

October 2022

Transparency Report

PwC Luxembourg



PwC Luxembourg Transparency Report



Welcome to the PwC Luxembourg Transparency Report of activities for the year ended 30 June 2022 (“2022”). It is issued in accordance with EU Regulation No 537/2014 of the European Parliament and of the Council of 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. The regulation prescribes that certain information on our legal structure, independence and quality assurance has to be made publicly available. We fully support the Law’s requirements for transparency, which is aligned with our Firm’s values.

Content





Welcome to our 2022 Transparency Report



Despite the turmoil seen in recent months, we witnessed very strong growth across all our businesses - posting 11% growth in our turnover - taking our firm past the half a billion mark (EUR 543M), and representing EUR 480M in net revenue. I would like to thank our clients for their continued trust in our services. Never has it been more important for business, policy makers and society to work together on providing the stability and access to opportunities which are so important to us all.

This report includes information about how the firm is governed including updates from Marie-Elisa Roussel-Alenda, who leads our Assurance practice. While PwC is a multidisciplinary firm, this report is focused on our audit practice and related services. The audit profession continues to be under public scrutiny and challenge. This is why our key focus is on quality, to ensure the trust of our clients and stakeholders and the value of the work we provide. Our clients appreciate that our teams continuously listen to them and help them navigate through ever more complex audits in very volatile and uncertain environments.

Only a year ago, we were emerging from the world-changing impact of COVID with a renewed sense of hope for the future. Yet in only 12 short months, we have seen the invasion of Ukraine — with all the human and economic implications such egregious actions bring — spiraling inflation, supply chain shocks, a looming energy crisis and the growing likelihood of recession across Europe and beyond. The phrase “Perma-crisis” speaks to the sense of continuous challenge and uncertainty we all face.

At PwC, our purpose is to build trust and help solve problems that are important to our stakeholders. With this in mind we strive in our own small way to make a difference for our clients, for our people and in our communities and are committed to driving a strong culture of quality and excellence.

What is critical for us is the real value we bring to our clients. With pride I report that our client feedback has never been so strong in terms of volume of feedback and level of satisfaction with the difference we bring with a distinctive approach. At the heart of making that difference lies our people.

These very people are key to performing high quality audits and we draw from a wide range of specialist skills across our multidisciplinary practice. That’s why we maintain a constant emphasis on our purpose and values that address integrity and independence. We continue to invest in our people by providing ongoing professional and personal development, with in depth training.

We are a team that is human-led and tech-powered. We have continued to take steps to align our business to support this focus on audit quality in addition to our ongoing investment in new technology to support the quality of our audit services in order to better meet the changing audit challenges in a digital age and to enhance the quality and rigour of our audits.

Taken together, these measures represent a significant ongoing transformation of our audit business and support our focus on audit quality and our public interest responsibilities.

John Parkhouse, CEO



A message from our Assurance Leader

**Our strategy and
focus remain
unchanged**



A successful and challenging year

This past year has seen incredible challenges directly affecting stakeholders in unexpected ways. One constant in this uncertain environment is that our people continue to take pride in delivering high-quality audits, working with the right technology, skills and processes.

Our people

Despite the challenges of the 'Great Resignation' and the competition for talent, our net headcount grew by 11%. We welcomed approximately 600 new hires last year including interns and are increasing our recruitment targets for the coming year(s). We are delighted that we continue to be a top choice for both experienced hires and new graduates as well as to attract talents knowledgeable in matters such as ESG, Emerging technologies, Data etc.

We aim to provide our people a great place to work, flexibility as well as opportunities to develop and grow. We believe the flexibility options we provide (satellite offices, hybrid working and flexible hours) are key differentiators to attract talent and so is our training programme. This comprehensive curriculum prepares our people for the delivery of quality assurance services but also prepares them for the future by developing new skills.

Investing in technology and innovation

We have continued our transformation journey by further enhancing our current digital solutions and building new ones. A significant investment was made in the current year to develop our SFDR Assurance Digital Solution that will underpin our ESG assurance engagements for SFDR Level 2 Disclosures. Our ESG assurance approach combines the latest technology with a robust methodology delivered by professionals with in-depth expertise in ESG and sustainable finance.

We are also excited to work with our Network in the development (representing a \$1.3 billion investment globally) of a new audit ecosystem for our next-generation audit.

Please see to Our Digital Tools section for additional information.

Building trust with a relentless focus on quality

Quality is at the heart of what we do.

Where appropriate and necessary, our audit teams are able to draw on expertise from parts of the firm or network outside the Assurance practice using our multidisciplinary model approach. For instance, audit – especially in today's data-rich world – requires analysis and judgement of vast amounts of increasingly diverse information. This means that it is vital to have a deep understanding of technologies like data analytics, as well as capabilities around the valuation of assets and complex financial instruments, actuarial calculations, treasury operations, tax compliance, and many other areas. Being able to bring these skills to bear on audit work helps strengthen audit quality and builds trust in the information contained in financial statements.

I invite you to read the Our approach to Quality and Monitoring Sections of this Transparency Report which describes how we maintain high quality in our audit work and conveys the seriousness with which we approach our responsibility and our interest to engage with you about audit quality.

Marie-Elisa Roussel-Alenda, Assurance Leader

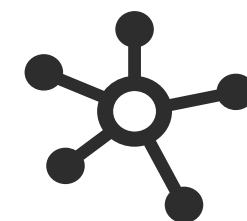


PwC Luxembourg

At PwC Luxembourg, our purpose is to build trust in society and solve important problems. We are a member of a network composed of independent Firms in 152 countries with more than 328,000 people who are committed to delivering quality in assurance, advisory and tax services.

PricewaterhouseCoopers Luxembourg, operating as a Société coopérative since 1 July 2012 (“PwC Luxembourg” or “our Firm”), is a company with limited liability incorporated under Luxembourg law. It is registered with the Luxembourg Business Registers under number B 65477 with a subscribed capital of EUR 943,075 and a total of capital and reserves of EUR 26,844,303 at 30 June 2022 and is registered as an approved audit Firm (“cabinet de révision agréé”) as per the Law of 23 July 2016 on the audit profession as amended. It is owned by individuals providing audit, tax or advisory services in Luxembourg. A majority of voting rights are in the hands of shareholders who are registered approved statutory auditors (“réviseurs d’entreprises agréés”) and members of the IRE (Institut des réviseurs d’entreprises) and in the hands of shareholders who are Chartered Accountants (members of the Ordre des Experts-Comptables).

Our Firm additionally is registered with the PCAOB (the US Public Company Accounting Oversight Board), the UK FRC, the JFSA (the Japan Financial Services Authority), the Hong-Kong FRC and with the BVI (British Virgin Islands) Financial Services Commission. PwC Luxembourg has three fully owned operating subsidiaries which are PricewaterhouseCoopers Academy S.à r.l., PricewaterhouseCoopers Training Administration Service Centre S.à r.l. and PwC Tax Information Reporting S.à r.l..



PwC Network

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. The PwC network is not a global partnership, a single firm, or a multinational corporation. The PwC network consists of firms which are separate legal entities.

PricewaterhouseCoopers International Limited

Firms in the PwC network are members in, or have other connections to PwCIL, an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to act as a coordinating entity for member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual member firms where appropriate. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, member firms may draw upon the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions. PwCIL has no right or ability to control member firm's exercise of professional judgement.

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of 20 members. Two are appointed as external, independent directors, and the other 18 Board members are elected by Partners from PwC firms around the world every four years.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from member firms to coordinate activities across all areas of our business.

The Assurance Leader of PwC Luxembourg is a member of the Global Board and maintains our relationships with the Network Leadership Team.

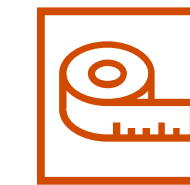


Our approach to quality



Definition and culture

At PwC, we define quality service as one that consistently meets the expectations of our stakeholders and which complies with all applicable standards and policies. An important part of delivering against this quality definition is building a culture across a network of more than 328,000 people that emphasises that quality is the responsibility of everyone including our 3,026 people. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.



Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a rigorous system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As our services change and develop, and the needs and expectations of our stakeholders also change, we are continually reviewing and updating the scale, scope and operations of our system of quality management and investing in programmes to enhance the quality of the services that we provide.



Specific focus on audit quality

The quality of our work is at the heart of the PwC network and we invest significant and increasing resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a continuous programme of

innovation and investment in our technology. More specifically, the PwC Network's Global Assurance Quality (GAQ) organisation aims to support member firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

The QMSE framework

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC network has established the Quality Management for Service Excellence (QMSE) framework for quality management which integrates quality management into business processes and the firm-wide risk management process.

This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives and our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance.

Specific focus on audit quality

Delivering quality audits is core to our purpose. To that end, we are committed to providing a quality audit. However, where our work falls below the standards that we set for ourselves and are set by the regulators, we are disappointed and also rightly criticised. We take each of these instances very seriously and work hard to learn lessons and to enhance the quality of audits that we undertake in the future.

The right objectives and capabilities

To help us put this strategy into effect, the PwC network has established clear objectives around audit quality and provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities – both in terms of people and technology. That's why our quality objectives focus on having the right capabilities – both at a member firm level and across our network – and on using these capabilities to meet our own standards and the professional requirements. These capabilities can only be developed under the right leadership and quality culture, promoting the right values and behaviours.

Integrated and aligned in the right way

The quality objectives focus on having the right people supported by effective methodologies, processes, and technology appropriately directed and supervised. These represent the capabilities that we believe are relevant to achieving and sustaining audit quality. To help us achieve these objectives, there are a number of dedicated functions at a network level that develop practical tools, guidance and systems to support and monitor audit quality across our network. These elements have been integrated and aligned by our network to create

a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our individual circumstances.

Delivering a quality end-product consistently

Central to the framework is the recognition that quality management is not a separate concept; it needs to be embedded in everything we do as individuals, teams, firms and the network. The quality objectives are supported by designated key activities which are considered necessary to achieve the quality objectives, focused mainly on building a quality infrastructure and organisation. We supplement and design those key activities as appropriate to respond to risks we have identified to achieve each quality objective.

Values and judgements

Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by the company's management are free of "material misstatements" – reaching a professional judgement on whether the financial statements present a fair picture of the company's financial performance and position. To carry out this assessment effectively, the auditor needs to use all the capabilities that have been built up in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgement – all supported by technology.



Navigating the impact of external factors on our system of quality management

The past several years have seen unprecedented challenges. From the global COVID-19 pandemic to the Russian government's invasion of Ukraine (hereafter referred to as 'the war in Ukraine'), these events are first and foremost human tragedies. Our SoQM reflects our response to these events and changing risks based on impacts to our client, our people and the way we operate, including new or revised policies and procedures in our firm that have been implemented or are under consideration at any given point in time. Under the QMSE framework, our SoQM is designed and operated to consider changes in facts and circumstances resulting in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of the firm's SoQM, including the risk responses

The QMSE framework has helped us navigate the changes in our firm's environment, by assessing the completeness and effectiveness of our responses including any additional monitoring to be put in place, and identifying any gaps to address new or emerging quality risks.

Sharing developments and experience

COVID-19

From the early stages of the pandemic, the PwC network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure we did not compromise on audit quality and more than two years into the pandemic, we have maintained our focus on those areas impacting our clients, our people and how we work. We have leveraged the guidance developed by our network to provide sustained, consistent leadership and guidance on audit quality and equip our teams to consider their client's unique circumstances and respond accordingly.

The COVID-19 pandemic resulted in us facing a number of new challenges in our audits. This ranged from how we operate as a team to plan and complete the audit, to how we interact with our clients to obtain the necessary audit evidence and execute specific audit procedures such as completing physical inventory counts.

Our network's response to the war in Ukraine including separation of PwC Russia and Belarus and our approach to sanctions

Following the Russian government's invasion of Ukraine, the PwC network's main focus continues to be doing all we can to help our colleagues and support the humanitarian efforts to aid the people of Ukraine.

The PwC network's response to the war in Ukraine resulted in several actions including the decision that, under the circumstances, PwC should not have member firms in Russia and Belarus and consequently PwC Russia and PwC Belarus have exited the network.

In addition, the PwC network is exiting work for Russian entities and individuals subject to sanctions. Any sanction on Russian entities and individuals that is passed anywhere in the world will be applied everywhere in the PwC Network. As of 30 September 2022, our firm exited work for Russian entities and individuals subject to EU sanctions. The PwC network will also not undertake any work for the Russian Federal Government or State-owned Enterprises and is also conducting reviews to identify engagements with non-sanctioned Russian clients and considering the appropriateness of any ongoing relationship.

Our network's response to the conflict including the separation of PwC Russia and PwC Belarus and approach to sanctions, as well as consideration of the broader risks that impact our clients are being factored into our firm's SoQM through the identification of potential quality risks that have or may arise. Our firm is monitoring the actions we have and will take to address the identified risks to assess whether further changes are needed to our firm's SoQM or how we perform our engagements and interact with our clients.



Cultures and values

Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects ‘why’ we do what we do, and our strategy provides us with the ‘what’ we do. ‘How’ we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we build trust in how we do business, with each other and in our communities.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement Partners. These communications focus on what we do well and actions we can take to make enhancements. We track whether our people believe that our leaders’ messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our audit quality objectives.

Delivering service of the highest quality is core to our purpose and our assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

As mentioned previously, to help PwC Luxembourg put this strategy into effect, the PwC network has established the QMSE framework which introduces an overall quality objective for the Assurance practice that is supported by a series of underlying quality management objectives. Our system of quality management (SoQM) must be designed and operated so that these objectives are

achieved with reasonable assurance. The achievement of these objectives is supported by a quality management process established by our firm and Assurance leadership, business process owners, and Partners and Staff.

This involves the integrated use of Assurance Quality Indicators to aim to predict quality issues, Real Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues and a Recognition and Accountability Framework to reinforce quality behaviours, culture and actions.

These programs, by design, require ongoing monitoring and continuous improvement, in particular Assurance Quality Indicators, which we expect will evolve significantly over time and as we continue to use and learn from these measures.



The Quality Management Process

This quality management process includes:

- identifying risks to achieving the quality objectives
- designing and implementing responses to the assessed quality risks
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators
- continuously improving the system of quality management when areas for improvement are identified by performing root cause analyses and implementing remedial actions and
- establishing a quality-related recognition and accountability framework to be used in appraisals, remuneration, and career progression decisions

Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

The Assurance leadership team reviews an AQI dashboard on a quarterly basis, whose purpose is to analyse trends over the last relevant periods in order to assess whether new remedial actions need to be enforced / to which extent existing remedial actions are efficient.

The AQIs used as predictors include the followings: utilisation and turnover of our people, number of new hires, compliance with Learning policies, involvement of specialists, timing of planning reviews, independence breaches, people engagement index, inspection findings, involvement of more experienced personnel, etc.

Aim to Prevent: Real Time Assurance

We have developed a Real Time Quality Assurance («RTA») program designed to provide preventative monitoring that helps coach and support engagement teams get the ‘right work’ completed in real-time, during the audit.

Experienced practice professionals are namely entrusted with pre-issuance reviews of certain engagements selected on the basis of a risk-based approach. This program contributes to the overall quality of the audit and is a good opportunity to provide additional coaching to engagement teams and to identify shareable best practices.

The number of audit engagements included in the real time review program over the year was 493.

Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm’s audit quality so that we can take actions to continuously improve. Our primary objective when conducting such analyses is to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies—whether identified through our own internal

inspections process or through external inspections and other inputs such as our Global People Survey and financial statement restatements and accounting errors—to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of reviewers identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, some data are compiled exclusively for audits with deficiencies, and some other data are compiled for audits both with and without deficiencies in order to compare and identify whether certain factors appear to correlate to audit quality. Example of this data include the hours incurred on the audit, the number of years that key engagement team members have been on the engagement, the number of other audits that engagement Partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was performed.

Our goal is to understand how quality audits may differ from those with deficiencies, and to use these learnings to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality controls.



Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (“RAF”) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high quality culture. It holds Partners and any staff members accountable for quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC Network and our firm’s standards and policies
- **Behaviours:** We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective
- **Interventions/recognition:** We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality
- **Consequences/reward:** We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives

Ethics, independence and objectivity

Ethics

At PwC, we adhere to the fundamental principles of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the

Code), which are:

- **Integrity** – to be straightforward and honest in all professional and business relationships.
- **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.
- **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our Network Standards applicable to all Network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm’s and partner’s taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All Partners and Staff undertake annual mandatory training, as well as submitting annual

compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC Network and leadership in our Firm monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, our Firm has adopted the PwC Network Standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our Partners and other professionals-behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, all Staff and Partners of PwC Luxembourg are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers at our firm and have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. Each firm in the PwC Network provides a mechanism to report issues. There is also a confidential global reporting option on pwc.com/codeofconduct. PwC Luxembourg has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

The PwC Code of Conduct is available on-line for all internal and external stakeholders at <https://www.pwc.com/ethics>.



Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.

Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC member firms and their Partners and Staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

Our Firm has a designated Partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The Partner is supported by a team of independence specialists. The PRI reports directly to the Firm's Head of Risk and Quality.

Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g. bank accounts and loans by Partners, Staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services ('SOPS'), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities; and
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit Partners.

These policies and processes are designed to help PwC comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

PwC Luxembourg supplements the PwC Network Independence Policies as required by local regulations, including the independence requirements of the United

States Securities and Exchange Commission and those of the Public Company Accounting Oversight Board of the United States and of the EU Audit Regulation where they are more restrictive than the network's policy.

Independence - related systems and tools

As a member of the PwC Network, our Firm has access to a number of systems and tools which support PwC member firms and their personnel in executing and complying with our independence policies and procedures. These include:

- The Central Entity Service ('CES'), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of clients of the member firm and those of other PwC member firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and Authorisation for Services;
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all Partners and practice managers before acquisition and is used to record their subsequent purchases and disposals. Where a PwC member firm wins a new audit client, this system automatically informs those holding securities in that client of the requirement to sell the security where required;
- Authorisation for Services ('AFS') which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and



proposed safeguards, where deemed necessary, and acts as a record of the audit Partner's conclusion on the permissibility of the service;

- A Global Joint Business Relationship validation and monitoring tool has been implemented since summer 2022 and will be fully operational by June 2023. This tool will standardise JBR approvals and regular review done on a 6 month rolling basis to ensure permanent permissibility. It will also ease communication of existing JBRs across our Network. This tool will replace the local processes in place up to now.

Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code.

Our Firm also has a number of Luxembourg-specific systems which include a rotation tracking system which monitors compliance with our Firm's audit rotation policies for the Firm engagement leaders, other key audit Partners and senior staff involved in an audit.

Independence training and confirmations

PwC Luxembourg provides all partners and staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on our Firm's independence policy and related topics. Additionally, face-to-face training is delivered to members of the practise on an as-needed basis by our Firm's

independence specialists and risk and quality teams.

All partners and staff practice are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the member firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level appropriate confirmations which have to be provided by all partners and staff as soon as they render any kind of services to clients.

Independence monitoring and disciplinary policy

Our Firm is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes;
- Personal independence compliance testing of a random selection of, at a minimum, partners, practice directors and managers as a means of monitoring compliance with independence policies; and
- An annual assessment of the member firm's adherence with the PwC network's standard relating to independence.

The results of our Firm's monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

Our Firm has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the member firm and the engagement team and the need for actions or safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in our Firm's systems and processes and for additional guidance and training.

Based on the reviews outlined above, we confirm that we conducted an internal review of independence practices during the year ended 30 June 2022.

Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations



in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary.

Client and Engagement Acceptance and Continuance

We have a process in place to identify acceptable clients based on the PwC Network's proprietary decision support systems for audit client acceptance and retention (called Acceptance and Continuance ('A&C')). A&C facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management.

More specifically, this system enables:

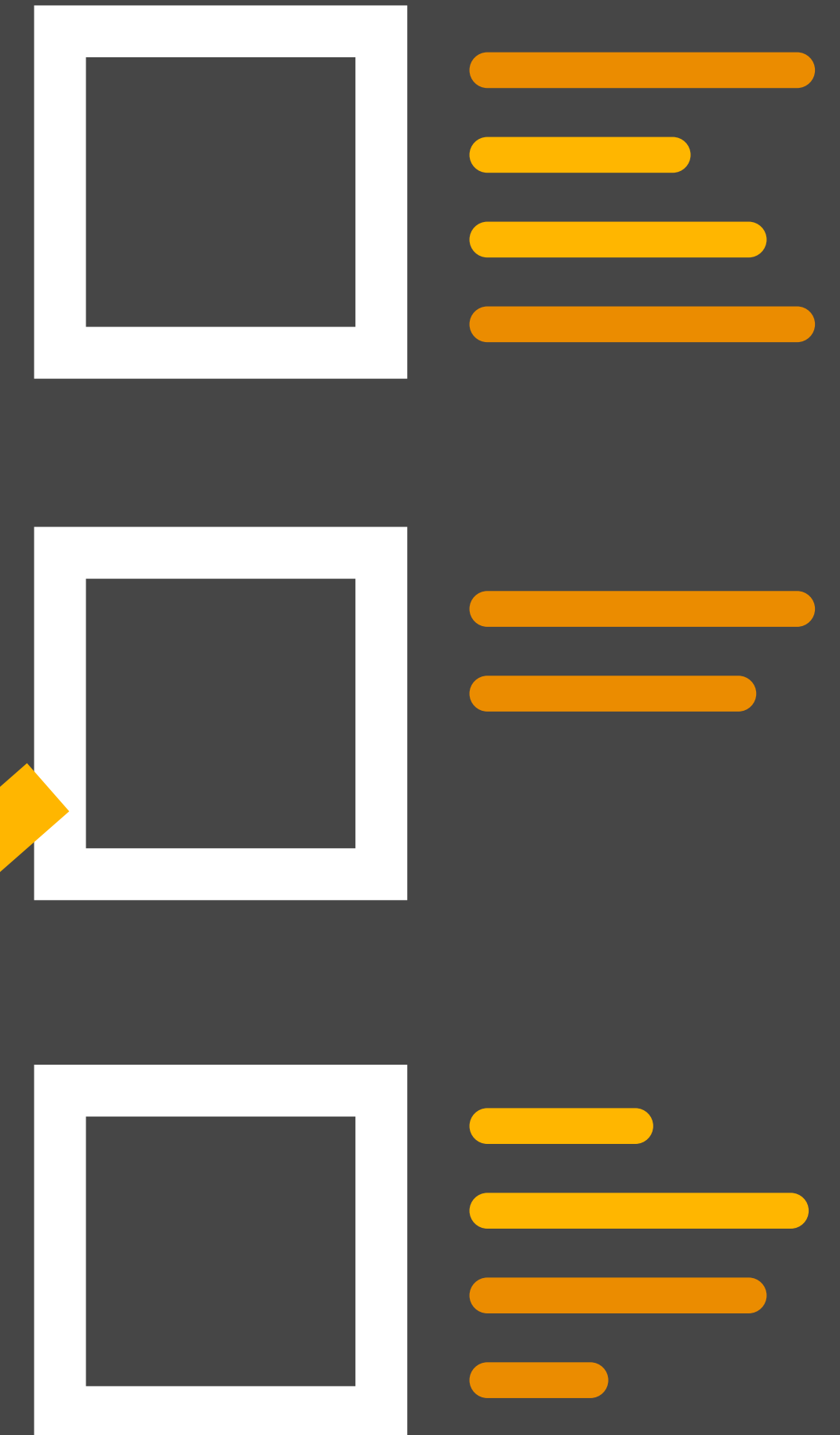
Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

Member firms (including member firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other member firms in the Network have applied in assessing audit acceptance and continuance.

The A&C is supplemented by Vigilense Suite, a set of tools gathering all the AML and Risk Management tasks which are critical for the acceptance of client relationships and Assurance engagements.





Our People

People strategy

Our people strategy was developed in support of our broader business strategy, The New Equation. We are focused on being the world's leading developer of talent and enabling our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the well-being of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

Diversity and inclusion

At PwC, we're committed to creating a culture of belonging. We are focused on ensuring our ways of working embrace diversity and fostering an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and can reach their full potential. As demonstrated through our core values of Care and Work Together, we strive to more deeply understand and empathise with

different backgrounds, perspectives and experiences. We know that when people from different backgrounds and with different points of view work together, we create the most value for our clients, our people, and society.

Recruitment

Our Firm aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the firm in the FY22, we recruited over 1167 new people, including 884 university graduates.

Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.

Feedback and continuous development

Our team members obtain regular feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. Feedback on performance and progression is collected via our Snapshot tool, a simple, mobile-enabled technology. We also use Workday to give and receive upward and peer feedback. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm.

Career progression

Our Firm uses The PwC Professional, a global career progression framework, which sets out clear expectations at all staff levels across five key dimensions. The framework underpins all elements of career development and helps our people develop into well-rounded professionals and leaders with the capabilities



and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's Team Leader to discuss their development, progression and performance.

Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent.

Global People Survey

Each PwC member firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC Luxembourg is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback. Actions are defined on a LoS or BU level.

The PwC Professional

The PwC Professional supports the development and career progression of our staff by providing a single set of expectations across all lines of service, geographies, and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level.

Professional Development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with development opportunities, classroom, virtual classroom, and on-demand learning, and on-the-job real time coaching/development. Our flexible learning portfolio facilitates personalised learning with access to a variety of educational materials, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our Firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

Continuing education

We, and other PwC member firms, are committed to delivering quality assurance services around the world. To maximise consistency in the Network the formal curriculum, developed at the Network level, provides access to training materials covering the PwC audit approach and tools-this includes updates on auditing standards and their implications, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we will deliver the training. Our Learning & Education leader then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs.

PwC Luxembourg will add in any local training to ensure that staff received global as well as local specific content, training programs used from other Network groups (e.g. GAQ-Accounting training on IFRS) and externally sourced training, covering both technical and non-technical training.







Our approach

Our Firm uses a range of cutting-edge methods, processes, technologies, and approaches to ensure continuous improvement in the performance and quality of our audit engagements



The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying audit methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement. Details of these indicators and processes can be found in the Monitoring of Assurance quality section. Additionally, we consider what our various stakeholders require from us, what they tell us we need to improve and the findings of regulatory inspections on the quality of our work.

Technical support

Ratio of partners serving in technical support roles to the total number of audit partners: 1 to 8

Experience of our partners:

Partners' average years of experience at PwC: 17.2

People



Data and technology can help reveal insights, but it takes an inquisitive person with well-rounded business knowledge to understand what those insights mean. We recruit professionals with these capabilities-people who can deliver the highest quality outcomes in terms of client service and compliance.

Technology



As technological change accelerates, our clients want to trust their information with organisations that don't merely keep up but lead the way. We've made a global commitment to offer leading audit technology, and we've invested heavily in tools to match our approach. The result is greater quality and insight to our clients.

Approach



We've built our audit around our people and our technology. We've designed it to give us more time with our clients, understanding the things that matter to their business. That's more time understanding client concerns, and more time focusing on the inherent risks we see, including how they change over time and how they compare with peer companies.

 **The
PwC
Audit**



Our digital solutions

As a member of the PwC Network, PwC Luxembourg has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC member firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

Investing \$1.3 billion globally to enhance audit quality

As part of The New Equation, the PwC Network is investing US\$1.3 billion in a multi-year effort to deliver a new audit ecosystem for our next-generation audit. By exploring and investing in new technologies and revisiting underlying audit processes, we will further standardise, simplify, centralise, and automate our audit work. Our investment accelerates innovation and enables us to respond to changing stakeholders' needs providing a transformed audit experience focusing on continuous quality enhancement. In addition, our investment will help to reduce the burden on teams by streamlining data acquisition, standardising processes, and focusing our work on areas of higher risk.

Our programmes, solutions and technologies are built on a human-centred design, focusing on stakeholders' needs while reimagining ways for our people to work.



We are exploring new ways of securely ingesting and using data to identify risks, detect anomalies, and surface insights, with built-in checks that enhance audit quality. Intuitive, guided experiences and workflows help our people complete the right tasks at the right time, adapting and scaling in response to the needs and complexities of each engagement, and providing a more seamless, transparent experience for our clients. We are also building on our experience with our tools including, for example:



We continue to invest heavily in advanced software and artificial intelligence ('AI') powered tools that are transforming the way people and technology work together. AI and automation have the potential to enhance audit work with exceptional speed and accuracy, eliminating human bias and error, and augmenting human judgment. Our auditors work with intelligent machines where vast volumes of data can be analysed and interpreted in seconds using advanced analytics and visualisation - to spot patterns and trends in data, and detect anomalies and exceptions. As part of The New Equation investment, we will be rolling out a continuous stream of new capabilities through our existing platforms to increasingly simplify, standardise, centralise and automate our audit work.



Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of the solutions used for our audits. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their supervision and review responsibilities as part of the normal course of the audit.

Confidentiality and information security

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously.

Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring to embed an effective three lines of defence model. This model has enabled us to strengthen our information security organisation, align to industry good practice and improve our internal control frameworks.

Data Privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We have continued to build on our extensive GDPR readiness programme, and are committed to embedding good data management practices across our business.

Information Security

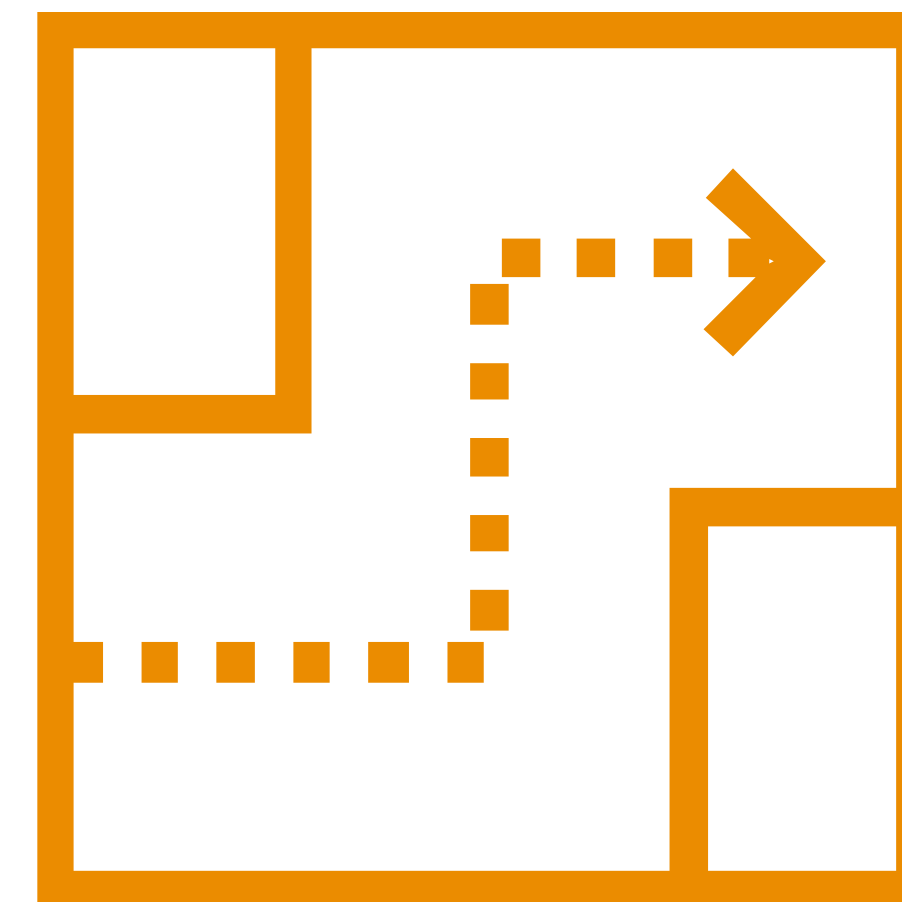
Information security is a high priority for the PwC Network. Member Firms are accountable to their people, clients, suppliers, and other stakeholders to protect information that is entrusted to them.

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27001, financial services industry standards, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the network of Member Firms. The PwC ISP directly supports the Firm's strategic direction of cyber readiness to proactively safeguard its assets and client information. The PwC ISP is reviewed, at a minimum, on an annual basis.

PwC Luxembourg is required to adhere to the ISP requirements and complete a quarterly, data-driven assessment to demonstrate compliance. The Member Firm is assessed against the required controls through analysis of available data. In coordination with Member Firm stakeholders, the data is reviewed for quality to ensure an accurate assessment of the Member Firm's security posture. Deviations that result from the ISP Compliance Programme assessment process are prioritised for remediation utilising a risk based approach and per timelines agreed with leadership.

Supporting engagement performance





Monitoring

Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the Leadership of our Firm. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit and non audit engagements, using the Network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfill the valid expectations of our clients and other stakeholders.

Our firm's monitoring procedures include an ongoing assessment aimed at evaluating whether the policies and

procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards. This includes the use of Real Time Assurance which is discussed in more detail on page 11 within [*The Quality Management Process section*](#).

Our monitoring also encompasses a review of completed engagements (Engagement Compliance Reviews-ECR) as well as periodic monitoring of our SoQM by an objective team, which is entirely composed of experienced reviewers from other PwC network offices than Luxembourg. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM.

Our firm's monitoring program is based on a consistent Network-wide inspections programme for Assurance based on professional standards relating to quality control, including ISQC 1, as well as Network policies, procedures, tools and guidance.

ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit, non-audit assurance or related services reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each signer is reviewed at least once every four years, unless a more frequent review is required based on the profile of that signer's client engagements.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, and senior managers and other specialists. ECR reviewers are sourced from other member firms needed to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities, and utilise a range of checklists and tools developed at the Network level when conducting their review procedures. The network inspection team supports review teams by monitoring the consistent



application of guidance on classification of engagement findings and engagement assessments across the network.

Additionally, the PwC network undertakes periodic reviews to evaluate certain elements of member firms' systems of quality management. It also looks at the member firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

Our Firm is subject to biennial reviews with all objectives being reviewed in a five year period. In addition, a quarterly monitoring is focused on remediation of any control issues raised in the previous quarter and on the assessment of the impact of any new developments of our SoQM. We have been subject to a review in 2022.

The results of all inspections are reported to our firm's leadership who are responsible for analysing the results of the inspections along with the findings identified from all sources of information and implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible partner or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework.

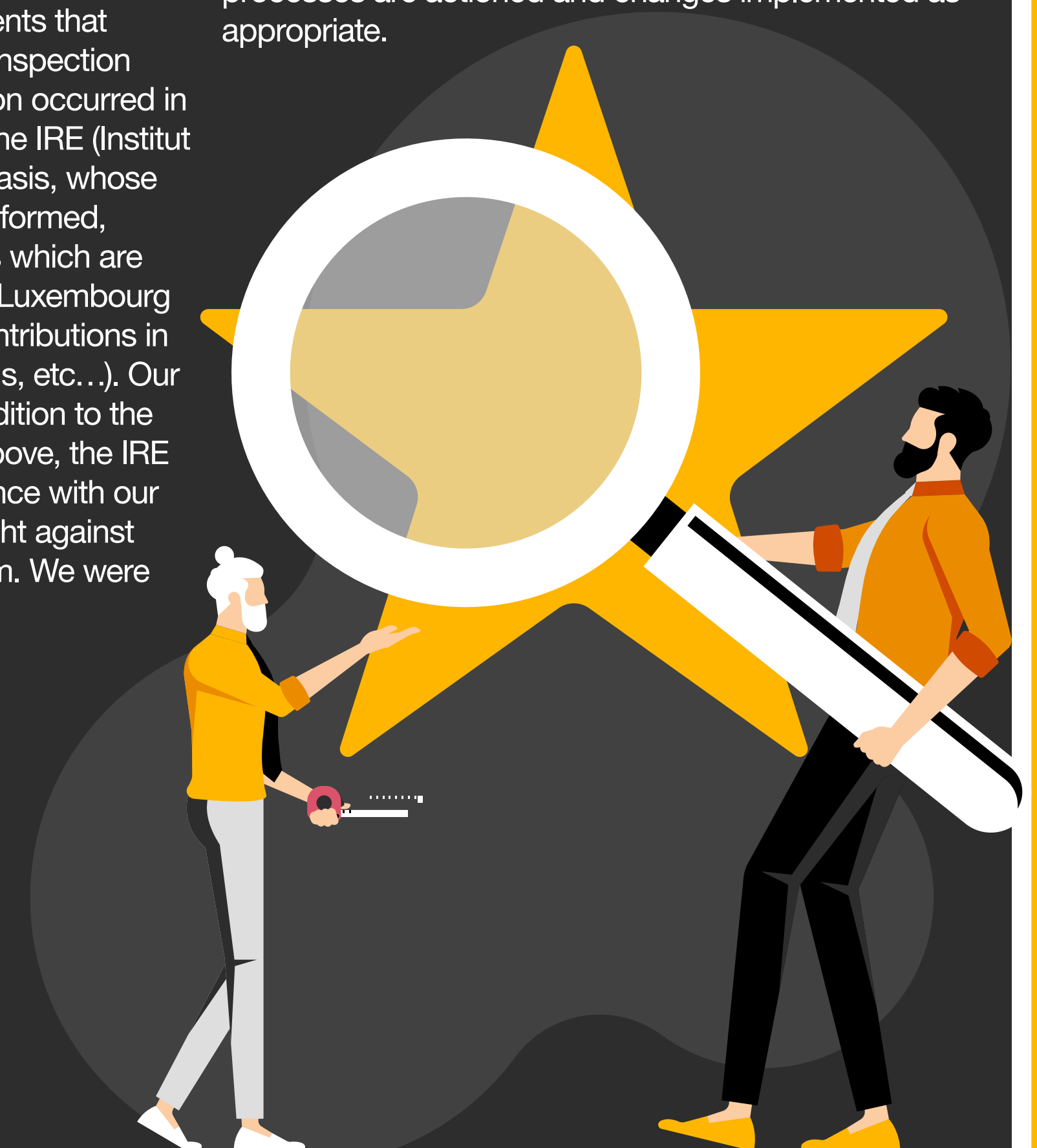
Partners and employees of our firm are informed about the inspection results and the actions taken to enable them to draw the necessary conclusions for the performance of their engagements. In addition, engagement partners of our firm are informed by the network inspection program about relevant inspection findings in other PwC member firms, which enables

our partners to consider these findings in planning and performing their audit work.

Our Firm's audit practice and the registered statutory auditors (réviseurs d'entreprises agréés) are also subject to annual inspections performed by the CSSF («Commission de Surveillance du Secteur Financier»), and joint inspections are also performed on a periodic basis by both the CSSF and the PCAOB (Public Company Accounting Oversight Board) for engagements that fall under their supervision. The last CSSF inspection occurred in 2021 and the last joint inspection occurred in 2019. Peer reviews are also performed by the IRE (Institut des réviseurs d'entreprises) on a periodic basis, whose scope of review is all contractual audits performed, and all the other specific assurance reports which are issued by our Firm as a requirement of the Luxembourg laws (i.e reports issued in the context of contributions in kind, interim dividends, mergers, liquidations, etc...). Our last IRE peer review occurred in 2018. In addition to the review of engagement files as described above, the IRE is also in charge of monitoring our compliance with our professional obligations in relation to the fight against money laundering and financing of terrorism. We were subject to this review during the year.

Statement on the effectiveness of the Firm's internal quality control system

On the basis of the reviews performed, as outlined above, the Management Board is satisfied that PwC Luxembourg's internal quality control systems for Assurance are operating effectively. Any matters identified through the various monitoring and review processes are actioned and changes implemented as appropriate.





Governance

PwC Luxembourg is governed by a Management Board (“Conseil de Gérance”) having the overall responsibility for the strategic, business, operational and financial management of our Firm. The Management Board members are appointed by the shareholders meeting and the Board is composed of a majority of approved statutory auditors. It sets and communicates its strategic priorities, which cascade into our Firm’s business planning process. The contribution of Assurance, Tax, Advisory and support services is monitored by the Management Board, which also takes overall responsibility for the systems of internal control (which include controls relating to quality) and for reviewing and evaluating their effectiveness.

Our Firm is led by a CEO, assisted by a Deputy Managing Partner, who is, like the other members of the Board, elected for four years by the shareholders. Currently, the members of the Management Board are: John Parkhouse (Territory Senior Partner, CEO), Rima Adas (Deputy Territory Senior Partner), Olivier Carré, Gérard Cops, François Génaux, François Mousel, Anne-Sophie Preud’homme and Marie-Elisa Roussel-Alenda. The audit of the Firm’s financial statements is carried out by an independent local audit Firm.

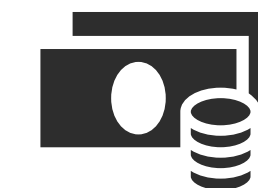
The Firm also has an oversight body (the Supervisory Board). This board is presently composed of 7 members elected among and by the Partners, for a term of four years. It is not under the authority of another body.

The Supervisory Board considers a wide range of issues for the firm such as risk, strategy, reputation, people matters including health and wellbeing, technology, return on investments, and culture and has supported, given guidance to and challenged the CEO and the Management Board (MB). The SB has particular insight on the views of the Partners of the firm and reflects those in conversations with management.

The Supervisory Board has overall responsibility for governance of the Firm and oversight of the Management Board. It has an advisory and oversight role and is responsible for considering, reviewing and providing guidance on those matters that are, or may potentially be, of concern to the Partners or our Firm. These matters include but are not limited to, the implementation of, or compliance with, global or Firm policies and rules and the arrangements for effective communication between the Firm’s management and the Partners.

The internal Ethics and Business Conduct committee is composed of an independent chairman and a college of Partners as well as an Ethics Officer. The committee oversees the firm’s values and ethical behaviour and is devoted to creating an open culture where everyone feels respected, included and valued while being able to bring their whole self to work.





Partners' remuneration


At PwC Luxembourg, our partners have a remuneration package which is made up of a fixed income amount (salary) and a variable bonus. Each partner is responsible for his or her own pension arrangements. The final amount to be allocated to the individual partners is proposed by the Evaluation Committee (emanation of the Country Leadership Team) and subject to the oversight of the Remuneration Oversight Committee (ROC) composed of the chair of the Supervisory Board and two additional members of the Supervisory Board.

The partners' performance is assessed based on two components: a Firm component depending on the results at Firm's level and an individual component depending on the responsibilities and contribution of each partner. Each partner's income is determined by assessing achievements against an individually tailored scorecard of objectives.

These objectives include ensuring our Firm delivers quality services and maintains independence. Under no circumstances are audit partners rewarded for selling non-audit services to audit clients.

John Parkhouse, CEO





Our sustainability journey to deliver on our purpose

Delivering on our purpose

The world is changing at a rapid pace. Businesses like PwC Luxembourg are at the forefront of creating long-term and sustainable value for our stakeholders. To become more resilient and to create a business model that can anticipate and prepare for fast-moving and unexpected shocks and changes businesses need to adapt their core strategies and operations to a sustainable and purpose-led model.

At PwC Luxembourg we have aimed to do so by putting a Corporate Responsibility and Sustainability strategy in place. Being a service firm, we need to anticipate social challenges as it enables us to remain relevant for our clients, our people and society at large, while also living up to our purpose of “solving important problems and building trust in society”.

We’re committed to our corporate initiative, The New Equation, and we continue to build trust and deliver sustainable outcomes for all our stakeholders, including investors.

Aligning with the Global Agenda

Identifying priority and universal metrics are the first steps to achieving this vision. The World Economic Forum (WEF), the International Business Council (IBC), PwC and other service firms have collaborated to identify standard metrics to support corporations of all sizes and forms to create long-term, sustainable value and outcomes.

The adoption of those universal standards and disclosures enables us to unlock long-term value through greater transparency, accountability and business transformation. The WEF-IBC framework includes 21 core

metrics and 34 expanded metrics that define the world’s most important sustainability issues that businesses should address. In 2021, we identified the 13 Ambitions which are a priority to us.

The year 2022 was about setting ambitious and collective action. Our team at PwC Luxembourg established the frameworks, KPIs and actions necessary to fulfill our commitment to the 13 identified Ambitions. In the last year, we’ve taken the first steps to integrate sustainability at the core of our business and transform our operations in the process.

Our ambitions continue to drive us to fulfil our collective purpose to build trust and deliver sustainable outcomes for everyone.



Sustain@PwC

Our 13 Ambitions



Our success in 2022 has largely been attributed to integrating our governance principles into everything we do, everywhere we do it — expanding those principles across all territories.

Sustain@PwC - From strategy to transformation and reporting alignment is key



Design the new reality

Develop a strategy to position PwC Luxembourg in a sustainable tomorrow (manage short-term with long-term view), considering business imperatives and stakeholder interests. Setup the governance.

Make it a reality

Implement sustainable into everyday operations and embed them in all transformations (e.g., governance, HC, Net Zero, supply chain, investment transformation, IT-transformation...) following sustain Standards.

Keep it real

Manage jointly financial with non-financial reporting. Define and implement the right high quality non-financial KPIs to manage accordingly and to address stakeholder interest.

Sustain@PwC
Board

Confirm
strategy

Oversee
Execution

Monitor
Results



Ensuring our success: SUSTAIN@PwC

Defining our strategy and sustainable priorities is only the beginning. The roadmap to success is to now transform the organisation and measure and report on our progress.

Our committee, SUSTAIN@PwC, was established in April 2021 as the steering committee to further our CSR strategy and sustainable ambitions. It's now one year old. Under the leadership of our CEO, John Parkhouse, and supporting Vice Chair, Christophe Pittie, the committee includes four leaders, each running one of the four pillars: Principles of Governance, Prosperity, People and Planet. The committee is focused on ensuring success in three main areas:

- 1. Build the sustainability strategy** — ensure that the strategy is aligned with the New Equation and the PwC 23
- 2. Drive transformation** — discussion with management teams to fulfil all levels: strategy, transformation and reporting
- 3. Setting ambitions into action** — progress towards strategic actions by setting up reporting and monitoring frameworks, reporting quarterly to CLT and in the annual reporting to stakeholders.

Reporting on the SCM

We have made some real progress in reporting against these metrics already last year, but we are committed to going further and to reporting more detail on more metrics in the years to come. Our Annual Report as of 2021 will also follow the format of the Common Metrics, with the four pillars being our four main chapters.

To find out more, please visit this link:



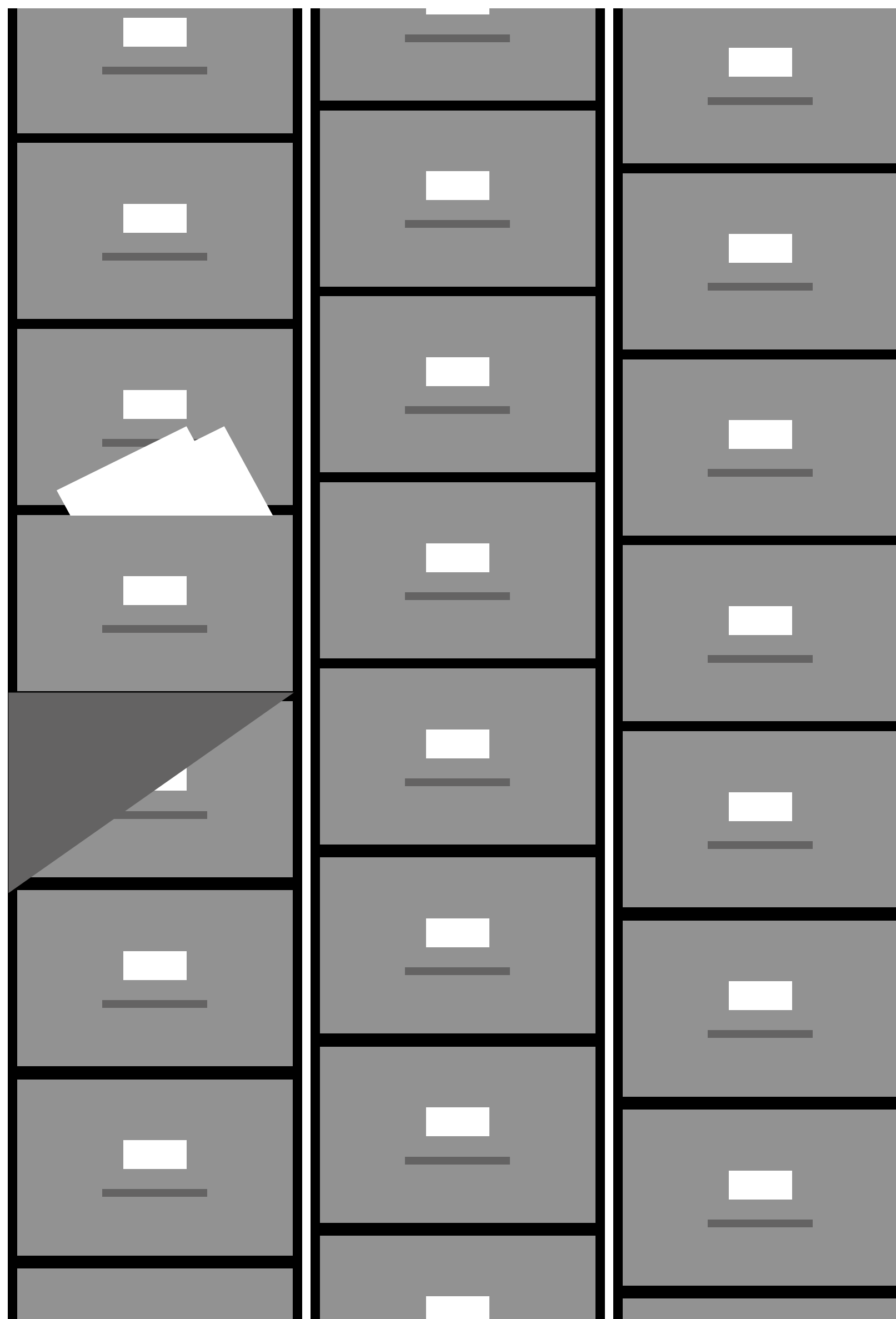


Appendices

Appendix 1

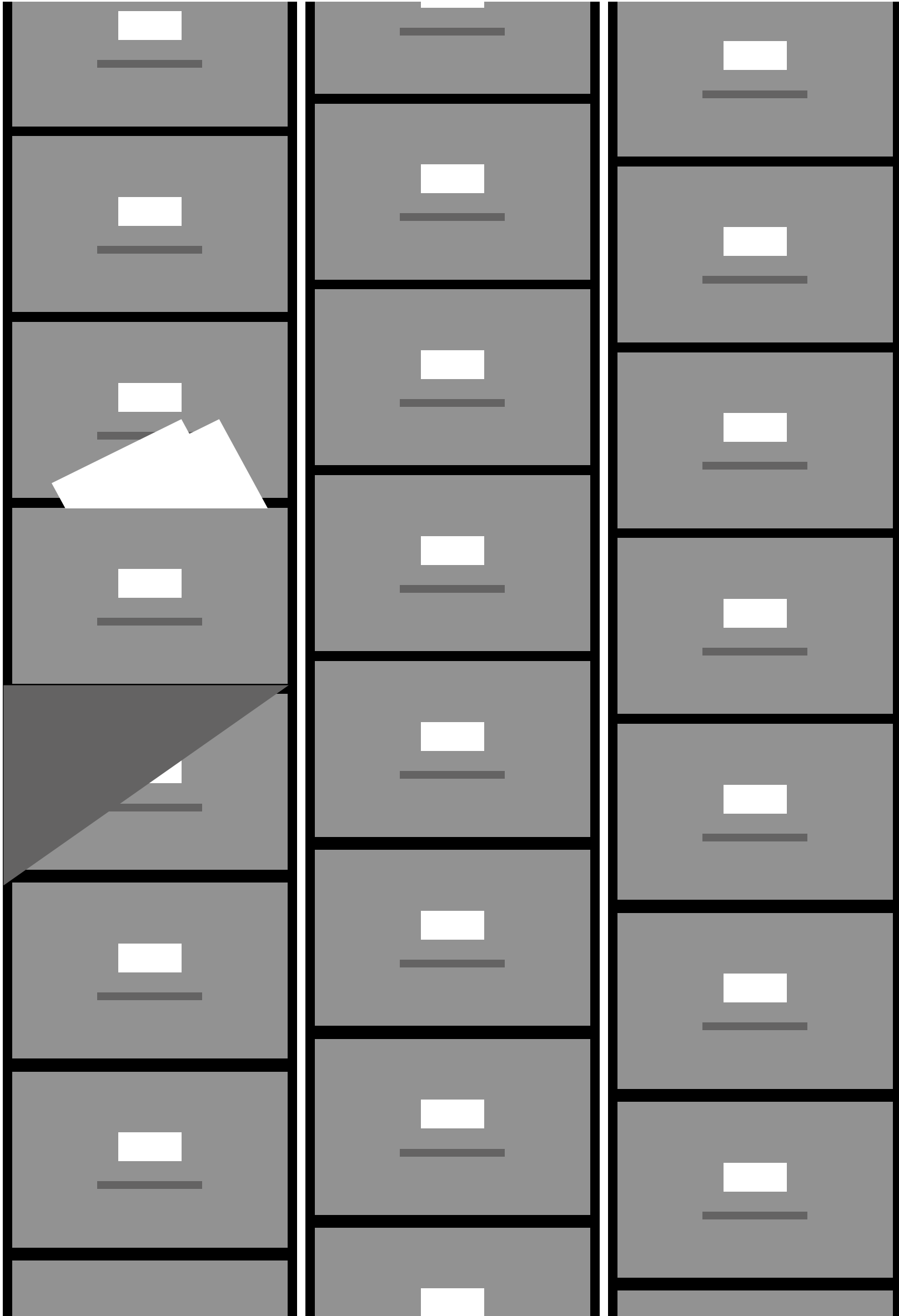
List of public interest entities as defined by article 1 (20) of the Law of 23 July 2016 on the audit profession for which we carried out a statutory audit during the year ended 30 June 2022.

AB CUSTOM ALTERNATIVE PROGRAM	BNP Paribas Easy
Ageasfinlux S.A.	BREW RE S.A.
AIG Europe S.A.	CAFINA
AKBANK TURKISH SICAV	CaixaBank Wealth Management Luxembourg S.A.
Allegro.eu	CALI Europe
Allianz Life Luxembourg	CASPR S.À R.L.
Alrosa Finance S.A.	CK Hutchison Group Telecom Finance S.A.
Amundi Index Solutions	CLEARSTREAM BANKING S.A.
APERAM	CNP Luxembourg
Argentum Capital S.A.	Colonnade Insurance S.A.
ARISA ASSURANCES	Compass Re S.A.
Arisa Ré	COMURA S.A.
Aviva Investors European Secondary Infrastructure Credit SV S.A.	Convex Europe S.A.
AXA ASSURANCES LUXEMBOURG	Covéa Lux Fonds Spécial
AXA Assurances Vie Luxembourg	CREDIT SUISSE (LUXEMBOURG) S.A.
AXA Wealth Europe	DEMERGON FUNDS
Bank of Communications (Luxembourg) S.A.	DKV LUXEMBOURG S.A.
Bankinter Luxembourg S.A.	DZ PRIVATBANK S.A.
BANK OF CHINA (EUROPE) S.A.	EFG Bank (Luxembourg) S.A.
BANQUE DEGROOF PETERCAM LUXEMBOURG S.A.	EOF MASTER FUND SCS SICAV-RAIF
Banque de Patrimoines Privés	Euler Hermes Ré
Banque Internationale à Luxembourg	Eurasia Capital S.A.
Banque Transatlantique Luxembourg	Evergreen II SICAV-FIS
Bavarian Sky S.A.	Evergreen III SICAV-FIS
BIL REINSURANCE S.A.	except Group SCA
	FIS Privatbank S.A.



FORTUNA Banque.s.c.
FWU Life Insurance Lux S.A.
Gaz Capital S.A.
GELF Bond Issuer I S.A.
GPN Capital S.A.
Hannover Finance (Luxembourg) S.A.
HeidelbergCement Finance Luxembourg S.A.
Hiscox SA
HSBC Private Bank (Luxembourg) S.A.
IndexIQ
InPost S.A.
KBC Group Re S.A.
KBC Ifima S.A.
KERNEL HOLDING S.A.
KMU Portfolio S.A.
LA LUXEMBOURGEOISE Société Anonyme d'Assurances
LA LUXEMBOURGEOISE-VIE Société Anonyme d'Assurances
Lalux Group Ré
Landmark Capital S.A.
Lombard Odier (Europe) S.A.
LRP
Mediobanca International (Luxembourg) S.A.
Miravet S.à r.l.
Monument Assurance Luxembourg S.A.
Multi Units Luxembourg
NATIXIS LIFE
Natixis Wealth Management Luxembourg
NORDEA SPECIALISED INVESTMENT FUND, SICAV-FIS
NORD/LB Luxembourg S.A. Covered Bond Bank

NOVA CASIOPEA RE S.A.
Partners Group Global Value SICAV
PayPal (Europe) S.à r.l. et Cie, S.C.A.
PBD GERMANY AUTO LEASE MASTER S.A.
Pictet & Cie (Europe) S.A.
Pony S.A.
Purple Protected Asset
RBC Investor Services Bank S.A.
Reinet Investments S.C.A.
Repsol Europe Finance
Richemont International Holding S.A.
SB Capital S.A.
SC Germany S.A.
Schroder GAIA II
SEALS FINANCE S.A.
SecurAsset S.A.
SELP Finance S.à r.l.
SES
Single Platform Investment Repackaging Entity SA
Société Electrique de l'Our
Steel Capital S.A.
SWISS LIFE (LUXEMBOURG)
Swiss Life Products (Luxembourg) S.A.
Swissquote Bank Europe SA
Talanx Finanz (Luxemburg) S.A.
TENARIS S.A.
The Partners Fund SICAV
Tokio Marine Europe S.A.
Trafigura Funding S.A.
VP Bank (Luxembourg) SA
Weser Funding S.A.



Appendix 2

Financial Information

At PwC Luxembourg, our wide range of various-sized clients come from a broad spectrum of activities from the financial sector, including Banking, Asset & Wealth Management, Alternatives and Insurance, to industrial and commercial activities. We service all types of clients from large multinationals to small family-run enterprises and, of course, the public and institutional sectors. In relation to the disclosure requirements foreseen in Article 13.2 (k) (i)-(iv) of the EU Audit Regulation on financial information, we refer to our annual accounts which are filed on the register of commerce and companies in Luxembourg.

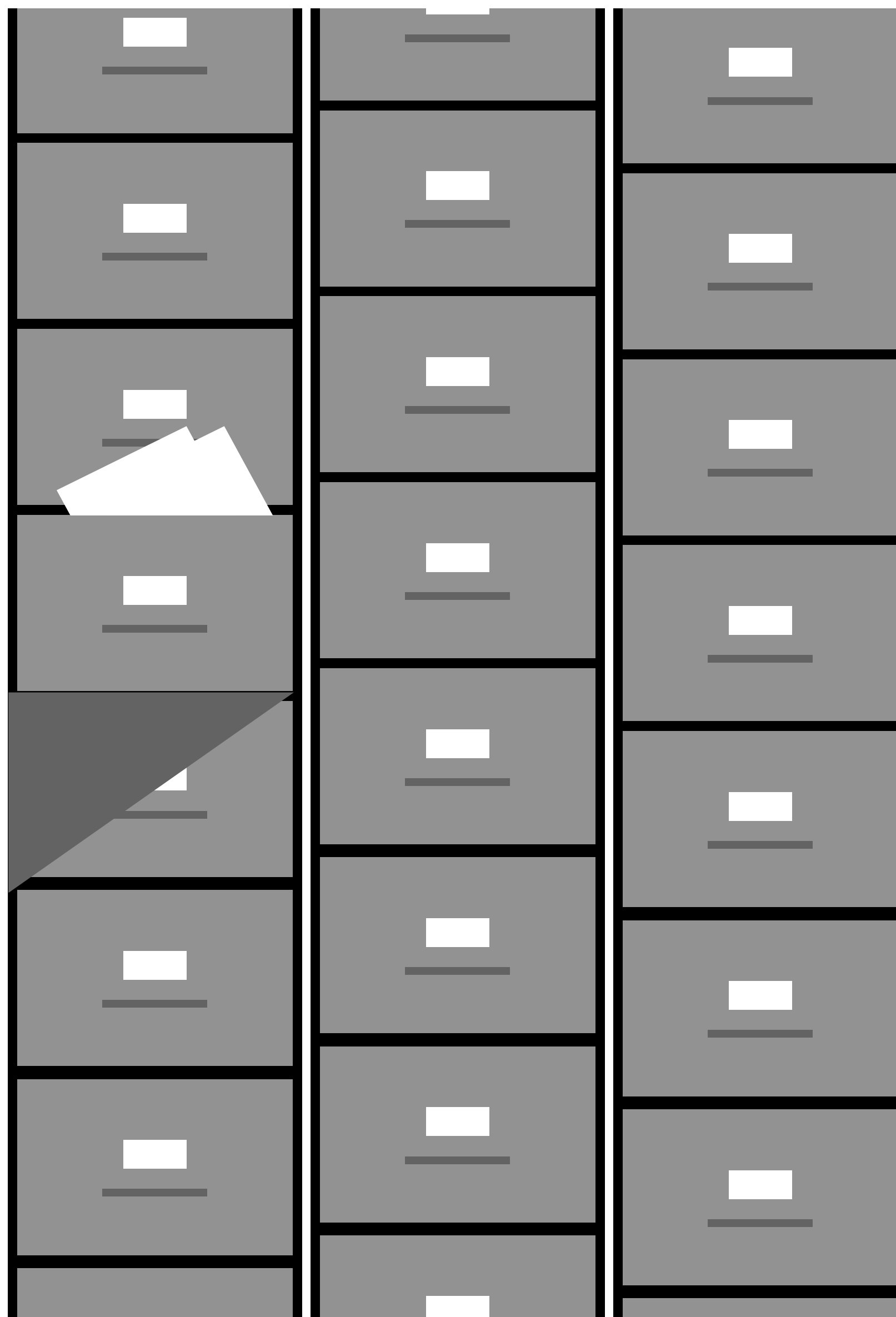
Total turnover achieved by statutory auditors and audit firms from EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately 2.5 billion Euros. This represents the turnover from each entity’s most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2022.

Appendix 3

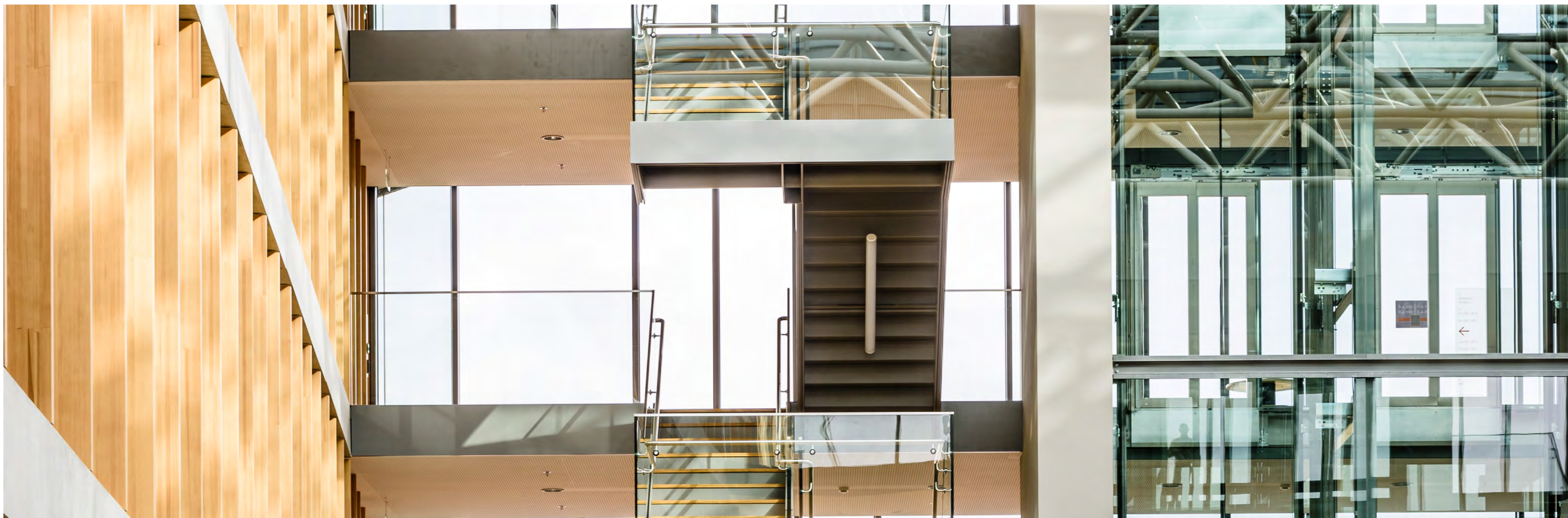
List of Audit Firms/Statutory Auditors.

Disclosure in accordance with Article 13.2 (b)(ii) of the EU Regulation

Member State	Name of firm
Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
Austria	PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt
Austria	PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg
Austria	PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'entreprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Croatia	PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit, s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy



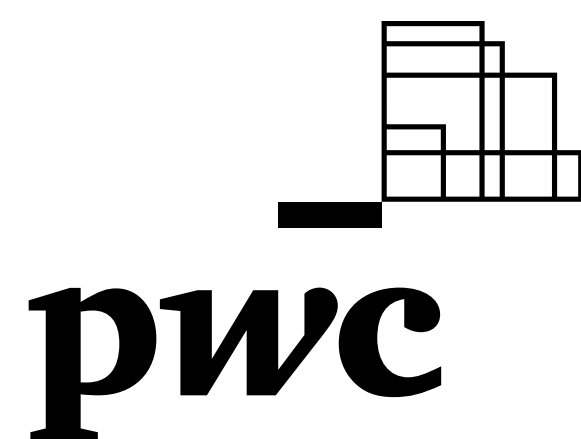
France	PricewaterhouseCoopers Audit
France	PricewaterhouseCoopers Entreprises
France	PricewaterhouseCoopers France
France	M. Philippe Aerts
France	M. Jean-Laurent Bracieux
France	M. Antoine Priollaud
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera WPG AG
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Italy	PricewaterhouseCoopers Spa
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Netherlands	Coöperatie PricewaterhouseCoopers Nederland U.A.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o.
Poland	PricewaterhouseCoopers Polska spółka z ograniczon odpowiedzialno ci Audyt sp. k.
Poland	PricewaterhouseCoopers Polska spółka z ograniczon odpowiedzialno ci sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB
Sweden	Öhrlings PricewaterhouseCoopers AB



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At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 152 countries with over 328,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com and www.pwc.lu.



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