCO_2e$) from accommodation consist of hotel nights multiplied by the respective CFs from DEFRA based on the location. Our hotel nights are for 51% based on actual data from our travel booking agency. The remainder is an estimation based on spend.
- Employee commuting: our emissions from employee commuting consist of euro spend registered in our declaration system. This is converted to kilometres based on €0.21/km compensation. The total number of kilometres is multiplied by the CF.
- Total GHG emissions (location-based): the sum of our gross scope 1, gross scope 2 location-based and gross scope 3 emissions.
- Total GHG emissions (market-based): the sum of our gross scope 1, gross scope 2 market-based and gross scope 3 emissions.
- Motorised mobility compared to base year 2018/2019: total kilometres registered for lease cars, business travel kilometres (air travel, car travel and public transport) and employee commuting in the reporting year as a percentage of the kilometres registered in the base year (2018/2019).
- Total GHG emissions intensity ratio per employee: the sum of our gross scope 1, gross scope 2 market-based and gross scope 3 emissions divided by average FTE in the reporting year.
- Total location-based GHG emissions intensity ratio per net revenue: the sum of our gross scope 1, gross scope 2 location-based and gross scope 3 emissions divided by net revenue (territory revenue included in the financial statements of the reporting year in million €).
- Total market-based GHG emissions intensity ratio per net revenue: the sum of our gross scope 1, gross scope 2 market-based and gross scope 3 emissions divided by net revenue (territory revenue included in the financial statements of the reporting year).
- Environmental spend: the actual environmental spend in the financial year as a percentage of the internal carbon pricing. The internal carbon pricing is based on the total market-based GHG emissions ($tCO_2e$) in the previous reporting year multiplied by €100.
- Carbon reduction compared to base year 2018/2019: the sum of our gross scope 1, gross scope 2 market-based and gross scope 3 emissions as a percentage of the total GHG emissions in base year (2028/2019).
- Carbon offsetting (including carbon removals): total GHG emissions offset as a percentage of the sum of our gross scope 1, gross scope 2 market-based and gross scope 3 emissions. The total GHG emissions offset include all types of offsets, including carbon removals, in the reporting year.
- Carbon removal offsetting: total GHG emissions offset via carbon removals as a percentage of the sum of our gross scope 1, gross scope 2 market-based and gross scope 3 emissions. Carbon removals relate to removal offsetting projects in the reporting year.
- 50% science-based targets coverage with suppliers: our emissions based on spend from suppliers that have set near-term science-based targets or have submitted the targets and are in the process of being validated by SBTi, times the respective industry CFs ($tCO_2e$/€), as a percentage of the total emissions based on spend in our supply chain. Total emissions based on spend in our supply chain is multiplied by the respective CFs per supplier category, that are specific to the Netherlands, sourced from the PwC Global emissions calculation tool. Environmentally enhanced input-output (IO) modelling is used to calculate the emissions associated with each unit of currency (€) spent within a given category, based on the typical supply chain of that given product or service being looked at. Where appropriate, emission factors have been adjusted for inflation, as adopted from the International Monetary Fund.

The definitions provided above clarify which data points are based on estimations. In particular, the waste data and energy consumption data from partially leased buildings (including district heating, biogas, purchased renewable electricity and purchased renewable heat) is estimated due to the nature of the sources. As data is provided for the entire building, we calculate the usage by multiplying the leased area per office location by the average usage per square metre for each data source during the reporting period. There are no immediate plans to change our data-reporting approach for waste and energy consumption data in the future. The estimations will remain due to the inherent characteristics of the data sources and the need for consistent methodology.

In addition, we also estimate part of our business travel data for the following categories: car travel and accommodation. For car travel the lease car waiver kilometres are estimated based on historical data. The rental vehicle kilometres are calculated based on the average rental kilometres per day (average is based on data provided by Statistics Netherlands). There are no immediate plans to change our data-reporting approach for car travel in the future. The estimations will remain due to the inherent characteristics of the data sources and the need for consistent methodology. In case of accommodation data, not all hotel nights are reported through our travel booking system. Therefore, the remaining amount is estimated based on spend.

Recognising the importance of improving the accuracy of this data, we have plans to reinforce our travel policy and motivate employees to use the travel system for future bookings. This should increase the accuracy of the number of hotel nights reported, reduce the reliance on estimations and provide more precise data in our reports.

## Social

- Total number of employees: the headcount of our permanent employees, temporary employees and non-guaranteed hours employees. Employees are defined as individuals who have an employment relationship with the firm as at 30 June.
- Professional staff: employees who work in the Lines of Service: Assurance, Advisory or Tax & Legal.
- Support staff: employees who work as a business partner of and provide support to PwC's Board of Management and the Lines of Service. The functional departments of Internal Firm Services include specialists in the areas of markets, people, workplace, business operations, technology, risk, legal and quality.
- Active outside NL: the headcount of our employees and partners who are on a short-term outbound secondment in foreign countries as at 30 June. A short-term secondment has a duration of less than two years.
- Male: employees who registered their gender as male in Workday.
- Female: employees who registered their gender as female in Workday.
- Other: employees who registered their gender as other in Workday.
- Dutch: employees who registered their migration origin as Dutch in Workday.
- Western: employees who registered their migration origin as Western in Workday.
- Non-Western: employees who registered their migration origin as non-Western in Workday.

- Not reported: employees who registered their gender (or migration origin) as 'not wish to declare' or whose gender (or migration origin) is not registered.
- Permanent employees: the headcount of our employees with a permanent contract as at 30 June.
- Temporary employees: the headcount of our employees with a temporary contract as at 30 June, including work students.
- Non-guaranteed hours employees: the headcount of our employees without a guarantee of a minimum or fixed number of working hours as at 30 June.
- Total employee turnover: the headcount of employees who have left the organisation voluntarily or due to dismissal (including not extended temporary contracts), retirement or death in service during the reporting period. The rate is calculated as a percentage of the average headcount (including temporary employees).
- Full-time employees: the headcount of employees with a contract of 40 hours a week as at 30 June.
- Part-time employees: the headcount of employees with a contract of less than 40 hours a week, excluding non-guaranteed hours employees as at 30 June.
- Active outside NL: the headcount of our employees and partners that are on a short-term outbound secondment in foreign countries as at 30 June. A short-term secondment has a duration of less than two years.
- Total employee turnover: the headcount of employees who have left the organisation voluntarily or due to dismissal (including not extended temporary contracts), retirement or death in service during the reporting period. The rate is calculated as a percentage of the average headcount (including temporary employees).
- Employee turnover by gender: the headcount of employees as at 30 June registered as 'male', 'female', 'other' or 'not reported' who left the organisation (see definition 'total employee turnover') during the reporting period. The rate is calculated as a percentage of the average headcount of employees registered in the respective gender category (including temporary employees).
- Employee turnover by migration origin: the headcount of employees as at 30 June registered as 'Dutch', 'Western', 'non-Western' or 'not reported' who left the organisation (see definition 'total employee turnover') during the reporting period.
The rate is calculated as a percentage of the average headcount of employees registered in the respective migration origin category (including temporary employees).
- Total new hires: the headcount of employees who have joined the organisation during the reporting period as at 30 June.
- New hires by gender: the headcount of employees as at 30 June registered as 'male', 'female', 'other' or 'not reported' who joined the organisation during the reporting period. The rate is calculated as a percentage of the total new hires.
- New hires by migration origin: the headcount of employees as at 30 June registered as 'Dutch', 'Western', 'non-Western' or 'not reported' who joined the organisation during the reporting period. The rate is calculated as a percentage of the total new hires.
- Total non-employees: the headcount of people who are not employed by PwC NL but performing work for PwC are classified as non-employees as at 30 June. These include self-employed people, temporary agency workers and partners.
- Self-employed people: the headcount of people, not employed by PwC, who perform work for PwC as at 30 June.
- People provided by organisations primarily engaged in employment activities: the headcount of people provided by temporary employment agencies, as at 30 June.
- Partners: the headcount of partners as at 30 June. They are (through their personal BVs) members of the Coöperatie and senior executive responsible persons for managing client relationships, driving growth and contributing to strategy.
- Favourable answers GPS: number of respondents who answered all questions in the GPS positively (favourably), divided by the total number of respondents within the defined group. Favourable answers are 'agree' or 'strongly agree' on a five-point scale.
- People Engagement Index: number of respondents who provided favourable answers to the People Engagement Index questions in the GPS, divided by the total number of respondents within the defined group.
- People Engagement Index by gender: number of 'male' or 'female' respondents who provided favourable answers to the People Engagement Index questions in the GPS, divided by the total number of respondents within the defined group.
- People Engagement Index by migration origin: number of respondents with a 'Dutch', 'Western' or 'non-Western' migration origin who provided favourable answers to the People Engagement Index questions in the GPS, divided by the total number of respondents within the defined group.
- Total training hours: the number of hours spent on internal and external training, giving and preparing training and doctoral research per headcount. The hours are based on the financial management system information. We break down our training hours by gender and by job level.
- Average training hours per headcount: total training hours divided by headcount as at 30 June.
- Participation regular performance and career development: the number of evaluated employees and partners as a percentage of total employees and partners. The evaluation of employees and partners is based on criteria known to them and their superior undertaken within the knowledge of the employee or partner (at least once a year). The evaluation includes feedback by the employee's or partner's direct superior. The evaluation can also involve the Human Capital department. We break down our performance reviews by gender and Line of Service.
- Family-related leave: family-related leave includes maternity leave, paternity leave, parental leave and carer's leave that is available under national law.
- Entitled to family-related leave: the number of employees entitled to take family-related leave as a percentage of total employees, excluding partners and non-guaranteed hours employees.
- Utilised family-related leave: the number of employees that took family-related leave during the reporting period as a percentage of total employees, excluding partners and non-guaranteed hours employees.
- Sick leave: the number of total sick days as a percentage of the number of calendar days in the reporting year, excluding partners. Employees who were ill during the year and left the organisation during the year are excluded.
- Long-term sickness absence: the number of sick days (43 days or more) as a percentage of the number of calendar days in the reporting year, excluding partners. The main reason for absence is mental work-related ill health factors. Employees who were ill during the year and left the organisation during the year are excluded.
- Work-related ill health cases: the number of absence cases due to exposure to hazards at work in the reporting year. The main reason for absence is mental and physical work-related ill health factors. Employees who were ill during the year and left the organisation during the year are excluded.
- Work-related ill health days: the number of sick days that resulted from exposure to hazards at work in the reporting year. Employees who were ill during the year and left the organisation during the year are excluded.
- Gender diversity top management level: the headcount of members of the Board of Management as at 30 June registered as 'male', 'female', or 'other'. The rate is calculated as a percentage of the total headcount of board members.

- Gender diversity subtop management level: the headcount of members of the Lines of Service Boards as at 30 June registered as ‘male’, ‘female’, or ‘other’. The rate is calculated as a percentage of the total headcount in Lines of Service Boards.
- Age diversity: the headcount of employees and partners as at 30 June registered as ‘<30 years old’, ‘≥30 years old and <50 years old’ and ‘≥50 years old’. The rate is calculated as a percentage of the total headcount of employees and partners.
- Gender diversity by job level: the headcount of employees and partners as at 30 June registered as ‘male’, ‘female’, ‘other’ or ‘not reported’ as a percentage of the total headcount registered under the respective job level.
- Cultural diversity by job level: the headcount of employees and partners as at 30 June registered as ‘Dutch’, ‘Western’, ‘non-Western’ or ‘not reported’ as a percentage of the total headcount registered under the respective job level.
- Disability diversity: the headcount of employees and partners as at 30 June registered as ‘male’, ‘female’, ‘other’ or ‘not reported’ with a disability who face work-related challenges expressed as a percentage of the total headcount of employees and partners in the respective gender category, as at 30 June.
- Promotion by gender: the headcount of employees (excluding job level director) registered in the respective gender category as at 30 June registered as ‘male’, ‘female’, ‘other’ or ‘not reported’ who received promotion as at 30 June expressed as a percentage of the total headcount of employees (excluding job level director). These numbers include the promotions as at 1 April 2024 and the promotions with an effective date as at 1 October 2024.
- Promotion by migration origin: the headcount of employees (excluding job level director) registered in the respective migration origin category as at 30 June registered as ‘Dutch’, ‘Western’, ‘non-Western’ or ‘not reported’ who received promotion as at 30 June expressed as a percentage of the total headcount of employees (excluding job level director). These numbers include the promotions as at 1 April 2024 and the promotions with an effective date as at 1 October 2024.
- Promotions to partner/director – female: the headcount of employees as at 30 June registered as ‘female’ who received promotion as at 30 June expressed as a percentage of the total number of promotions to partner and director in the reporting year.
- Promotions to partner/director – non-Western: the headcount of employees as at 30 June registered as ‘non-Western’ who received promotion as at 30 June expressed as a percentage of the total number of promotions to partner and director in the reporting year.
- Total pay: the sum of full-time annual fixed and variable pay.
- Fixed pay (employees): the full-time annual fixed pay per employee is calculated by dividing the annual fixed pay by their part-time percentage on the 30th of June, to eliminate part-time bias. The average fixed pay (per employee job level) as at 30 June is determined by totalling the full-time fixed pay of all employees (in a specific job level) and dividing it by total headcount (in that job level). Employees that left the organisation during the reporting year are excluded from the calculation.
- Variable pay (employees): the full-time variable pay per employee is calculated by dividing the (pro rata) variable pay by their average part-time percentage of prior year, to eliminate part-time bias. The average variable pay (per employee job level) as at 30 June is determined by totalling the full-time variable pay of all employees (in a specific job level) and dividing it by total headcount (in that job level). Employees that left the organisation during the reporting year are excluded from the calculation.
- Fixed pay (partners): the full-time fixed pay per partner is calculated using the following formula: base pay x 0.5. Base pay is determined by multiplying the base partner points by the point value. Partner base points are used to determine partner salaries. Partners with no base points are excluded from the calculation.
- Variable pay (partners): the full-time variable pay per partner is calculated using the following formula: base pay x 0.5 + partner points x point value. For definition of base pay, please refer to the definition of ‘fixed pay (partners)’. Partner points are used to determine a partner’s variable pay.

## Governance

- Number of consultations confidential counsellors, Business Conduct Leader and Ethics Helpline reports: number of registered consultations related to our confidential counsellors, Business Conduct Leader and Ethics Helpline regarding inappropriate business conduct or unethical behaviour, as at 30 June.
- Number of complaints filed to the Complaints Committee: number of complaints submitted to the Complaints Committee in the event of undesirable behaviour that is not in line with our Code of Conduct and values (for instance regarding (sexual) intimidation or discrimination), as at 30 June.
- Notifications to the Business Conduct Committee: number of notifications submitted to the Business Conduct Committee in the event of suspected business wrongdoings that are not in line with our Code of Conduct and values (for instance regarding improper acceptance of gifts or deliberate mis-invoicing), as at 30 June.
- Number of incidents of discrimination: number of work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation or other relevant forms of discrimination involving internal and/or external stakeholders across operations, as at 30 June. This includes incidents of harassment as a specific form of discrimination.
- Number of complaints filed through channels for people in the organisation’s own workforce to raise concerns (excluding discrimination): number of complaints filed through channels for PwC NL’s own workforce to raise concerns (including grievance mechanisms), excluding complaints related to discrimination. This indicator represents all complaints as at 30 June, not just the complaints filed with the Complaints Committee, but also those that have been solved within the Lines of Service.
- Number of severe human rights issues and incidents connected to own workforce: severe human rights incidents include instances of lawsuits, formal complaints through PwC NL or third-party complaint mechanisms, serious allegations in public reports or the media, where these are connected to the organisations own workforce, and the facts of the incidents are not disputed by PwC NL, as well as any other severe impacts of which the organisation is aware, as at 30 June.
- Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UNGP, ILO, and OECD: number of severe human rights issues and incidents connected to PwC NL’s own workforce as at 30 June with an indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises.
- Number of severe human rights incidents where the organisation played a role securing remedy for those affected: securing remedy for those affected by severe human rights incidents where PwC NL played a role, caused or contributed to the incidents.
- Compliance % Annual update Ethics and Compliance training: number of employees and partners that completed the training as at due date (30 June) as a percentage of total employees and partners.
- Confirmed incidents of corruption: incidents of corruption that have been substantiated in a final publicly reported regulatory or court adjudication, as at 30 June. Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period.
- Total amount of fines for violation of anti-corruption and anti-bribery laws: the total amount of monetary losses incurred by PwC NL during the reporting period as a result of final, publicly reported regulatory or court adjudications against PwC NL and/or the PwC NL’s employees and partners relating to allegations of fraud, insider trading,

anti-trust, anti-competitive behaviour, market manipulation, malpractice or violations of other related laws or regulations.

### Other

- Beneficiaries reached through our community programme work: total number of NGOs, social and micro enterprises and education/skills beneficiaries reached through community investment activities aimed at maximising their potential.
- Number of people involved (% of people involved): percentage of total employees who have written time on Corporate Sustainability project codes including Corporate Sustainability employees, compared to total average headcount.
- Number of hours of Corporate Sustainability pro-bono activities: the number of pro-bono hours contributed by our colleagues through skilled volunteering projects/engagements.
- Number of hours of Corporate Sustainability activities: number of hours spent by our colleagues on Corporate Sustainability projects and activities.
- Monetary value of our Corporate Sustainability programme: sum of various costs made on behalf of our Corporate Sustainability programme, including partnership costs, management costs of the Corporate Sustainability team including expenses and the donations made via our WM2U Foundation.

### Annual report

- Integrated service delivery: extent of integrated service delivery, expressed as a percentage of net revenue.
- Client satisfaction and recommendation: client satisfaction score with the added value (recommendation) delivered by the PwC team.
- Number of client surveys and conversations: absolute numbers of documented client feedback.
- Use of ADMs (audit): the number of audit hours outsourced to ADMs, being delivery and competence centres, colleagues of the PMO, and the Talenthub as a percentage of the total number of hours charged to PwC's audit engagements (legal and voluntary) in the reporting year.
- ECRs and EQRs per Line of Service compliant: outcomes of internal reviews: percentage of number of files with findings that qualify as 'compliant' compared to the total number of files.
- Results of external file reviews: outcome of external reviews: number of files examined by oversight bodies with findings that qualify as 'compliant'.
- Revenue growth: the amounts chargeable for services rendered during the year compared to previous year.
- Net revenue: the amounts chargeable for services rendered during the year.
- Net revenue by industry: the amounts chargeable for services rendered during the year per industry as a percentage of total revenue.
- Operating cost: costs recognised in the reported period excluding financial income and expenses, corporate income tax and management fees.
- Operating profit: net revenue minus operating costs.
- Average FTE: the average number of FTE employed.
- Investment as a percentage of revenue: total amount of investments divided by net revenue.
- Cash and cash equivalents: the amount of cash as presented in the financial statements.
- Solvency ratio: total equity divided by total assets.
- Account contributions from partners: total amount of the equity of PwC and liabilities to members of PwC.
- Average per partner: amount of account contributions from partners divided by the average number of partners in FTE.
- Investments in clients (work in progress and accounts receivable): total amount of accounts receivable and work in progress.

# Glossary



| | |
|---|---|
| **AC/DCs** | Acceleration Centre/ Delivery Centres |
| **ADM** | Alternative Delivery Models |
| **AFM** | The Dutch Authority for the Financial Markets |
| **AGM** | Annual general meeting |
| **AI** | Artificial intelligence |
| **BAS** | Broader Assurance Services |
| **BMG&D** | Beoordeling Mapping Goalsetting & Development |
| **BREEAM** | Building Research Establishment Environmental Assessment Methodology |
| **CapEx** | Capital expenditure |
| **CCA** | Climate Change Adaptation |
| **CCM** | Climate Change Mitigation |
| **CDE** | Connected deals experience |
| **CEO** | Chief Executive Officer, the chair of the Board of Management |
| **CF** | Conversion factor |
| **CFO** | Chief Financial Officer |
| **CISO** | Chief Information Security Officer |
| **CM** | Consumer Markets |
| **CNG** | Compressed natural gas |
| **COO** | Chief Operating Officer |
| **CSDDD** | Corporate Sustainability Due Diligence Directive |
| **CSO** | Chief Sustainability Officer |
| **CSRD** | Corporate Sustainability Reporting Directive |
| **DEFRA** | Department for Environment, Food & Rural Affairs |
| **DNSH** | Do no significant harm |
| **DMA** | Double materiality assessment |
| **ECR** | Engagement Compliance Review |
| **EMEA** | Europe, Middle East, and Africa |
| **EPC** | Energy performance certificate |
| **EPP** | Evolved PwC Professional |
| **EQR** | Engagement Quality Review |
| **ERM** | Enterprise Risk Management |
| **ESG** | Environmental, Social, Governance |
| **ESRS** | European Sustainability Reporting Standards |
| **ETS** | Emissions Trading System |
| **EU&R** | Energy, Utilities & Resources |
| **FS** | Financial Services |
| **FTE** | Full-time equivalent |
| **GAAP** | Generally accepted accounting principles |
| **GANs** | Generative adversarial networks |
| **GenAI** | generative artificial intelligence |
| **GHG** | Greenhouse gas |
| **GJ** | gigajoule |
| **GPS** | PwC Global People Survey |
| **G&PS** | Government & Public Services |
| **GRI** | Global Reporting Initiative |
| **HC** | Human Capital |
| **I&D** | Inclusion and diversity |
| **I&S** | Industrials & Services |
| **IBAT** | Integrated Biodiversity Assessment Tool |
| **ICROA** | International Carbon Reduction and Offset Accreditation |
| **IESBA** | International Ethics Standards Board for Accountants |
| **IFRS** | International Financial Reporting Standards |
| **IFS** | Internal Firm Services |
| **IIRC** | International Integrated Reporting Council |
| **ILO** | International Labour Organization |
| **IRA** | Inflation Reduction Act |
| **IRO** | impact, risk and opportunity |
| **KPI** | Key performance indicator |
| **KYC** | Know Your Client |
| **kWh** | Kilowatt hour |
| **L&D** | Learning and Development |
| **LoS** | Line of Service |
| **M&A** | Mergers and acquisitions |
| **MWh** | Megawatt hour |
| **NACE** | Nomenclature of Economic Activities |
| **NBA** | The Netherlands Institute of Chartered Accountants |
| **NBS** | Nature-based solutions |
| **NGA** | Next Generation Audit |
| **NGO** | Non-governmental organisation |
| **NLP** | Neuro-linguistic programming |
| **NOB** | Nederlandse Orde van Belastingadviseurs |
| **OECD** | Organisation for Economic Co-operation and Development |
| **OGC** | Office of the General Counsel |
| **OpEx** | Operating expenditure |
| **PCAOB** | Public Company Accounting Oversight Board |
| **PEI** | People Engagement Index |
| **PICT** | Personal Independence Compliance Testing |
| **PIE** | Public interest entity |
| **PVP** | People value proposition |
| **PwC Europe** | The collaborative association of six European PwC member firms in Austria, Belgium, Germany, Switzerland, the Netherlands and Turkey. |
| **P/D** | Partner/director |
| **QMS** | Quality management system |
| **QMR** | Quality management review |
| **RE100** | is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity |
| **RFP** | Request for proposal |
| **SAF** | Sustainable Aviation Fuel |
| **SBTi** | Science-Based Targets initiative |
| **SDC** | Service delivery centre |
| **SDGs** | UN's Sustainable Development Goals. |
| **SMEs** | Small and medium-sized entities |
| **TCF** | Tax control framework |
| **TCFD** | Task Force on Climate-related Financial Disclosures |
| **$tCO_2e$** | Tonnes of $CO_2$ equivalent |
| **TMT** | Technology, Media & Telecom |
| **TSC** | Technical Screening Criteria |
| **UN** | United Nations |
| **UNGC** | United Nations Global Compact |
| **UNGP** | United Nation Guiding Principles on Business and Human Rights |
| **VBDO** | Vereniging van Beleggers voor Duurzame Ontwikkeling, the association of investors for sustainable development |
| **VCS** | Verified carbon standard |
| **WEF** | World Economic Forum |
| **Wta** | Wet toezicht accountantsorganisaties, the Audit Firms Supervision Act |
| **WM2U** | What matters to you |

# Acknowledgements



## PwC Annual Report 2023/2024

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|---|---|
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PwC the Netherlands has almost 6,000 people operating from thirteen offices and from three Lines of Service: Assurance, Tax & Legal and Advisory. We deliver sector-specific services and we seek innovative solutions, not only for national and international companies but also for public sector and civil society organisations. ‘PwC’ is the brand name under which member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and deliver services. Together, these firms make up the global PwC Network, within more than 370,000 people in 149 countries share their ideas, experience and solutions in developing new perspectives and meaningful advice. In this report, the terms ‘PricewaterhouseCoopers’ and ‘PwC’ also refer to PricewaterhouseCoopers B.V. and, depending on the context, its consolidated Dutch group companies. Together, these are also referred to as ‘PwC the Netherlands’, ‘PwC NL’ or ‘the Group’.