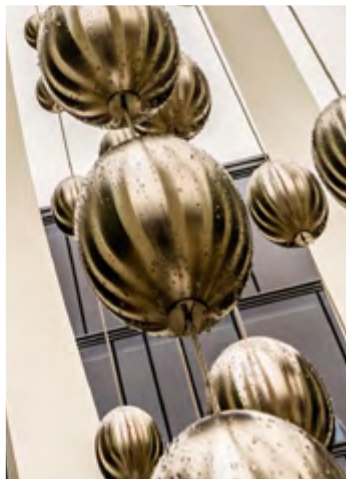
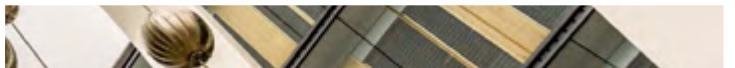




# *Annual Review*



Making a difference together



2017



TM

GRI

Empowering  
Sustainable  
Decisions

## *About GRI*

GRI is an independent international organization that has pioneered sustainability reporting since 1997. The GRI Sustainability Reporting Standards (GRI Standards) are the first and most widely adopted global standards for sustainability reporting.

The practice of disclosing sustainability information inspires accountability, helps identify and manage risks, and enables organizations to seize new opportunities. Reporting with the GRI Standards supports companies, public and private, large and small, protect the environment and improve society, while at the same time thriving economically by improving governance and stakeholder relations, enhancing reputations and building trust.

# Contents

Foreword from our CEO	4
Who we are and what we do	6
Our purpose, vision and values	8
Our services	9
a. Assurance	9
b. Tax	12
c. Advisory	14
d. Corporate Services	17
Our supply chain	18
How we develop moving forward	19
Our top challenges	20
What we're doing about them	25
Legitimacy and ethics	26
Societal impact	30
Conflict of interest and Independence	32
Health	36
Attractiveness	39
Client satisfaction	42
Continuous learning	44
Our firm seen from the inside	46
Ownership	46
Part of a global network	46
Governance	48
Internal organisation of the firm	52
Diversity and Inclusion	54
Our environmental impact	56
Fostering local entrepreneurship	58
Community engagement	59
GRI Content index	60
Appendices	64

## Foreword from our CEO



Welcome to our 2017 Annual Report. Over the course of this year, we have grown our revenues by just over 8% and the number of our people from 2,700 to 2,850. All parts of our business have enjoyed strong growth and we continue to drive investment in our people and our services to meet the rapidly changing needs of our clients, our people and the broader community here in Luxembourg and beyond.

As a professional services firm, our core is and will always be serving our clients in the best way we can by nurturing a culture that develops fantastic people which bring the insights and the value that builds trust with our clients and helps to solve their important problems.

But our world is changing at an unprecedented pace, challenging the political, economic, societal and business norms we have been used to. The nature of our business is changing rapidly as a result and we witness

in particular the ever increasing impact of technology on all that we do within the firm and with our clients. We thus recognise the imperative to transform ourselves, and indeed are investing heavily in the technology and digital solutions that will make a concrete difference today.

Our future, however, is much more than technology or expertise. It starts with who we are, why we do what we do, and how we do it. This is the basis of the value we can continue to bring to our clients, to our people and to the broader community. Our firm, locally and globally, is using our Purpose to set the direction and our Values to guide us in how we get there and thus how we measure success. As a result our strategy in Luxembourg is led by our clients, enabled by our people and our transformation agenda, but the “fil rouge” through which we drive everything is our focus on our purpose and our values. To help this become real, we have taken our Corporate Responsibility strategy and used it to shape where we as PwC can and should make a difference to all our stakeholders and how we measure success as a result. This is not just about our financial success. This is about measuring our success in terms of how we can contribute more broadly to supporting economic growth and ensuring a thriving and sustainable environment for success - and in measuring our impact accordingly.

We have taken the UN Sustainable Development Goals (SDGs) as our guide in understanding how we can play a role with our clients, our people and within the broader community to make a difference at all levels. Setting-up a concrete CR agenda based on extensive engagement with our leadership and our stakeholders (our people, our clients, our suppliers, the media, regulators, academics and NGOs) in Luxembourg has helped us to move from philanthropy and environmental issues to creating shared value.

And indeed our stakeholders pushed us further in that direction - their message was clear - a company of our scale, serving so many clients across so many sectors of the economy, and having an outreach far beyond Luxembourg, has a responsibility to drive positive change.

This then has helped to shape our strategy for making a sustainable impact; but “sustainability” lies in the eyes of the beholder. In an effort to start to hold ourselves accountable and to be transparent, we have decided to adopt the GRI reporting standards. These require us to go far beyond the traditional financial and people information we historically disclosed. They enable us to start to lay out what is important for us to drive and to set the benchmark of our success going forward. This report will be instrumental in guiding us, helping us stay focused, measure our success, and recognize where we need to do more. Our sustainability journey is well underway, but it will be a long one and I am excited to start to share this with you.

There are many questions the changing world bring to the business community today - we certainly do not know the answers and don't even pretend to have all the questions, but we have started and are committed to continuing down our journey to make a real and positive difference - with our clients, with our people and with the broader community. In the words of Mark Benioff - founder and CEO of Salesforce - “the business of business is to make this world a better place”.

I hope you find our report to be interesting and if you would be interested in continuing the dialogue on any of the areas covered herein please feel free to contact us.

Thank you

**John Parkhouse**





# Who we are and what we do

## Gross sales



**404,438**  
m euros

## Growth



**+8.05%**  
since FY16

## Total capitalisation for 2017



**20** m euros capital

**57** m euros  
subordinated loan

**Total 77** m euros

PricewaterhouseCoopers, Société coopérative is the largest professional services firm in Luxembourg. We provide audit, tax and advisory services. Our firm provides advice to a wide variety of clients from local and middle market entrepreneurs to large multinational companies. Although we mainly serve clients with operations in the Grand Duchy of Luxembourg, their reach is often international and, therefore, the impact of our business (especially in terms of legitimacy and ethics, as well as societal impact) goes beyond national borders.

We operate in the following industries: alternative investments (hedge funds, private equity, real estate and infrastructure), asset and wealth management, banking, commercial and industrial companies, automotive, telecommunications, manufacturing, retail and consumer, space, transport and logistics, insurance, and public sector.

We're part of the PwC global network, a network of separate and independent member firms operating locally in 158 countries around the world with more than 236,000 people. The member firms are linked together through membership in PricewaterhouseCoopers International Limited (PwCIL), a UK-based company.



## Knowledge sharing within seven industry groups



## Total Headcount (1 for 1)\* as of 30 June 2017 by Contract type and Gender

	2015			2016			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Unlimited	1,007	1,164	2,171	1,106	1,241	2,347	1,224	1,393	2,617
Exchange**	15	18	33	12	5	17	13	19	32
Limited	6	8	14	10	16	26	9	9	18
Total Headcount	1,028	1,190	2,218	1,128	1,262	2,390	1,246	1,421	2,667
Total Headcount including Trainee							1,283	1,479	2,762
Projected headcount as of 1 January 2018									2,850

\*Headcount(1 for 1)

Each employee is recorded for 1 unit (whatever the working time). All part-timer employees are considered as one unit like full-timer employees.

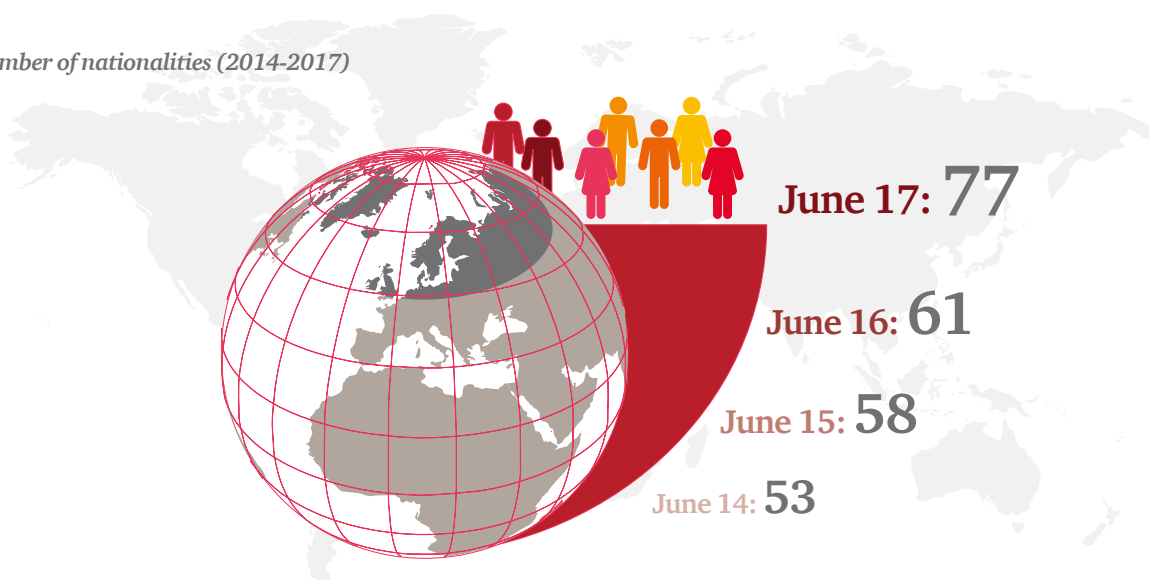
\*\*Exchange Contract

Employees assigned from another country on a long-term basis, generally between 6 months & 2 years but expected to return to their original location at the end of the assignment. Short-term assignments are not included in our social report.

## Repartition as of 30 June 2017 by Residence and Gender (except trainee)

	2015		2016		2017		
	Women%	Men%	Women%	Men%	Women%	Men%	Total%
France	36%	28%	35%	28%	33%	27%	30%
Belgium	16%	18%	16%	17%	15%	17%	16%
Germany	7%	9%	6%	9%	6%	8%	7%
Luxembourg	41%	46%	43%	45%	46%	47%	47%
Total Headcount	100%	100%	100%	100%	100%	100%	100%

## Increase in the number of nationalities (2014-2017)



## Total Headcount (1 for 1) as at 30 June 2017 by Working Time and Gender (only unlimited contract)

	2015			2016			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Part-time workers	163	12	175	178	15	193	193	19	212
Full-time workers	865	1,178	2,043	950	1,247	2,197	1,053	1,402	2,455



## Our purpose, vision and values

The glue that binds our firm together is our purpose, our values and the pro-active manner in which we seek to identify and drive them through our responsible business approach.

Our **purpose** is to build trust in society and solve important problems - a global, shared articulation of why we do what we do.

We see the systems we're part of impacting every individual in society - and they're under strain like never before. We've identified five global megatrends – macroeconomic and geostrategic forces – that are shaping our world and our collective futures in profound ways.

1. *Economic systems are grappling with resource scarcity.*
2. *Capital markets are trying to provide stability in the midst of uncertainty.*
3. *Governments are struggling to meet the demands of social changes, demographic shifts and globalisation.*
4. *Technology breakthroughs change how we do business, how we live and how we connect with each other.*
5. *Climate change is increasingly impacting communities and access to resources.*

Our global **Vision 2020** focuses on further increasing the quality of our services to give the assurance our clients, the regulators and institutions need to function properly, in a trust-based environment; increasingly expand our reach in emerging economies; developing new services and adapting existing ones to better respond to our stakeholders' challenges; using technology to transform, disrupt and grow our business.

Our **values and behaviours** define the expectations we have for working with our clients and each other. Although we come from different backgrounds and cultures across the network, they are what we have in common. They guide how we make decisions, treat each other, and serve our clients. They also hold us accountable to do our best.



Speak up for what is right, especially when it feels difficult

Expect and deliver the highest quality outcomes

Make decisions and act as if our personal reputations were at stake



Stay informed and ask questions about the future of the world we live in

Create impact with our colleagues, our clients and society through our actions

Respond with agility to the ever changing environment in which we operate



Make the effort to understand every individual and what matters to them

Recognise the value that each person contributes

Support others to grow and work in the ways that bring out their best



Collaborate and share relationships, ideas and knowledge beyond boundaries

Seek and integrate a diverse range of perspectives, people and ideas

Give and ask for feedback to improve ourselves and others



Dare to challenge the status quo and try new things

Innovate, test and learn from failure

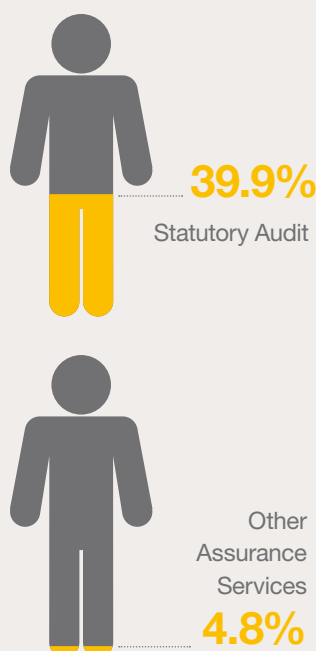
Have an open mind to the possibilities in every idea





## Our services

### a. Assurance



Our assurance services cover many areas to help companies navigate regulatory complexity. We support organisations to improve their corporate reporting and support their compliance with regulatory requirements and contractual agreements. Audit is an important part of it which focuses on the audit of financial statements, processes and numerical (non-financial) information, as well as on accounting issues. The purpose of an audit is to form a view on whether the information presented in the financial report, taken as a whole, reflects the financial position of the organisation at a given date. When examining the financial report, auditors must follow auditing standards set by a government body. Generally, all listed companies and limited liability companies are subject to an audit each year. Other organisations might require or request an audit depending on their structure and ownership.

Auditors maintain independence from management and directors so that tests and judgments are made objectively. Once they've completed their work, they write an audit report, explaining what they've done and giving an opinion drawn from their work. The opinion covers, amongst other things, whether policies adopted by management in preparation of financial statements are consistent and appropriate or not; whether the organisation fully complies with both internal and external regulations; whether all disclosures in preparation of accounts are true and pertain to the proper period of time and accounts.

To make sure we do our job according to legal requirements and the highest professional standards, we have a quality review programme in place, based on the International Standard on Quality Control. This programme acts as an internal audit to assess if:

- our quality management systems operate effectively and comply with network standards and legal requirements;
- our work in the engagements selected for review complies with applicable professional standards and legal requirements;
- we have identified and managed risks appropriately.

To see how this process applies in practice, especially when it comes to the independence of our auditors, check the section dedicated to Conflict of interest and Independence (page 32 - 35).



### Christophe Pittie's message

*Our audit work assures an organisation's stakeholders (employees, shareholders, clients, providers, authorities, tax payers etc.) that their financial statements are presented in a true and fair manner. In addition, audited financial statements often form the base for investment decisions. This is why we need to make sure our audits are reliable. Communication is key in the process, to make sure management can benefit from the recommendations we provide as part of the audit process.*

*A large part of the audit work is still manual, but we're automating our processes to make them more efficient. We use digital tools across the PwC network to make sure the audits of organisations with cross-border operations are coordinated and harmonised. We also use tools and dashboards to keep in touch with our clients and easily exchange information all along the audit processes.*

*Nevertheless, there will always be a human-being to make professional judgements about the abnormalities spotted through automated testing: this is our added-value as auditors!*



### Focus on the Asset & Wealth Management industry

40% of our revenue comes from our Asset & Wealth Management (AWM) clients, which explains the significant firm-level attention we give to this industry. We audit 52.4% of the Luxembourg market in terms of number of Assets under Management (AuM) or 40.8% in terms of number of sub-funds<sup>1</sup>.

Leading the industry for  
over 25 years

25

2,850 professionals in  
Luxembourg, including over  
1,100 dedicated to the Asset &  
Wealth Management industry

1,100

More than 160 partners and  
directors fully committed to  
serving our Asset & Wealth  
Management clients

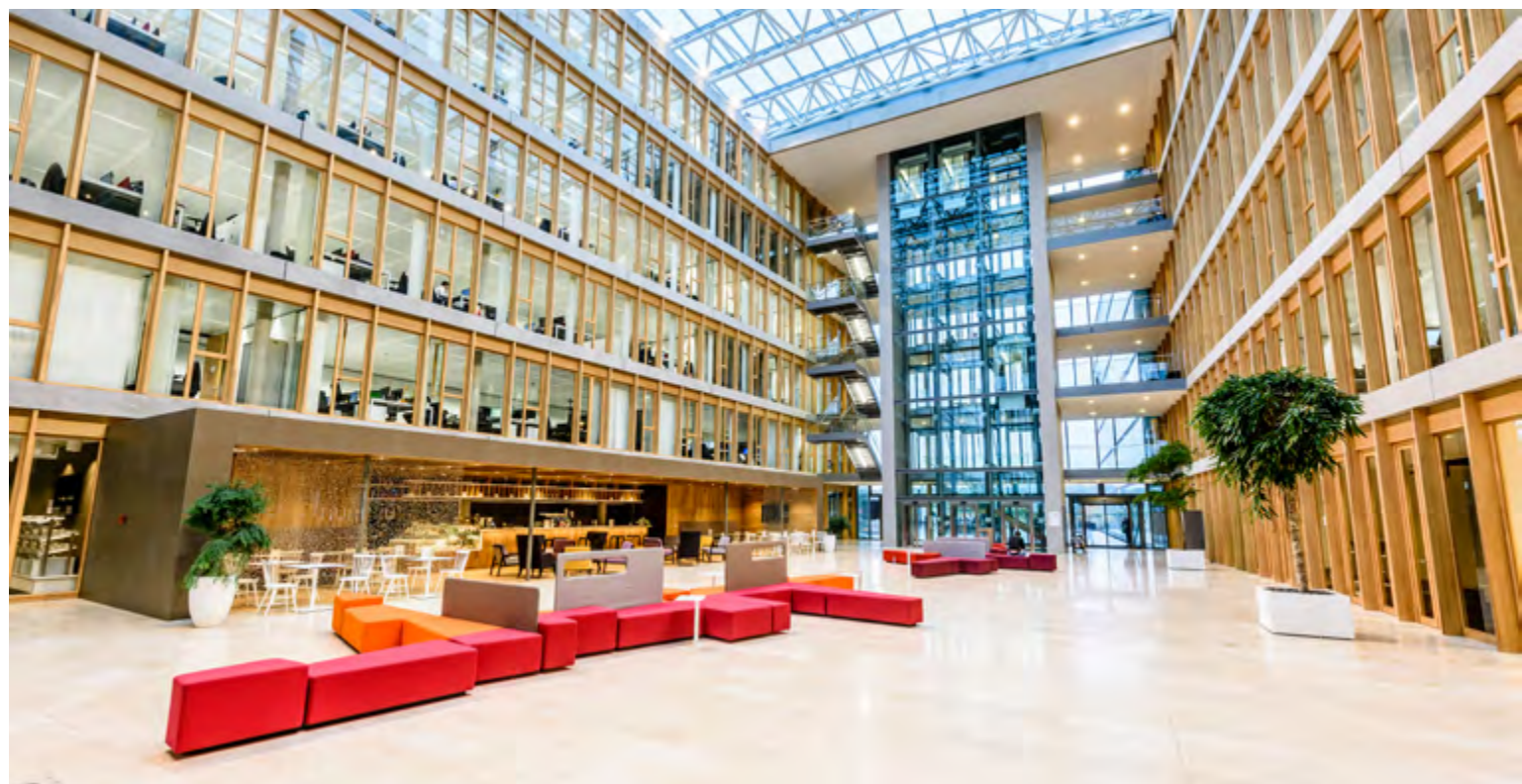
160

Audit market share of the  
Luxembourg Funds (AuM)

52%

The Asset & Wealth Management arm is the main part of our business. Our firm is recognised as a Centre of Excellence for Asset & Wealth Management within its European network. The size of our firm and of our Asset & Wealth Management practice allows us to highly invest in people, technology and thought leadership at a level that only a market leader can sustain.

<sup>1</sup> Monterey Insights 2017: Independent survey, December 31, 2016.





## CASE STUDY

### We audited the activity of an Investment vehicle administered in Luxembourg.

As auditors, we evaluate where the money is coming from, where it's going and what it's doing at each step of the way.

On engaging with our investment management client, we immediately set up interviews to understand their business and establish the environment of controls. Once we understood their risk exposure, we set up and agreed to a realistic audit plan.

For investment funds, we don't always need to go to the client's office, but can rely on secure electronic platforms to exchange all the documents we need to complete our work.

For this engagement, our teams analysed the account balances, investment portfolios, contracts, transactions, bank accounts, bills and verified the information with external sources and got independent confirmation from banks, counterparties and transfer agents. We ensured that the different accounts we audited were properly reflected in the financial statements in accordance with the applicable accounting standards and national regulations. We also created an "audit opinion" report under the supervision of the partner in charge of the mission.

In general, investment funds are there to mutualise the management of different types of assets for capital flows in the economy. Their investment focus is on listed bonds, equity of multinationals or small companies, private equity, real estate, hedge funds and so on. From an investor point of view, the different investment vehicles available allow retail and institutional investors to safeguard their assets by spreading risks and manoeuvre within strict investment restrictions.

As auditors of investment vehicles, we provide assurance at the following levels:

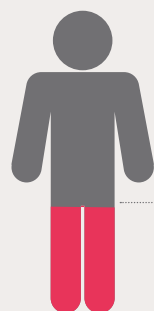
- **the controls environment:** we make sure the proper organisation, policies and procedures are in place to safeguard the assets of the investment vehicle;
- **the transactions:** we verify that investors pay the right price when buying or selling shares of the investment vehicle;
- **protection against risks:** we check that investment restrictions are not breached during the period providing an extra layer of oversight for the investors' protection against risks they shouldn't be exposed to according to the investment guidelines they've accepted.

In the context of an aging population, coupled with the deterioration of public financing to maintain social security, investment funds increasingly serve as vehicles to grow and access capital. The societal value of investment vehicles is even higher when their objective is to address one or more sustainable development goals, as defined by the United Nations in 2015.



### b. Tax

% of gross revenues 2017



**32.7%**  
Tax

Our tax department has three competencies:

- Corporate tax compliance and accounting services
- Fund tax compliance
- Tax consulting

The activity is equally split between the compliance and consulting department in terms of revenues.

Through our compliance services, we help our clients fulfil their tax and regulatory obligations. Compliance relates to the preparation of corporate tax, VAT and personal tax returns, preparation of annual accounts and filing of these accounts, preparation of reporting to the central bank, preparation of tax due diligence reports and other such activities. This activity is about 50% of our tax department business.

The tax consulting department helps our clients navigate through the complex international tax environment. We work on corporate tax, indirect tax, dealing with mergers and acquisitions, dispute resolution, tax transparency, transfer pricing, personal tax, and always operate under a strict set of guidelines as well as our code of conduct (both the PwC Global Tax Code supplemented by a local code) that we'll present on page 27. We enforce strict policies in terms of tax planning, client acceptance, anti-money laundering checks, etc. Finally, client acceptance is subject to a number of additional local requirements.



### Wim Piot's message

*We are used to working with a client-base comprising all types of businesses - multinationals, local companies, privately-owned organisations, entrepreneurs, family businesses, trusts, partnerships and private individuals.*

*Our expertise combines tax reporting, tax audits, due diligence work, development of e-tax reporting and advisory work and it has one common purpose: to improve our clients' tax position and navigate through increasing tax risks. This is to the benefit not only of the tax payer but also the taxing authorities, as we apply high quality standards guaranteeing the accuracy of tax filings and tax positions. It enables tax authorities to assess quickly and correctly.*

*Our firm is conscious of the current tax climate and the shift in the public sentiment around tax planning. We wish to be proactive, forward looking and we want to change where needed. You can read more about our actions in this regards in the section dedicated to Legitimacy and Ethics (page 26 to 28).*



## CASE STUDY

### Helping a client comply with Transfer Pricing (TP)\* rules in Luxembourg and the TP Circular on financing activities

Our client was a financial institution that needed an analysis of the impact of the new TP Circulaire (enforced on 1 January 2017) in a transfer pricing report. To do this, we've started with a gap and impact analysis, following the new requirements of the law. We have first performed a substance review to make sure the Board composition of our client and the personnel are able to control the financial assets/receivable and the associated risks in Luxembourg. We checked the number of employees and their qualifications, as well as the number of Board members who are tax residents in Luxembourg. We have then evaluated the delegation of authority, their treasury and finance policies, the office space, the investment selection and decision making, and the management and control of the assets and risks.

We moved on to analyse the risks and capacity to bear the risk with equity or otherwise. We've first determined the full risk and the associated equity to bear such risk by:

- Estimating the equity at risk requirement based on the borrower's/investment's credit rating;
- Determine the arm's length remuneration.

The final step was to identify alternatives and actions to be taken by the client for full compliance.

\*Transfer pricing is the pricing of goods, services and intangibles between related parties. Related parties are parties who control one another, or who are under the common control of another party, whether directly or indirectly. Here's a video explaining how it works.



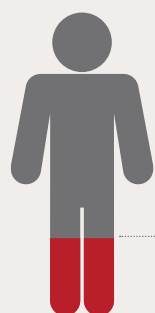
Transfer pricing is a standard imposed by the OECD. It is not, in itself, illegal or necessarily abusive. What is illegal or abusive is transfer mispricing, also known as transfer pricing manipulation or abusive transfer pricing, which leads to governments losing tax revenues. The OECD's Base Erosion and Profit Shifting framework, which Luxembourg is embracing, recommends related parties to deal with each other at arm's length, i.e. use market prices.





### c. Advisory

% of gross revenues 2017



**22.6%**

Advisory

### Consulting

1. Core Consulting services: helps our clients to review, improve and monitor their overall efficiency, from the inception of a strategy to its successful implementation. Our services include strategy consulting, project management support, operational/performance improvement, implementation of new regulations, procurement transformation, organisation transformation, economic risk assessment
2. Our Techno focus is articulated around 4 dimensions:
  - a. **Core services:** Our experts help our clients in optimising the efficiency of the management and execution of the IT function, end-to-end solutions and maintenance in IT infrastructures, determining the appropriate applications for their business needs and ensure smooth integration, identifying and executing our clients' enterprise resource planning needs, driving technical innovations.
  - b. **Cybersecurity:** competency provides a comprehensive range of offerings that can help Organisations understand dynamic cybersecurity and privacy challenges, adapt to and respond to business risks, and protect the assets most critical to their brand, competitive advantage, and shareholder value
  - c. **Digital:** we are designing customer experiences that can help our clients regain a competitive edge or deploying new digital assets to increase efficiencies in the supply chain
  - d. **Data analytics:** Data & Analytics Technologies Competency helps clients define their information strategy, architecture and governance, implement enterprise content and data management solutions, and get the most from business intelligence and analytics by transforming business information into better, more timely decision making.
5. Our Forensics team help firms to anticipate fraud and prevent crises as well as manage them through investigation, analysis and problem-solving capacities.
6. Our Risk Management advisers help clients understand their risks and losses through risk appetite frameworks. They also help them improve governance and risk management policies, comply with new regulation and improve their processes and controls.
7. Our People & Organisation team assists our clients with reward practices, recruitment services, outplacement, assessment & coaching, HR information systems
8. Our Sustainability team focuses on building certification, estimation of energy consumption, non-financial audits, carbon footprint analysis and facility management.

### Other Advisory

9. Corporate Finance helps organisations to close deals and create value through mergers, acquisitions, disposals and restructurings. Our panel of services includes M&A advice, Valuation & Modelling and Due Diligence assistance.
10. Our Regulatory & Compliance experts help entities regulated by the Luxembourg Commission de Surveillance du Secteur Financier (the "CSSF") with regulatory diagnosis, fund office matters, investment management compliance, listings and securitisations. They also assist them applying for a banking, PFS, or UCITS/AIFM licence or in the process of setting up electronic money or payment institutions.



11. Our Global Fund Distribution team assists clients in their international fund distribution objectives. Our work involves creating distribution strategies, facilitating market entries and making sure the funds comply with all regulations.
12. PwC Academy provides a rich collection of training programmes for both financial and non-financial institutions.

## Advisory's Organisation

	FS	I&S	PS	
Competencies	Operations*			Consulting
	Technology			
	Risks			
	P & O			
	Forensics			
	Sustainability			
	Corporate Finance			Other Advisory
	RCAS			
	GFD			
	PwC Academy			

(\*) – corresponds to core consulting



### Jean-François Kroonen's message

*Our role in Advisory is to help organisations address challenges and solve important problems for their key stakeholders. Companies and financial institutions rely on us to help them comply with new regulations, reach new markets and create jobs. As a result, they contribute more to the economy, and are freer to develop their people for a more flexible and digitalised future.*

*We also help organisations become more efficient, resilient and sustainable by assisting them to reorganise their workplaces and institute improved processes. We help public sector entities, such as the European institutions or the Luxembourg government, on project feasibility studies, designing financing schemes, or developing new mobility solutions.*



## CASE STUDY

### **Helping a bank in Luxembourg improve its processes to reduce employees' overtime and enhance efficiency**

Our client was a bank subsidiary, with headquarters abroad. They've noticed that they had some teams working long extra-hours, while other teams had a rather light workload. They wanted to balance the volume of work across the organisation and enhance the efficiency of their key processes. We've put together a project management team, along with five experts for each of the key business functions of the bank: fund accounting, pricing, transfer agency, custody, treasury and oversight.

Since there was a culture gap between the top management, coming from the headquarters, and the middle-management and staff, based in Luxembourg, we've combined bottom-up assessment (staff and middle management interviews, on the field observations) with top down evaluation (based on documentation review, interviews with top management, market practices and regulatory obligations). We analysed processes, governance and organisation, as well as IT systems and regulatory compliance.

After 22 weeks, our team came up with a thorough evaluation and over 100 recommendations and their potential impact assessment.

In terms of processes, we've recommended the bank to set up a proper monitoring tool for management needs, review controls to eliminate redundancy and gaps, clarify their reporting activities and also review the workload balance. We've also identified some segregation issues that could lead to regulatory compliance breaches and recommended the reorganisation of the Custody, Treasury and Oversight departments.

In terms of IT, we thought the client's core system needed an update and the infrastructure had to be modernised. We've also found some gaps related to contractual framework completeness and suggested the bank to put together an exhaustive operating memorandum between itself and the management companies.

Our recommendations, put together, will lead to a complete reshuffle of how the bank subsidiary works internally. This is a lengthy process and the bank asked for our assistance in implementing them. So, we came up with a road-map that we will follow during the second part of our project, taking place in the FY17-18.

The hard work our teams have done in 2016-2017 sets the ground for an organisational transformation within the bank. This will impact, first and foremost, the employees, whose overtime will drastically be reduced; the workload will be distributed in a fairer and more efficient manner. It will also diminish the cultural gap between headquarters and the subsidiary, improving how the headquarters perceive the labour culture in Luxembourg and local market best practices.



#### d. Corporate Services

Corporate Services includes the teams supporting those managing the business and providing services to clients and compliance team. The group includes specialists in the areas of marketing and communication, training and professional development, human resources, procurement, IT, finance, compliance, as well as facility management.



#### *Patrice Waltzing's message*

*Corporate Services works like clockwork for the entire firm – they keep the wheels turning. We're proud to help the other departments deliver on their business promises and contribute to embed the Corporate Responsibility strategy.*

*We make sure we recruit the best profiles and build development programmes to contribute to their continuous learning; we put in place platforms and programmes to increase the flexibility of our people (e.g. home-based working, car-pooling, shuttle buses); we facilitate engagements with our stakeholders – whether they're annual meetings with internal and external stakeholders or smaller events for our clients (regulatory updates, conferences, round tables, training sessions); we make sure our in-house expertise on public interest topics reaches the larger audiences and helps people from various backgrounds stay up to date or understand them.*

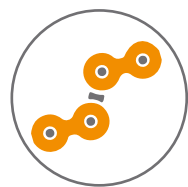


**What we do  
in practice,  
project  
examples:**

#### **External communication – The PwC Blog**

We've launched THE BLOG in December 2016 with the objective to make the most of our expertise in all its forms (publications, videos, events) through articles to a larger audience with an interest in financial services and Luxembourg. The mission of THE BLOG is to provide meaningful information and industry insights and mirror our expertise and thought leadership capacity. We aim at helping our readers get reliable information to better understand new regulations, trends and challenges in the financial sector.

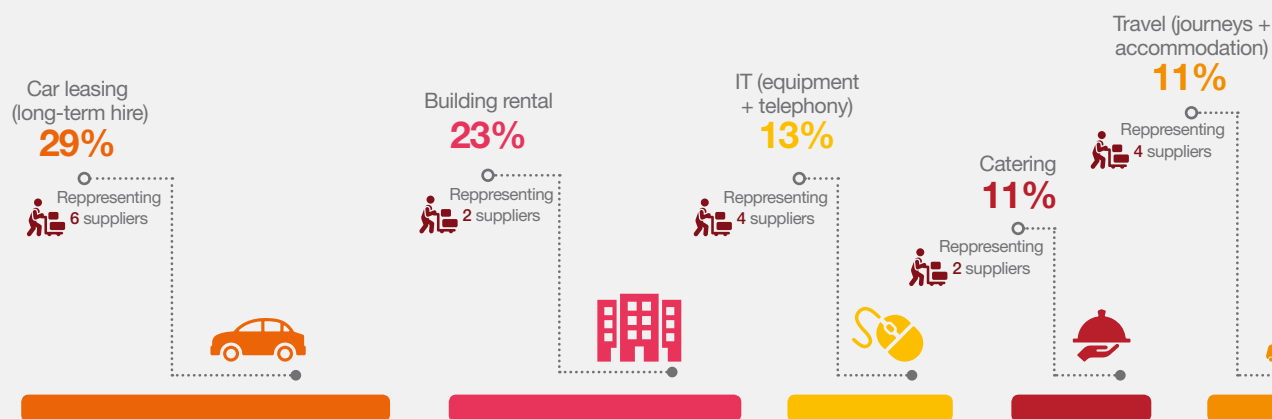
We have an editorial agenda, flexible if newsworthy topics appear, such as regulatory updates or exceptional events. We've published 60 articles on topics related to asset management, banking, European affairs, family business, insurance, private equity, real estate, tax, digital technologies, human resources, gender diversity, responsible investment etc. So far, we've had over 8,500 readers from Luxembourg and abroad.



## Our supply chain

PwC Luxembourg is a company that markets intellectual services; it does not manufacture finished goods. Essentially, PwC Luxembourg purchases what is needed to accommodate, transport, feed, assist and enable 2,850 people to work. The Central Purchase Department oversees PwC Luxembourg's general expenditure. The expenditure totals €100 million paid to more than 1,000 suppliers.

PwC Luxembourg's 20 largest suppliers account for 50% of its expenditure. This €50 million is spent in the following areas:



PwC Luxembourg and its Central Purchase Department prioritise giving work to businesses from Luxembourg and the Greater Region. 70% of expenditure goes to Luxembourg-based businesses, while 30% goes to businesses based elsewhere in Europe.

There are several tools enabling us to adopt a responsible approach to relations with our suppliers:

1. A supplier satisfaction survey: the first supplier satisfaction survey was carried out in 2016 and drew responses from 88 suppliers, with a response rate of 30%. 89% of respondents were satisfied with their relations with PwC Luxembourg.
2. At the end of each invitation to tender, PwC takes the necessary time to meet the suppliers that were not selected to give explanation of the reasons for this decision. Those feedbacks help our suppliers to improve their proposals and to develop their business.

# How we develop moving forward



We need to take into account the forces that will determine the future of our world. We have currently identified five global megatrends - macroeconomic and geostrategic forces - that are shaping our world, and our collective futures in profound ways: shift in global economic power, demographic change, rapid urbanisation, rise of technology, climate change/resource scarcity.

The implications of these forces are broad and varied, and they will manifest themselves differently in each region and country of the world. In Luxembourg, we're already witnessing technology transforming not only how we do business, but also how we live, move and interact with each other. On the short and mid-term, we have to deal with pressing matters such as Brexit – a source of both opportunities and challenges; the audit reform – causing a re-think on how we deliver audit and non-audit services; the review of international tax systems and their effects at national level – a debate stirred by LuxLeaks and Panama Papers on how we should work together to make taxation fairer and more transparent.

There's a general feeling that business-as-usual is not the way forward and we've embarked on a transforming journey that will certainly lead us to a more sustainable business model that will generate growth beyond profits. We're driving a transformation in:

- what we're doing for our clients (new services; client-centricity);
- the way we're doing it (processes; technology; digital solutions);
- how we're delivering it (client platforms and smart tools);
- and ensuring we have the right culture (of caring, daring and sharing).

Until we get there, we try to play the role of a catalyst, a contributor, a platform for co-creation, and we're investing in our own research and development to come up with solutions for a series of questions we're currently asking ourselves and our stakeholders:

- What can we do to tap into the full potential of technologies like Blockchain, artificial intelligence and drones, overcome the inertia and barriers to adoption, and how humans and robots can play and work together?
- How do we build trust and avoid the perils of the digital dark side?
- How do we develop new scenarios for the geo-political developments we are seeing around us to shed light on opportunities and risks for companies and investors – immediately and in the future?
- How do we develop a better appreciation and understanding of neuroscience to understand people, their motivations, behaviours at work and at home so that we can tap into their full potential and help them grow?
- How do we create that brighter future for the economy, our cities and communities while protecting and nurturing our environment, and how can we embed these principles in the hearts, minds and actions of businesses?
- How do we make sure that transfer of power really provides for citizens in local communities through varying partnerships with the public, private and third sectors?

We're currently working on connecting our people, transformation and market strategies and embedding corporate responsibility at the core of our firm.

# Our top challenges

In 2016 we concentrated our efforts to understand what sustainability means for PwC and to identify the sustainability challenges that we needed to prioritise and integrate in our firm's strategy. As sustainability can mean so many different things, it was vital for us to concentrate on our core business in tax, audit and advisory.

In 2016 we performed our first materiality study to identify our sustainability priorities through a comprehensive stakeholder engagement. We are persuaded that this initial analysis, together with a continued commitment to fulfil our vision, will empower the firm to achieve greater responsible, profitable growth.

As we embark on our sustainability journey, our stakeholders guide us in the right direction. They give credibility to our choices, provide a different perspective, and will help us identify risk and opportunities. By understanding their needs and expectations we are able to focus on where we can be most impactful in adding value to Society.

a. Stakeholder consultation:  
process and who & what  
they said

We performed our materiality analysis using four steps.

## 1. Determine potentially material sustainability challenges that surround our business.

We brought together our 134 partners and asked them to think about the added value of their activities to society at large; the challenges and societal issues that surround our services; and the expectations of society towards our business. From this, we identified 15 sustainability challenges.

## 2. Understand the sustainability priority challenges for our management.

We sat down with the management teams of our core services (tax, audit and advisory) as well as the Country Leadership Team, and asked them to prioritise, through a ranking exercise, the 15 sustainability challenges identified.

## 3. Identify our stakeholders

Our stakeholder group is wider than simply our portfolio of clients as our services impact more than those we advise or audit. Our stakeholders are also the people we employ and the community that surrounds us. Our people, our clients, our suppliers and our community are the four main stakeholders for whom we have the greatest relevance and that are most relevant to us.

Through a series of workshops with some of our partners, we identified four groups of stakeholders: employees (including alumni and trainees), clients, suppliers, and a group of strategic stakeholders which included the Media, regulators, NGOs, academics, and politicians.

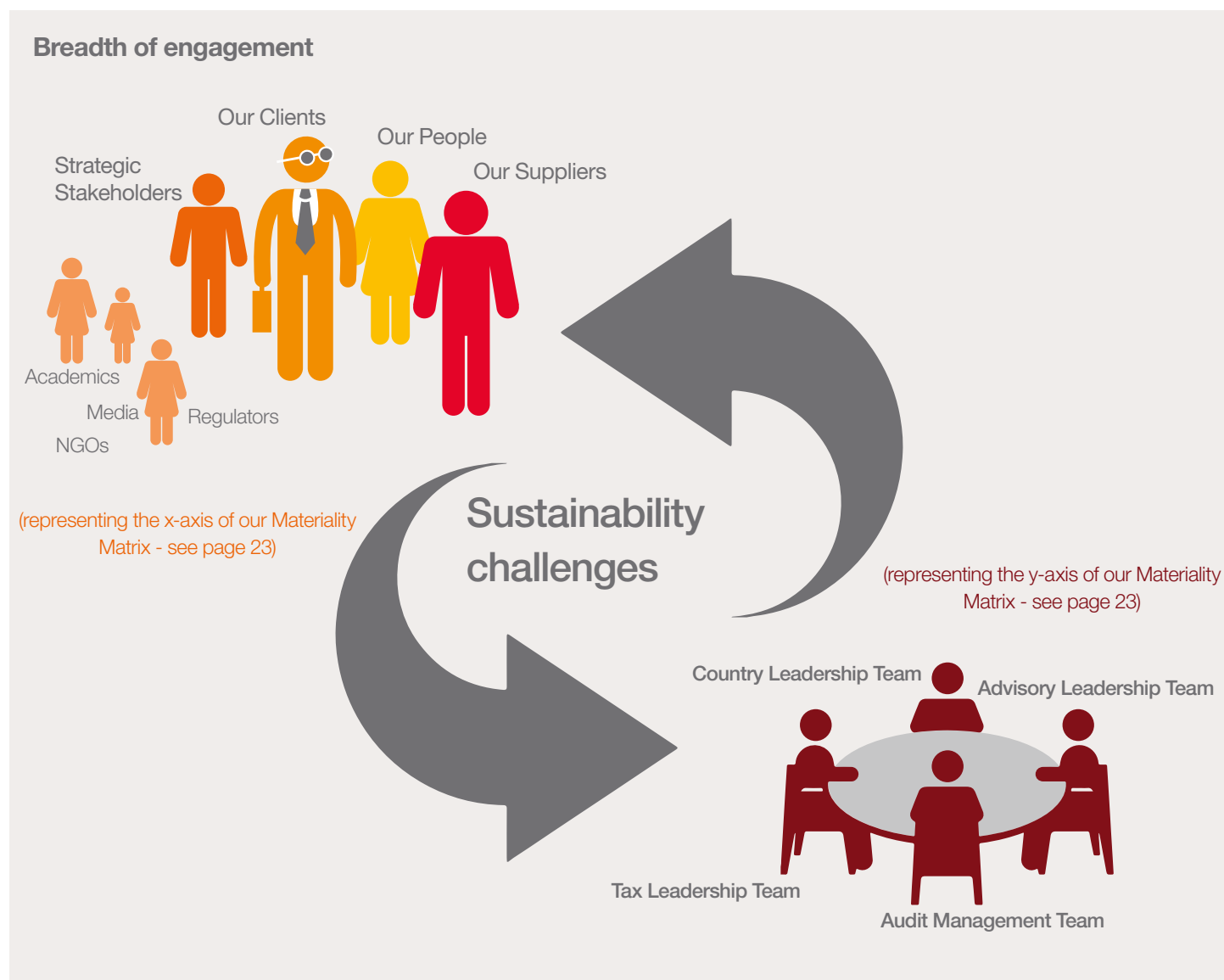


#### 4. Understand the sustainability priority areas for our stakeholders

We performed a stakeholder engagement exercise through a series of personalised workshops bringing together different high level individuals within the stakeholder groups. During these workshops, the stakeholders freely discussed what they saw as the most important sustainability challenges for PwC. Then they gave their opinion on challenges we had identified internally by our Partners and performed the same ranking exercise of the 15 sustainability challenges.

Meeting our stakeholders face-to-face enabled us to develop a good understanding of our stakeholder expectations towards our business. Bringing the emphasis to our core business in audit, tax and advisory, meant that our discussions focused on relevant challenges for our firm.

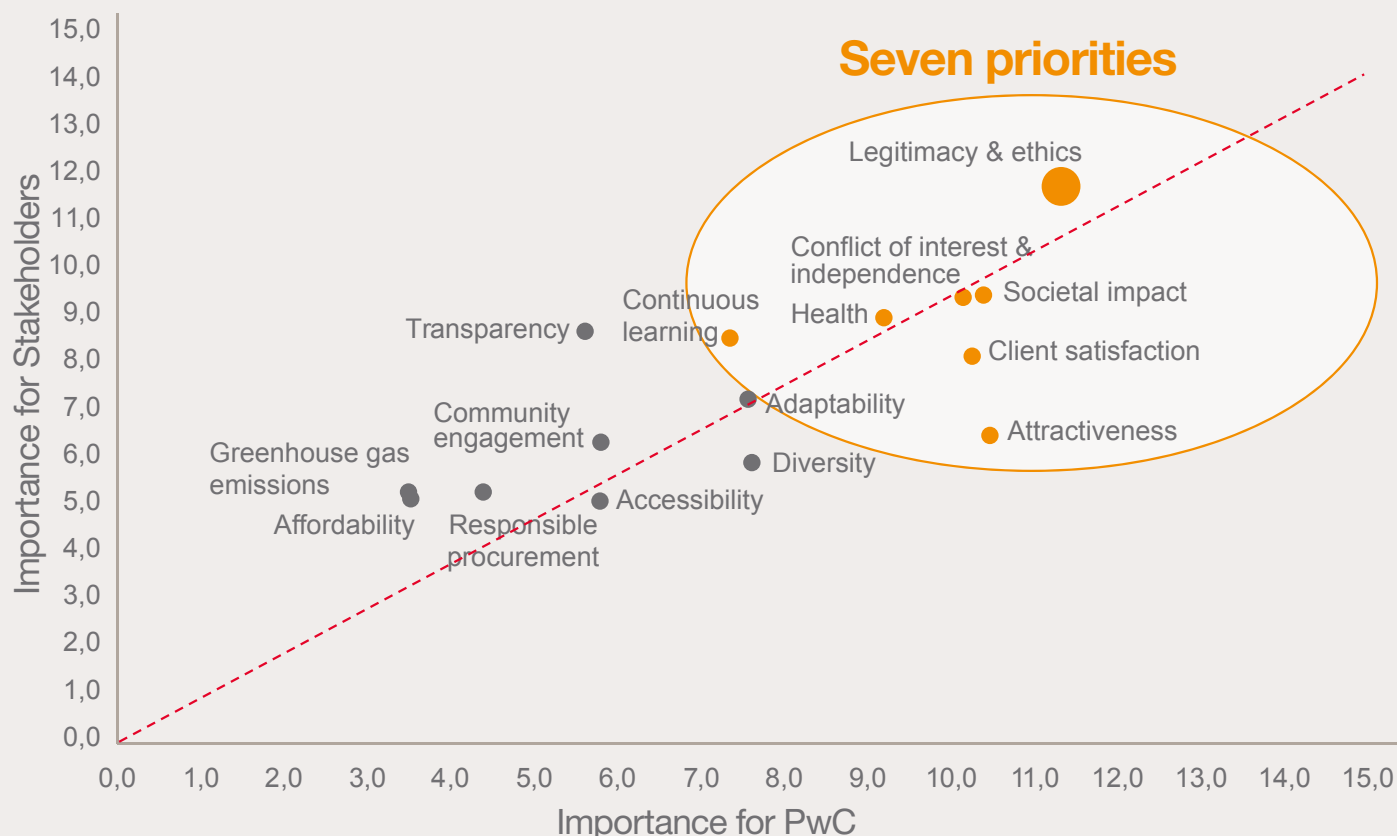
We are committed in continuing this engagement on a yearly basis.



### What they said



## b. Materiality Matrix



Our stakeholder engagement enabled us to determine the seven key challenges we need to focus on as we move further in our sustainability journey. These define the sustainability lens we apply to evaluate our day to day business.

## c. Brief description of the seven key challenges

**Legitimacy/ethics**

The license to operate our firm is founded on the legality of the services we provide. But legality is not sufficient to justify offering services, which would question our added-value or be perceived as as not conforming to recognised principles or accepted rules and standards in society.

**Societal impact**

We have the ability and potential to make the best of our knowledge and expertise to contribute to solving pressing societal challenges through the services we provide. As a large service provider with global reach, we have the responsibility to support the transition to a more sustainable economy which protects social and environmental capital.

**Health**

Our profession may expose our employees to high levels of stress. When combined with personal aspirations and a quest for excellence, it may possibly result in adverse health side-effects. It is our responsibility as a firm to raise the awareness of our people and to review our organisational model to decrease stress factors.

**Conflict of interest/independence**

Despite our existing rules and procedures in place to guarantee the strict separation between our advisory and audit practices, as well as preventing personal conflicts of interest from our people, we sometimes face we misconception that this partition is not sufficiently robust. Additionally, we also need to repeatedly affirm our impartiality as we advise both private clients and public authorities.

**Client satisfaction**

Although we maintain good satisfaction rates from our clients, our will to constantly “satisfy” by showing over-availability, may sometimes compromise both the well-being of our staff and the trust it takes to build a long-term client relationship. Our clients want us to support them in better understanding societal trends, and help them position for the changes.

**Attractiveness**

PwC is an attractive company. Nevertheless, we face challenges around the retention of our employees in need of meaning and purpose in their daily activities. The alignment between our corporate mission and their personal values has yet to be nurtured.

**Continuous learning**

PwC enjoys a good reputation as a skills-based company and is recognised as an excellent learning experience. We are known for developing a well-educated workforce which keeps a high employability rate on the market. We must ensure that our people have all the tools to identify and understand new societal trends through their learning and development.

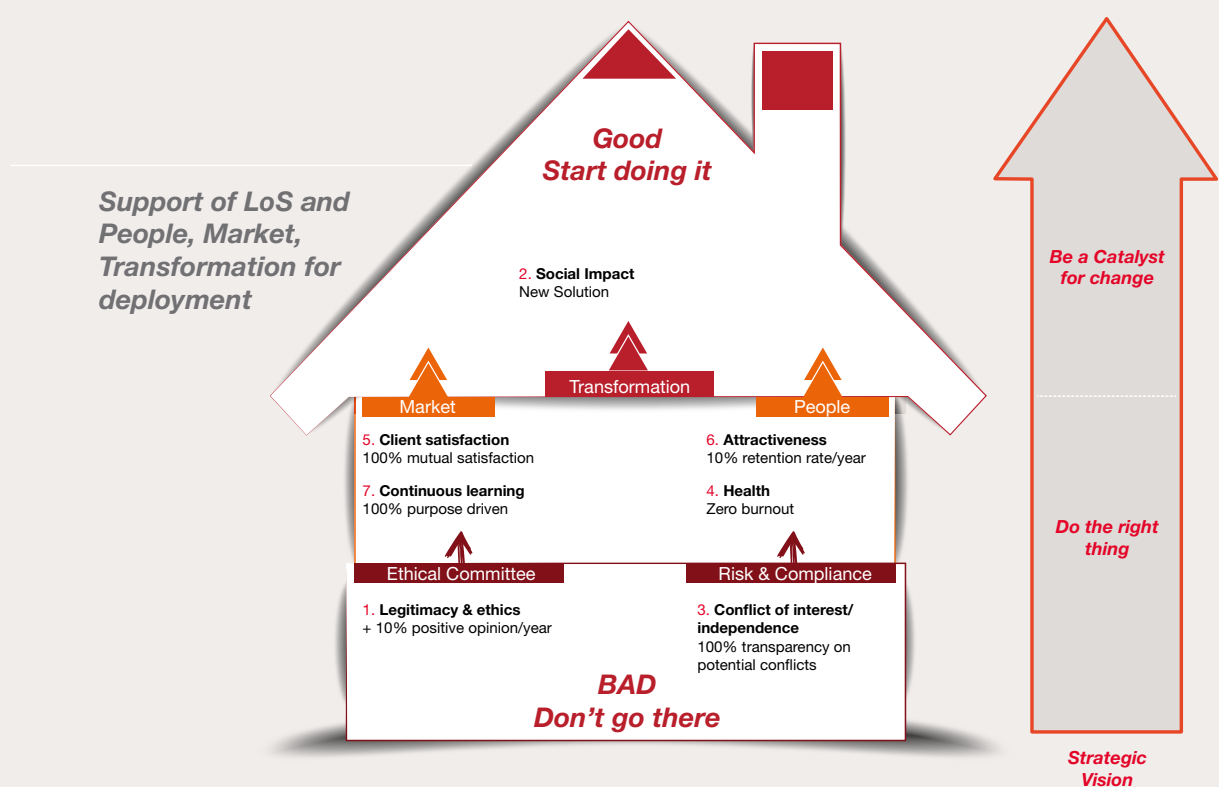


# What we're doing about them

Following the release of the Materiality Matrix in June 2016, the leaders of our lines of service, as well as the Human Capital, Market and Transformation Committees took ownership of the results. To embed sustainability into our core business, we had to recognize what we already do and define which actions to put in place to address our sustainability priorities and adapt our business if necessary.

An action plan was presented to the Country Leadership Team in October 2016, with multiple actions proposed for each of the seven material challenges. To select the most promising actions, we reviewed the level of ambition and impact of each action.

This amounted to our house of targets, which included concrete goals per sustainability priority. From this, we reviewed our actions to make sure they aligned with our targets. This was key to ensure that we remained focused on responding to the expectations of our stakeholders with adequate actions.



The rest of the chapter outlines each of the seven sustainability priorities in more detail. Each section includes:

- A more detailed definition of the topic, following the feedback received from our stakeholder engagement.
- An overview of our approach to address the topic as well as any relevant policies, programmes or initiatives. This includes how we tackled this topic in the past, and our approach for the future.
- A baseline and metric for each topic to monitor and evaluate our progress.





## Legitimacy and ethics

Legitimacy and ethics is the most important material issue for PwC Luxembourg. It came out as a priority for both our internal and external stakeholders, and rightly so: they are deeply connected to the nature of our core business and the type of services we provide to our clients.

For many, there is a big difference between legality (derived from the law) and legitimacy (coming from public acceptance). There is a general feeling that being legal does not always justify offering a service (e.g. tax optimisation, delocalisation), and this questions the licence to operate of companies like ours and the ethics of our people. Some feel our services weaken governments' ability to collect revenues and offer public services (roads, schools, hospitals depend on public revenues). Some can no longer perceive the added-value of our audit and think that we are mainly working to satisfy the regulator. Luxembourg's public authorities have created a legal framework meant to increase and maintain the country's economic attractiveness. As a firm established in the Grand Duchy, we operate within its sphere. We understand the debate and the diversity of opinions. This is why we feel it's important to better explain what we do and how we do it, especially in the fiscal domain.

### Our tax service statement



Our firm is conscious of the current tax climate and the shift in the public sentiment around tax planning. We wish to be proactive, forward looking and we want change where needed. This is reflected in various ways:

1. We are focusing on compliance work (now more than 2/3 of hours we produce in our tax department).
2. We revamped our code of conduct specific for tax in Luxembourg.
3. We strengthened our governance around tax planning and any new type of tax planning is reviewed by the tax technical team and the tax policy panel.
4. We systematically propose various alternatives to our clients and discuss potential reputational issues where appropriate.
5. We sample check through ex post review the correct implementation of what we advise.
6. We discuss openly with the public ("Future of Tax") around our positions.
7. We publish articles in the press to shed light on the tax technicalities.
8. We welcome the recent Luxembourg Bill of Law that now includes tax fraud as one of the matters we must report to the judicial authorities.

The public debate around tax planning is very emotional, sometimes confusing, though legitimate.

PwC has a role in the tax morality debate. We should point out the inconsistencies between what policy makers in various countries say and what they do. The level of taxation by corporates remains a political question and it is hard to reconcile the willingness to increase effective tax rates with, at the same time, an extensive offer on tax incentives.

PwC provides advice to its clients in full compliance with the Luxembourg law and international standards and regulations. In that context, PwC raises awareness to its clients about reputation risks and promotes a responsible approach to tax planning in general. We believe that the implementation of BEPS should reduce the inconsistencies of global corporate taxation and by extension, the ethical concerns it has raised.



Our people carry out their work in accordance with a global Code of Conduct, implemented locally. The Code of Conduct was updated in 2016 and covers how we enter, develop and behave in business relationships, how we interact within our teams and the Firm as a whole, how we make decisions, how we protect our clients' confidentiality and how we communicate.



For more information, please visit our [Global Code of Conduct page](#)



By signing their employment contracts, all our people commit to respect the guidelines provided in the Code of Conduct. In addition, in 2016-2017 we've put in place an awareness raising campaign internally, to inform our people about the new version of the Code of Conduct and its highlights: speak-up principle, our whistleblowing procedure and conflict of interest.

We have also adopted the Global Tax Code of Conduct to assist our clients, other stakeholders, and their respective partners/principals and staff. We have supplemented it with a local tax code containing rules such as: we do not accept success fees from clients on tax saved; we do not engage in certain types of tax planning. Our tax technical team and tax policy team are responsible to check whether the principles of our global and local code are respected. These teams are independent from client's team and report directly to the tax leader.

## Global Tax Code of Conduct

### The principles we apply



1. Tax advice which results in positions taken in a client's tax return must be supported by a credible basis in tax law.
2. No tax advice relies for its effectiveness on any tax authority having less than the relevant facts. Advice that a PwC firm gives includes consideration of, and is based on the assumption that the client will make relevant disclosures that both comply with the law and enable tax authorities to make further enquiries should they wish to do so.
3. Tax advice is given in the context of the specific facts and circumstances as provided by the client concerned and is appropriate to those facts and circumstances.
4. Tax advice involves discussion of the wider considerations involved, as appropriate in the circumstances, including economic, commercial and reputational risks and consequences arising from the way stakeholders might view a particular course of action.
5. PwC firms advise clients of appropriate options available to them under the law having regard to all of the principles contained in this code.

## Whistleblowing procedure



Speaking up when something doesn't seem right demonstrates our integrity and that we have the courage to do the right thing. Speaking up helps to prevent mistakes and misconduct and fosters innovation. Whistleblowing reporting mechanisms, which have been in place since 2005, are the channels through which concerns are raised.

First we encourage our people to make a face-to-face report to their immediate manager. Encouraging open communication among staff is embedded in our culture. If it is not found appropriate or possible for an employee to raise a concern, then there is a whistleblowing process allowing to speak directly with our Ethics and Business Conduct Leader who will look for the most suitable follow up action together with our Ethics Committee - a new body that we created recently. Under Luxembourg law, whistleblowers are protected against dismissal or any kind of retaliation.

Our clients and any third party may also alert us on any misconduct they would spot during the performance of our services. They can contact directly our top management or may raise the concern to PwC International Limited, should they wish to avoid PwC Luxembourg dealing directly with the matter.

We have an Ethics Committee in place, controlling and making sure we deal with all legitimacy, conflict of interest, confidentiality, anti-bribery issues/claims in a proper manner. The Ethics Officer is Loïc Derosa and the Business Conduct Leader is Thierry Blondeau. Two other partners, Michiel Roumieux and Bénédicte Burioni support them in their work.

Objective	Target	Metric	Baseline
Regain trust from public and employees, as well as improve opinion about our conduct and business	+ 10% positive opinion per year	Level of trust expressed in % in an annual independent survey	Results of online multiple choice survey conducted by an independent market research institute in Luxembourg



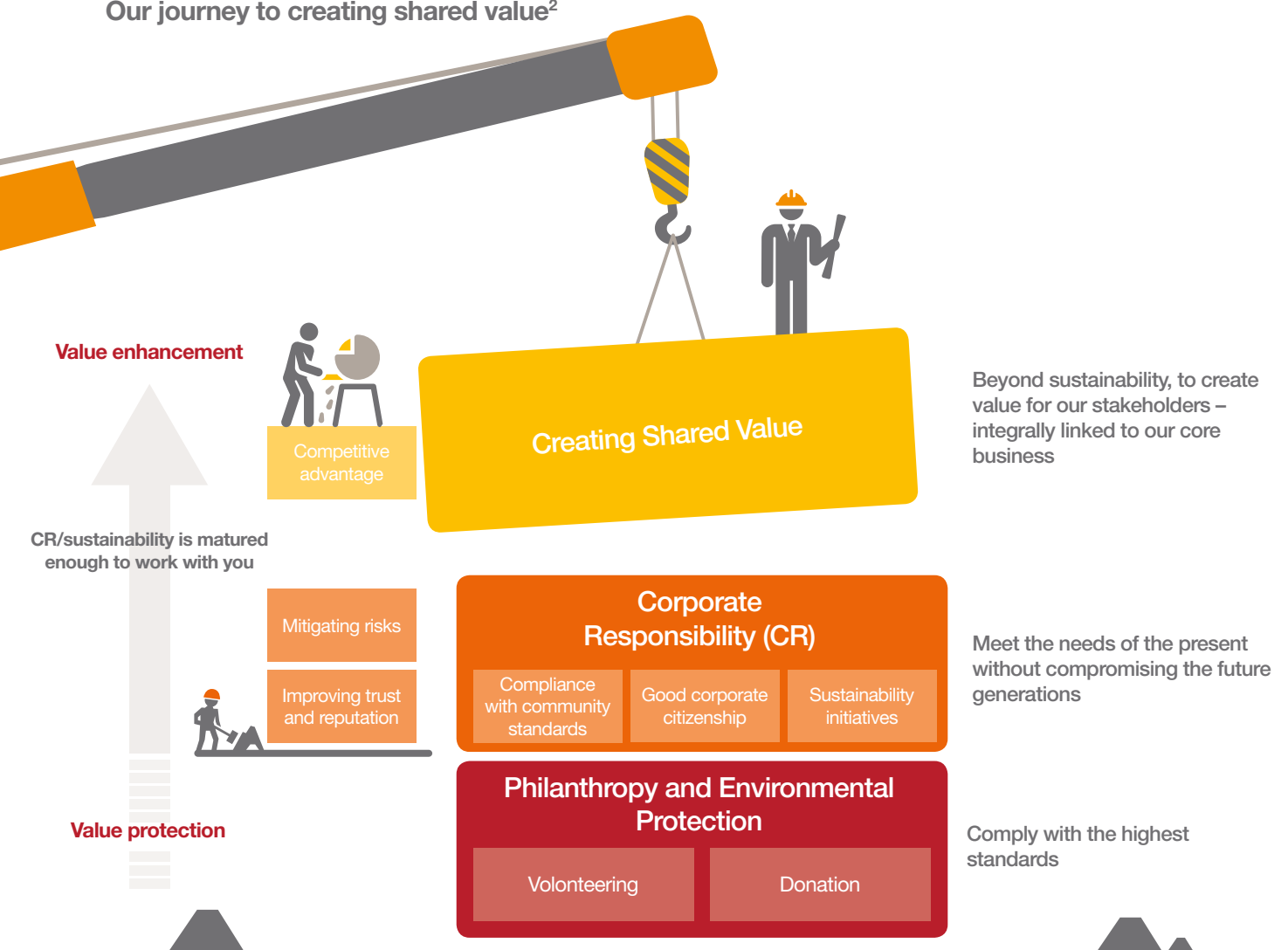


## Societal impact

We are at a key turning point where businesses are increasingly expected to contribute to solving societal challenges by doing what they are good at: use their global reach, entrepreneurial dynamism, capacity to innovation, and at the same time, the ability to create wealth. The key for them is to understand that they are dependent on a healthy, functioning society to remain profitable in the long-term. This was reinforced during our stakeholder engagement where we were asked: what can we do to address these societal challenges through our core business? How can we ensure that our services are not counterproductive for the welfare of Society?

As we aim to build trust, we need to strengthen our license to operate and the legitimacy of our services. Beyond this, our stakeholders expect that we employ our knowledge and expertise to be a catalyst for positive change in the marketplace. By better understanding the sustainability challenges of our clients and translating them into our business impacts, we are able to support the transition to an economy which protects the social and environmental capital.

### Our journey to creating shared value<sup>2</sup>



<sup>2</sup> The shared value principle was first developed by Michael Porter in the Harvard Business Review (2011)

At PwC Luxembourg we have three axes in place:

- The philanthropic approach, which is outside our core business (we spent 70'000€ in 2016-2017 to support charitable actions and organisations) together with our environmental protection, ensuring that we do our part in protecting the natural capital;
- The Corporate Responsibility approach, known as “doing the right thing” which enables us to manage risks, optimise our performance to becoming more efficient.
- We are now moving towards creating shared value, which means concretely delivering on our purpose “To build trust in society and solve important problems”. Our stakeholders’ trust is a critical element for our business, and we are conscious that we might have lost part of it during Luxleaks. It taught us the importance of better understanding what is relevant to the market and our stakeholders. Integrating sustainability into our core business strategy is our next step.

## Our approach

We understand that business as usual needs to evolve. Due to the complexity of this shift, we engaged in an internal dialogue with key individuals and committees to define how to measure our societal impact and choose the most relevant axis of work. We believe that taking an industry-specific, multi-stakeholder approach can enable us to contribute specifically to some of the Sustainable Development Goals (SDGs) through our clients.

Our journey starts with raising the awareness of our industry leaders in Asset and Wealth Management, Real Estate, Banking, Private Equity, Insurance, Public Sector and Operational Companies.

This is largely work in progress. We know that this next step in our journey will require a lot of visionary, creative and innovative people and we welcome feedback and insights from anyone reading this report. We cannot achieve our ambition on our own, and we will seek to engage stakeholders and cross-sector partnerships to help us digest these complex changes in our business approach.

Objective	Target	Metric	Baseline
Creating shared value by offering services that have a positive impact on society, beyond the direct benefit for clients.	New services	To be defined	To be defined





## Conflict of interest and Independence

Despite all the existing rules and procedures that our profession imposes upon us, there is still a perception from our stakeholders that, in a small country like Luxembourg, we face challenges in terms of conflict of interest and independence.

### Independence

Independence is one of the cornerstones for the audit profession which constitutes the biggest of our three lines of services. It means that an auditor is sufficiently remote from the activities, management and interests of the client to exert a thorough control of its accounts and express an objective public opinion about its accounts and governance.

As a general rule, the information available in the audit file of a particular client is only accessible to the audit team in charge of this mission. This means that if someone serves the same client for non-audit services, the information collected in the context of the audit is not available to the team. In order to have access to information contained in the audit file, the person needs a specific authorisation and such access will be granted only in case of legitimate interest and with the client's approval. Furthermore we establish strict limits – or, as we call it, “Chinese-walls” - between the different competencies or client teams when a potential conflict of interest could arise.

Luxembourg law and regulation as well as international standards applicable to the audit profession (e.g. the IESBA Code of Ethics as adopted by the CSSF, the US PCAOB, the EU Audit Reform) set requirements on employee delivering audit or non-audit services to audit clients. As an audit firm, we are also required to limit the non-audit services delivered to audit clients based on applicable independence rules. To ensure that we comply with our personal independence obligations as well as the rules governing the non-audit services we deliver, we've put in place strict internal control processes.



The impact of an independence breach can have internal and external consequences. Internally, the Firm and the concerned individuals can be held liable for the breach and are exposed to sanctions from regulators. Depending of the nature of the independence breach, the auditor can be unable to issue his/her opinion on the financial statements of the concerned client. This can affect the ability of PwC as a network to sign audit reports all around the world. Externally, independence breaches can lead to invalid financial statements, leading to a loss of confidence in the financial information. This would impact the client, its stakeholders (investors, clients, business partners, etc.) as well as the reputation of PwC as an audit firm.

Alain Maechling, supported by specialists, is our firms' designated partner responsible to ensure that appropriate processes are in place to ensure that we comply with applicable independence rules and provide support to business and staff.

#### Key controls and procedures include:

- Monitoring of investments made / financial relationships entered into by partners and staff and the firm itself;
- Personal Independence Compliance Testing (PICT) of at least 10% of our partners on an annual basis;
- Annual independence compliance confirmation from all PwC employees;
- CES - Central Entity Service - the master database set up by our network where we store the independence status of all our clients and related entities;
- Authorisation for services – a network system that enables us to document our analysis of the permissibility of all non-audit services we render to our restricted clients.



More detail about these systems is available upon request. To make sure these controls work properly, we have two levels of testing within the firm: self-testing and a firm-level testing. We also get annual reviews from the PwC network, the local regulator - the CSSF - as well as from foreign regulators (e.g. the US PCAOB verifies us every three years; the last review took place in 2016).

From an individual perspective, our partners must adhere to an accountability framework to ensure that they are personally committed to comply with our independence rules, together with their staff. We depend, however, on the personal accountability of our people and are, thus, subject to human error.

In case of a breach, we follow the procedure set out in the IESBA Code of Ethics which involves discussion with the governance of the client regarding the nature of the breach, the impact on objectivity and whether steps can be taken to address the consequences of the breach<sup>3</sup>.

Yearly training are organised for partners and staff to ensure that awareness remains high. This represents in average, 1 hour of training on independence per year per staff.



<sup>3</sup> For more information on how we deal with independence requirements, the tools we use for monitoring, as well as client acceptance, please consult our Transparency Report (available from 31 October 2017).



## Declarations of potential conflict in interest FY16-17

54%

Between PwC employees

31%

With a potential client

15%

Other

## Conflict of Interest

We speak of conflict of interest in situations where individuals and their relationships could be judged as problematic, either inside or outside of the firm. For instance, any person having a stable private relationship or vested friendly relationship with somebody or a family member (up to third degree) within our firm (partner or staff), holding a key management function or being a key influencer at a competitor, firm's client or supplier.

Our objective is to make sure that all our collaborators work free of conflict of interest and we encourage them to discuss all existing and potential conflicts of interest. Our target is to reach full transparency on the treatment of conflict of interest declarations.

Since the legislation on conflict of interest in Luxembourg doesn't apply to companies set up as Sociétés Coopératives, we've set up our own norms and rules to cover the different situations.

The first tool is a global Code of Conduct, implemented locally for all staff members, which is available online. We also have an Ethics Committee in place, controlling and making sure we deal with all legitimacy, conflict of interest, confidentiality, anti-bribery issues/claims in a proper manner.

In the FY17, the Ethics Committee received 13 declarations of potential conflict of interest. We started this reporting in FY16, where we had 5 declarations of potential conflict of interest (3 from employees, 2 from clients).

Each of them were analysed by the Business Conduct Leader, who decided the preventative recommendations and measures to be put in place. For personal conflict of interest, we don't allow people involved to participate in the evaluation process of the people they are related to. When it comes to conflicts of interest related to potential clients, we recommend avoiding all direct business relationships and involvement.

So far, we've put in place four actions to raise awareness on conflict of interest and independence matters within the firm and externally, among our stakeholders:

1. Publishing our new Code of Conduct (released in December 2016) and enhancing our whistleblowing policies, as well as the process to declare conflict of interest and other sensitive issues.
2. Training our partners to avoid personal conflict of interest.
3. Training each member of staff through an e-learning on our Code of Conduct

For the FY17-18, we plan to take these actions a step further, by extending the training on conflict of interest beyond the Partner population.

## Too big to be neutral?

Another form of potential conflict of interest, particularly raised during our stakeholder engagement, arises from the type of clients we serve. Advising both private clients and public authorities on the same topics (like tax regime, tax optimisation, rulings and warrants) can be perceived as a conflict of interest between the private (corporate) interest and the collective, societal interest defended by public bodies. We are also suspected of influencing positions through our participation and mandates in different professional organisations.

This is why we have chosen to publish our policy around responsible lobbying, which states our attitude in circles of influence. We are also increasing transparency on our membership and mandates in professional organisations by publishing them in our appendices.



### Responsible lobbying

Our lobbying policy is based on four key principles:

- ▶ **Transparency:** The firm's major policy positions on which we lobby to the Government or law makers are public and available on our website.
- ▶ **No "revolving door":** We don't provide paid policy advice where there is a risk of "revolving door". This means that we never advise the Government on a policy/piece of legislation and then use inside information to counsel our clients on the policy/piece of legislation.
- ▶ **No conflict of interest:** We don't lobby or provide paid policy advice where there's a potential conflict of interest.
- ▶ **Alignment with the interest of the country:** our lobbying positions are always in line with the best interest of the country.

For a full list of the entities or business associations where we hold a strategic mandate, see our appendices.

Objective	Target	Metric	Baseline
Ensure that PwC works in total independence, across its core activities, and that each collaborator avoids and discusses all (potential) conflicts of interest	100% transparency on declared potential conflict of interests	Number of cases dealt by ethical committee and action put in place	List of cases identified and follow-up given



## Health

As a service company, our people are our capital. We need them to deliver high-quality results and bring creative solutions to our clients' needs. We are fully aware that our profession can, at times, be very demanding, with several missions overlapping, tight deadlines and increased demand from our clients. If we aren't careful of the accumulation of these factors, it can lead to intense fatigue and ultimately to burnout.

Last year our stakeholders expressed that we should not only take care of the well-being of our people but go one step further and clearly address the issue of health, with its risks and downsides. Burnout is for us the ultimate indication that the health of our people is at risk. We took up this responsibility by adopting a target of zero burnout, which we'll try to achieve in the coming years.

We started to work closely with the ASTF<sup>4</sup>, looking at the main psychosocial risks factors causing burnout. Three risks affect directly the health and well-being of our people: (1) the workload, (2) the low level of autonomy and control (the capacity to decide when, how and why to deliver on specific tasks or projects) and (3) the lack of internal recognition (financial, institutional or social).

Our baseline is determined by the declared number of burnouts from the ASTF, expressed as a % over total population. These figures are non-exhaustive and only give us an indication of the health of our workforce.

In our efforts to reduce burnout rates, we have a distinctive approach targeting three levels: individual awareness, responsible management and an organisational culture of caring.

### Burnout

FY17<sup>5</sup>



0.54

% of our total headcount

### 1. Individual awareness

Since 2012, we have put in place a training catalogue to raise awareness among our people around the health-related challenges at work. The Mind Yourself programme is made of four pillars (mental health, emotional health, physical health and relations) and was granted the "Prix de la santé" award in 2012 the Ministry of Health. We also have several training sessions around stress management and burnout prevention in collaboration with the ASTF to better equip our people.

### 2. Responsible management

The team managers are responsible for the performance, workload distribution, talent management and health of their team members. They are supported by the Human Resources (HR) and dedicated HR Coordinators belonging to their lines of services, who work closely with the team and monitor whether our people stay in good shape, both physically and mentally. Furthermore, we have an extra layer of supervision in place, which is coming from Reviewers, who are in charge of monitoring the performance, the potential and the health of their Reviewees.

<sup>4</sup> Association Pour la Santé au Travail du Secteur Financier

<sup>5</sup> Based on clinical diagnostics performed by the ASTF

Our people's perception of the level of acknowledgement and recognition is measured by our Global People Survey, which shows that 47% of our people are satisfied, 26% expressed a neutral opinion, while 27% gave an unfavourable opinion. This is an area where we have room for improvement. This year, we focused on promoting the feedback culture and showing more transparency on compensation and benefits.

Our goal is to keep improving this rate and the overall experience we offer to our People in the Firm. We have mechanisms in place to make sure that in the evaluation of our managers, directors and partners we take into account their relationship with their teams or, as we call it, the 'People dimension'. We provide them with feedback to help them improve their interpersonal and management skills.



### ***Tone at the Top: how we include the People dimension in the evaluation of our partners***

Each year, partners must include People-related objectives in their objectives. To get an overview of their performance we use both quantitative and qualitative information. From a quantitative perspective we look, among others, at how they get involved in the social life of their group and how they contribute to the retention of key talents. The indicators we use include: the turnover in their teams, the people engagement index, the amount of flexible leave and overtime recorded by their teams, the amount of time they spent giving training sessions, coaching or mentoring their people, and their involvement in recruitment processes.

For a qualitative view, the HR leaders in each of the lines of services interviewed internal stakeholders to get a better understanding of the partners' behavior and team management approach. The combination of these assessments influences positively or negatively the overall rating of the partner and, consequently, their compensation package.

This process helps us identify the outliers, the role models as well as the partners who are struggling to align with our values. To the latter group, we provide assistance and coaching to help them become aware of their impact and improve.





### 3. Nurturing a culture of caring

Fighting burnout and protecting health is also about the firm as whole respecting private life and restoring work-life balance. We have launched various new initiatives to strengthen a culture of caring:

#### Home-based working

We have made home-based working possible for Luxembourg residents and, starting from September 2017, for people residing in Belgium, France and Germany. Our people have between 20 and 45 days per year to work from home, avoiding traffic jams, long-commuting hours and choosing the best locations to deliver their work.

#### Providing various channels to communicate on health issues

We have distinct channels to deal with various psychosocial risks, handled by professionals in all confidentiality. We do our best to provide a safe environment for people to speak-up and get the appropriate help to deal with stressful situations.



Fatigue



- HR
- HR Coordinator
- Reviewer
- Doctor



- Time-off
- Flexible working solutions



Nervous breakdown  
Burnout



- HR
- Doctor
- ASTF



- Incapacity for work
- Flexible working solutions
- ASTF support

#### Client satisfaction, but not at any price

We believe that true satisfaction should result from a healthy and balanced relationship between our firm and our clients. As you'll see in our client satisfaction section, we're making efforts to ensure that we balance the satisfaction of our clients with that of our teams, and avoid exaggerated expectations.

#### Awareness session of the executive committee

The ASTF delivered a presentation to the Country Leadership Team focused on psychosocial risks, and the root causes of burnout in our firm. Passing the information at the very top of our Firm shows how seriously we want health to be addressed.

#### Objective

Maintain a healthy workforce

#### Target

Zero burnout

#### Metric

Number of burnout cases/year, expressed as a % of our total population

#### Baseline

Number of burnout cases/year declared by the ASTF in FY17





## Attractiveness

The general perception from our stakeholders is that Big Four are known to be a place where people come and go, especially at the beginning of their career. Yet sometimes, the level of turnover has a cost, both human and financial for both parties, which can be saved if it is well managed. We believe that this perception is somewhat true for the recruitment of auditors. Even if we assume a natural turnover which is linked to our model, it definitely remains a challenge to retain young talents in the first years of their career.

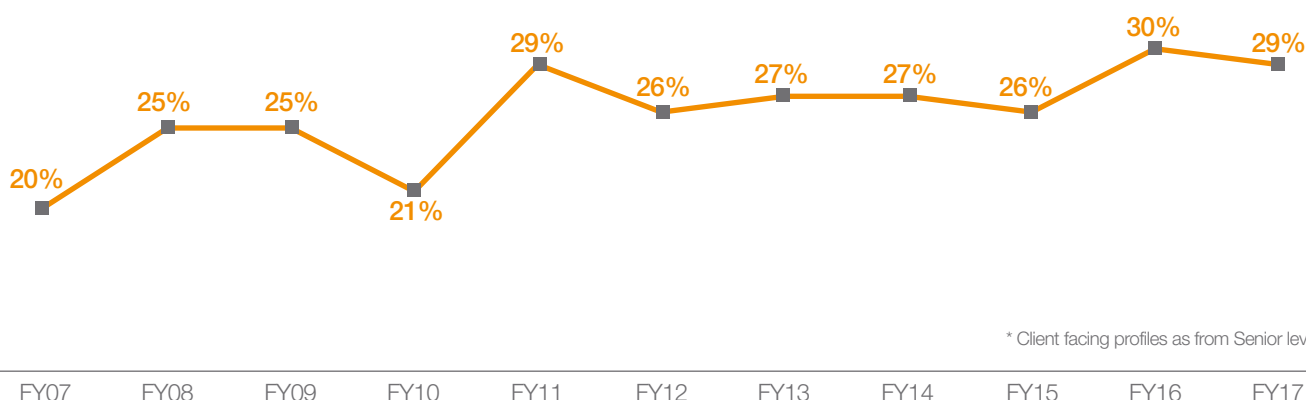
In 2016, at the time we conducted the stakeholder engagement exercise, the challenge of attractiveness was focused on our high voluntary turnover (people leaving out of their own initiative), indicating a challenge of recruitment and retention of our people. Our stakeholders saw an increased difficulty in attracting people in a context of shortage on the Luxembourg market, as well as a mismatch between the firm's purpose and its daily activities. The added value of our profession is not always fully understood, and the connection with our values is not obvious. This perceived lack of meaningful journey could be an explanation for the level of turnover, especially of our key talents.

### Recruitment approach

The recruitment strategy is based on the budget forecast by lines of service, which sets out our recruitment targets and anticipates rotations. Our recruitment extends beyond our borders, and we work with our PwC network, different countries and universities to seek the right people.

In the last ten years, we have started moving from recruiting mainly junior profiles, straight out of university, towards more experienced profiles. This can be seen in our on-boarding repartition: while in 2007 experienced profiles accounted for 20% of our new recruits, in 2017 they represent 29%.

Ratio Experienced Profiles\* on total Entries

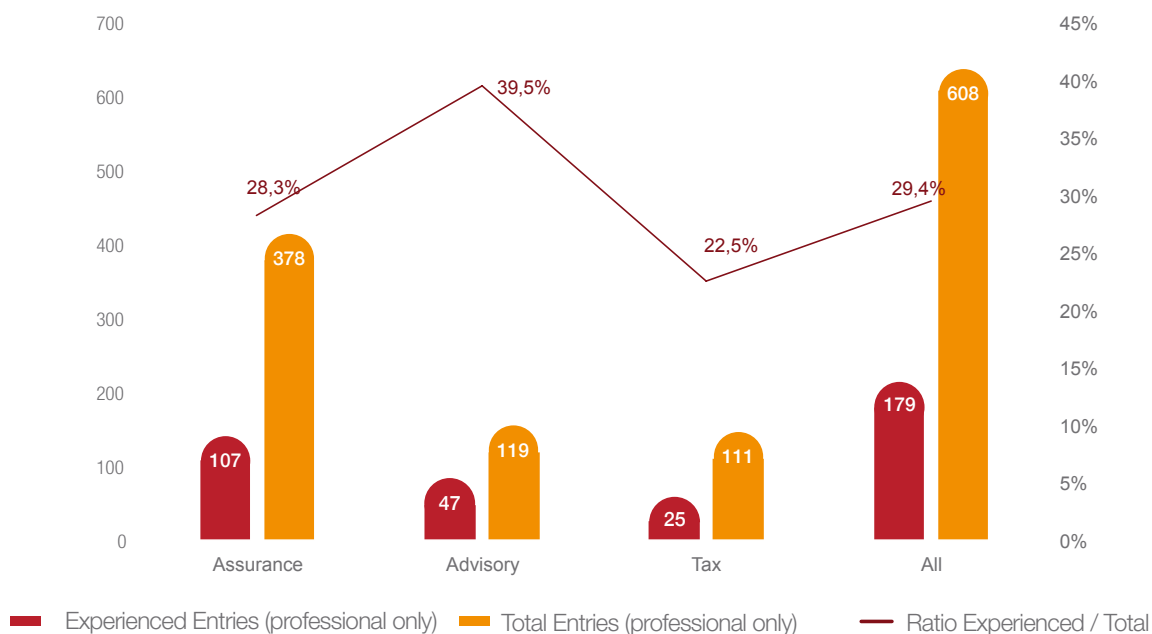


\* Client facing profiles as from Senior level only



When looking at the repartition of our experienced entries by lines of service, Advisory has the largest percentage (39,5%) of the experienced profiles, which is consistent with our recruitment approach.

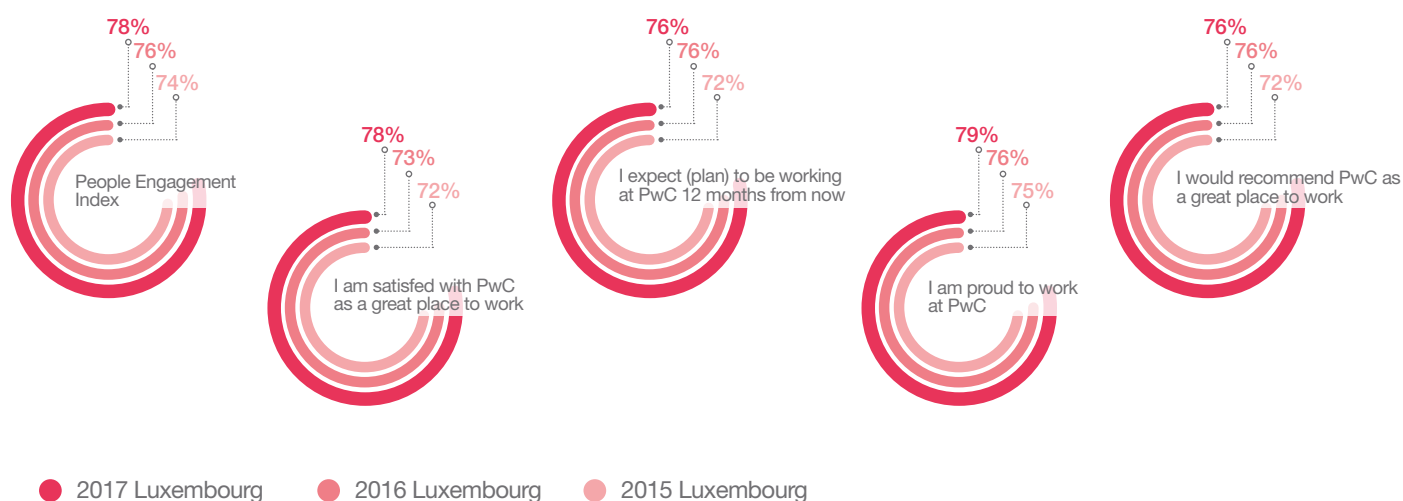
*Experienced Entries vs. Total Entries by Line of Services FY17*



## Meaningful career

To retain our people, being purpose led and value driven in all that we do is an important element. This is what we mean by ensuring that our people pursue a meaningful career within our firm.

We use the People Engagement Index in our Global People Survey (GPS) to assess our people's engagement towards our firm across different axes: their overall satisfaction, their pride, whether they would recommend the firm, and their intent to remain.



In 2017 we achieved an engagement rate 78%, which is the highest level we have achieved at our firm.

Given the high engagement rate, we can take advantage of this engagement to lead a cultural transformation, one which is able to deliver our purpose and values. With the re-vamp of our firm's values in 2016, we have started an adoption phase to ensure that our people understand and integrate the expected underlying behaviours. As from next year, we will monitor the evolution of how well we deliver our purpose and values using the Global People Survey results.

## Outlook to the future

With the megatrends driving technology disruption, regulation, macro-economic events and other global forces, our business is changing and our people strategy will need to adapt with it. At the Global level, our firm is defining the 'Workforce of the Future' which is about understanding and delivering the right talent mix for today and tomorrow, in partnership with the business lines. At Luxembourg level, we are following these developments, seeing how they relate to trends we face locally, which are mainly focused around the Third Industrial Revolution and the digital disruption.

We are developing a strategic workforce planning (SWP), a capability which will guide us in making forward-looking decisions about the shape of our future workforce to deliver new business success. The SWP considers:

- the impact of technology on our way to do business and deliver our services
- the future profiles needed (whether new hires, increased use of international mobility, or redeployment and upskilling of our current employees).

The main success factor will be the implication of business leaders in providing information from the market on what Society and clients expect.

We are convinced that working on the societal impact of our services will help us to better understand and anticipate the workforce we will need tomorrow.

Objective	Target	Metric	Baseline
Build a meaningful journey for all our people	+ 10% improvement of GPS results	GPS results on engagement, purpose and values	GPS results on engagement, purpose and values of 2017



## Client satisfaction

Our clients value us for our expertise, our knowledge and our availability. We've always paid close attention to our clients' satisfaction, which we measure and monitor on a yearly basis through surveys and personal interviews.

The stakeholder engagement highlighted two new focus areas for client satisfaction: managing our team satisfaction during service delivery and taking new responsibilities as service provider within the current sustainability context.

Indeed, we have a tendency to be over-flexible and overly-available for our clients, which can be prejudicial to our own people, and in turn, deceive our clients. True satisfaction should result from a healthy and balanced relationship between our firm and our clients. What distinguishes us on the market or the main added value we bring is not our over-availability, but our capacity to develop long-standing and trusted relationships. This was confirmed during our stakeholder engagement exercise, which emphasised the need to balance the satisfaction of our clients with that of our people, to protect them from overload. This is why we are aiming at combining both satisfactions in order to reach mutual satisfaction.

Our clients are also waiting for us to help them in their new industry and sustainability challenges. This matches with our ambition to strengthen the societal impact of our services. The best way we can improve is by sharing with them information they don't know. As a service provider, we are willing to bring awareness about pressing societal needs that will likely impact their business and work together to find solutions. In the Societal Impact section of this report, you can discover our plan to better understand the challenges surrounding the industries we operate in. In our section Continuous Learning, you can find out how we plan to organise ourselves internally to build the workforce of the future.

### What we have in place

Internally, the satisfaction of our clients is monitored by the Clients & Market Committee, which coordinates the annual client satisfaction survey, using both individual interviews and electronic surveys. Our objective is to understand how clients perceive working with us and to make sure that we address areas for improvement in a timely manner. Here are a few figures of 2017:

- We've sent 1,607 surveys and had a response rate of 30%. We've also conducted 55 face-to-face interviews to get in-depth opinions from selected clients.
- In the Client Loyalty Index, clients answer the question "Overall, how satisfied are you with the services provided to you by the PwC teams?" (rating from 0 to 10). Our result this year is 7.7, demonstrating that this remains a challenge for us and our point of focus.

### What we are implementing for the future

- **Reviewing our electronic surveys**

We have reviewed our electronic surveys so that the questions are focused around our new values, as these provide a valuable framework which is in line with our sustainability ambitions. We have also integrated a question around sustainability, assessing the likeability of our clients to choose our sustainability services. We want to demonstrate our willingness to work in this dimension and seek to work with clients who share our same agenda and ambition.

- **Reaching mutual satisfaction**

We are currently developing a survey for our staff to assess the satisfaction level of their relationships with our clients. We think that this is a first step to identify potential gaps and mismatches and reach mutual satisfaction between our clients and our team. The staff survey will be aligned with the client survey to allow the measuring of the 'mutual satisfaction'.



A couple of quotes from our clients:

”

*We really appreciate the efforts to build and maintain a strong working relationship. Our PwC contact are flexible and adapt to our needs.*

”

*The business is complex and PwC really understands it and is able to respond to complex questions*

”

*We have access to the right persons and have built strong relationships*

”

*PwC clearly understands our needs and gives us opportunities to improve as an organisation*

Objective	Target	Metric	Baseline
Align PwC's clients expectations to offer a service that provides maximum satisfaction to both parties through a balanced relationship	Reach 100% mutual satisfaction	Level of client and employee satisfaction in %	Work in progress



## Continuous learning

PwC enjoys a good reputation as a skills-based company and is recognised as an excellent place to start your career and learn a lot. Stakeholders know us for developing a well-educated workforce which keeps a high employability rate on the market.

Our commitment to develop our people is also being recognised by our employees. According to our Global People Survey (GPS), about 90% of our employees consider being well-prepared for the job throughout the different L&D (Learning & Development) solutions available to them.

During fiscal year 2017:

- *Average: 10 days of formal training for each client facing employee*
- *220,219 hours of training per year*
- *836 people followed ongoing professional qualifications*

### Average days of training/person



Partner  
15

Manager  
7

Staff  
10

CS  
3.75

So far, our approach to education has been rather traditional: a wide range of classroom trainings are provided to train our professionals to effectively do their job, as well as to be compliant with legal or global requirements. Among the 10 days/year of training, 80 to 90% of the trainings are considered as mandatory. This reality, combined to the important workload of our people, represent a challenge for self-oriented learning where learners pro-actively decide on the development solutions they want to follow (incl. societal skills, optional soft skills trainings, etc.).

In today's complex and rapidly changing environment, the L&D is at a turning point:

- Learners' needs are evolving: learners are looking for flexible, timely, on the move learning solutions. This requires new types of learning solutions than in the past (e.g. digital and blended learning solutions, curated content, job aids)
- Our environment is changing, as well as our clients' needs. This requires us to further reflect on future skills required in the organisation to meet our clients' needs.

The L&D department is constantly adapting the learning solutions in order for our people to develop their skills and competencies required to meet clients' needs, both current and future ones. This is also contributing to the continued employability of our people.

This is why our L&D team continues to look for more flexible learning solutions, in line with the 70-20-10 development philosophy: 70% of learning takes place on-the-job, 20% through coaching and feedback, and 10% through formal learning.



## Our approach

PwC is currently transforming the corporate learning approach by offering more flexible learning solutions, reinforcing the collaborative learning approach and boosting executive coaching. Skill drills are also implemented to turn new skills into habits and increase the transfer of the learning on-the-job. We apply this in the following projects:

- Peer coaching and executive coaching have been introduced in the L&D plans to enhance the learning transfer and thus the capacity of learners to successfully apply the concepts learned in their day-to-day work environment. People who attended and experienced the positive impact of such sessions pro-actively attend the next sessions to benefit from a personalised coaching on their challenges. Our current challenge is to extend the pool of coaches to further deploy these solutions.
- Team-based learning has been introduced to boost a developmental mindset that looks at every work situation as a learning opportunity and facilitates the creation of high-performing teams. It aims at reinforcing on-the-job training and coaching, improve the feedback culture and offer more “shadowing” opportunities (where learner observes a more experienced person with an agreed learning objective). The challenge of this approach is to turn the learning into habits, which is the reason why “skill drills” are being introduced to help people practice these news skills and ensure they translate it in their behaviour.



## Adapting to our clients' needs

As identified in our attractiveness section, the advance in technology, evolving societal needs also put pressure on what our people should know and advise.

Among other things, our stakeholders highlighted the need to ensure that our people know what sustainability and corporate responsibility imply, both from a corporate and a business point of view. This is why we have included sustainability and corporate responsibility sessions in on-boarding programmes of our new joiners, and newly promoted seniors to boost awareness around this topic.

We will also look into the future needs and expectations of our clients in order to help them address their societal challenges. For instance, digital transformation being a key challenge for our clients, new learning solutions have been launched to develop our professionals in this field.

### Objective

Offering trainings to develop knowledge/skills on new societal trends, emerging sustainable needs of the market, responsible business

### Target

100% of our staff has received a training, under whatever form, on sustainability issues

### Metric

To be determined

### Baseline

To be determined

# Our firm seen from the inside



## Ownership

PricewaterhouseCoopers Luxembourg, operating as a Société coopérative since 1 July 2012, is a limited liability company incorporated under Luxembourg law. It is registered with the Luxembourg Trade and Companies Register under number B 65477 with a subscribed capital of EUR 758.825 and a total of capital and reserves of EUR 20.147.300 at 30 June 2017, as an approved audit firm (“cabinet de révision agréé”) as per the Law of 18 December 2009 on the audit profession.

Our firm 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). A majority of voting rights are in the hands of shareholders who are also registered accountant (“experts comptables”) and members of the OEC (Ordre des Experts Comptables).

Our Firm is registered with the PCAOB (the US Public Company Accounting Oversight Board), the JFSA (the Japan Financial Services Authority) and with the BVI (British Virgin Islands) Financial Services Commission.

PwC Luxembourg has three fully owned operating subsidiaries which are PwC Academy S.à r.l., PwC TASC S.à r.l. and PwC Tax information Services S.à r.l. which qualifies as a PSF (“Professional of the Financial Sector”) regulated entity.



## Part of a global network

PwC is a global network of separate firms, operating locally in countries around the world. PwC firms are members of PricewaterhouseCoopers International Limited and have the right to use the PricewaterhouseCoopers name. As members of the PwC network, PwC firms share knowledge, skills and resources. This membership facilitates PwC firms to work together to provide high-quality services on a global scale to international and local clients, while retaining the advantages of being local businesses – including being knowledgeable about local laws, regulations, standards and practices.

Being a member of the PwC network means firms also agree to abide by certain common policies and maintain the standards of the PwC network. Each firm engages in quality control and compliance monitoring activities, covering the provision of services, ethics and business conduct, and the compliance with specific, strict standards for independence monitoring and protection. You can read more about our Firm’s policies in terms of independence, conflict of interest, as well as legitimacy and ethics in the sections dedicated to these material topics.









## Governance

### Management Board

Our Firm is governed by a Management Board (“Conseil de Gérance”) having the overall responsibility for the strategic, business, operational and financial management of our Firm.

Our Firm is led by a CEO elected for four years by the Partners. The CEO composes the management board including two Managing Partners and other members. Currently, the members of the Management Board are: *John Parkhouse (CEO), Rima Adas (Managing Partner), Wim Piot (Managing Partner), Jean-François Kroonen, Steven Libby, José-Benjamin Longrée, Christophe Pittie, Anne-Sophie Preud’homme, Catherine Rückel, Marc Schernberg, Patrice Waltzing.*

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 Audit, 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.

The CEO has the opportunity during his mandate to change the management board, subject to vote of the Partners.

The audit of the Firm’s financial statements is carried out by an independent and approved local audit firm.



**John Parkhouse**  
CEO

John Parkhouse, CEO of PwC Luxembourg, joined the firm in 1994 and became a partner in 1999.

John Parkhouse is in charge of several leading pan-European fund promoters based in Luxembourg.

John Parkhouse is a Qualified Chartered Accountant in England and Luxembourg and a “Réviseur d’entreprises agréé” in Luxembourg.



**Wim Piot**  
Managing Partner,  
Tax Leader

Wim Piot, Managing Partner, Tax Leader, joined the firm in 1996 from PwC Belgium. He is specialised in Real Estate Funds, Financial Sector and also in Islamic Finance.

Wim Piot graduated from Hasselt University in Belgium with a Commercial Engineering degree. He also holds a master’s degree in Economics from “HEC-ULG” and a degree from the College of Europe and the KUB in Brussels, Belgium.



**Rima Adas**  
Managing Partner,  
Network Business  
Development Leader

Rima Adas, Managing Partner and Network Business Development Leader, joined the firm in 1992. She has over 20 years of experience in the audit of banks and professionals of the financial sector. She has also a large experience in anti-money laundering, fraud prevention and detection, as well as in remediation plans.

Rima Adas graduated from “Institut Commercial de Nancy” in France and is a Qualified Chartered Accountant (“Expert Comptable”) and “Réviseur d’entreprises agréé”. Rima has been appointed PwC EMEA FS Leader since July 2017.



**Steven Libby**  
Chief Transformation  
Officer

Steven Libby, our Chief Transformation Officer, joined Luxembourg in 1996 after joining the Firm in San Francisco in 1991. He is the PwC Luxembourg Asset & Wealth Management (AWM) Leader and a member of the PwC Global AWM Leadership team.

Steven Libby has more than 25 years of experience in audit and advisory, including internal control evaluations in the areas of securities services, transfer agency, fund tax reporting, and governance matters, among others.

Graduated from the University of California, Steven is a Certified Public Accountant, a “Réviseur d’entreprises agréé” and a Board member of the American Chamber of Commerce in Luxembourg and of the Luxembourg Fund Association.



**Jean-François  
Kroonen**  
Advisory Leader

Jean-François Kroonen, our Advisory Leader, joined the firm in 2001. He heads up a team of about 400 professionals.

Jean-François Kroonen has about 20 years of experience in cross border transaction (i.e. M & A Advisory, Due Diligence, Valuation and Capital raising), with a specific focus on wealth management, custody and fund administration, life insurance and trust administration. In addition to his current duties, he is also a professor in Business Valuation in HEC.

Jean-François Kroonen graduated from "Ecole des Hautes Etudes Commerciales" in Liège, Belgium, with a Commercial Engineering degree.



**José-Benjamin  
Longrée**  
Clients and Markets  
Leader

José-Benjamin Longrée, our Clients and Markets Leader, joined PwC Luxembourg in 2012. He has more than 20 years of experience in the fund industry. He also serves as the Global Fund Distribution Leader. Previously, he was the CEO of a Luxembourg bank and Deputy CEO of a European banking Group.

José-Benjamin Longrée holds a Bachelor's Degree in Law from "Université de Liège" (Belgium) and graduated from University of East Anglia (Norwich UK) with a Master's Degree in Law.



**Catherine  
Rückel**  
Strategy Leader

Catherine Rückel, our Strategy Leader, is specialised in Real Estate and Infrastructure. She is responsible for the business development division Asset Management Real Estate German Market as well as the audit of investment funds and real estate companies of German origin in Luxembourg.

Catherine Rückel has about 20 years' experience in financial services, with a focus on real estate funds for German investors. She is a "Réviseur d'entreprises agréé".



**Marc  
Schernberg**  
People Leader

Marc Schernberg, our People Leader, joined the firm in 1994 and has mainly specialised in Asset Management.

With over 20 years' experience working with fund promoters mainly from the US and Switzerland, Marc Schernberg is an expert in international financial services audit engagement. His expertise also covers the German tax system.

He graduated from NEOMA (Reims, France), and is a Qualified Chartered Accountant ("Expert Comptable"); he is also a "Réviseur d'entreprises agréé" and member of the Continuous Professional Education commission of IRE.



**Anne-Sophie  
Preud'homme**  
Compliance & Risk  
Leader

Anne-Sophie Preud'homme, our Compliance and Risk Leader, has been with the firm for over 20 years. She supervises accounting and consolidation of international groups within our "Expertise Comptable et Fiscale" department and is an adviser of our Accounting technical team.

Anne-Sophie Preud'homme is a Qualified Chartered Accountant ("Expert Comptable") and a "Réviseur d'entreprises".



**Christophe  
Pittie**  
Audit & Assurance  
Leader

Christophe Pittie is our Audit Leader within the Country Leadership Team of PwC Luxembourg since 1 July 2015. He is an audit partner serving the Asset Management industry and leads the Asset Management Country Programme for Italy and Luxembourg. He founded PwC's Academy, which provides specialised training for clients.

Christophe Pittie is a Qualified Chartered Accountant and a "Réviseur d'entreprises agréé". He graduated from "Ecole de Commerce Solvay" (ULB), in Brussels.



**Patrice Waltzing**  
Finance and  
Operations Leader

Patrice Waltzing, our Finance and Operations Leader, joined the firm in 2005. He is responsible for the Finance, IT, Infrastructure, Purchasing, Logistic and Business Support departments. He also manages the Central Cluster Training Administration Services Centre.

Patrice Waltzing's experience ranges from the electronic market and the FMGC market (i.e. soft drinks) to the Media market. He holds a double specialisation in Applied Sciences and Management.



### Supervisory Board

We also have an oversight body (the Supervisory Board). This board is composed of seven members elected among and by the partners, for a four-year term.

It is not under the authority of another body.

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 Supervisory Board meets on a monthly basis and reports to the Partners on its activities during each Partners meeting.

The minutes of the Country Leadership Team are shared with the Supervisory Board. The CEO is invited to attend part of the Supervisory meetings, which ensures transparent and regular communication.

The Supervisory Board is responsible to organise and oversee the process of co-optation of new partners and submits its recommendation after a sound and extensive process to the Management Board.



### 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 which is the shareholder's remuneration. Each partner is responsible for his or her own pension arrangements. The final amount to be allocated to the individual partners is subject to the oversight of the Partners' Remuneration Committee (PRC) composed of representatives of both the Management Board and 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.





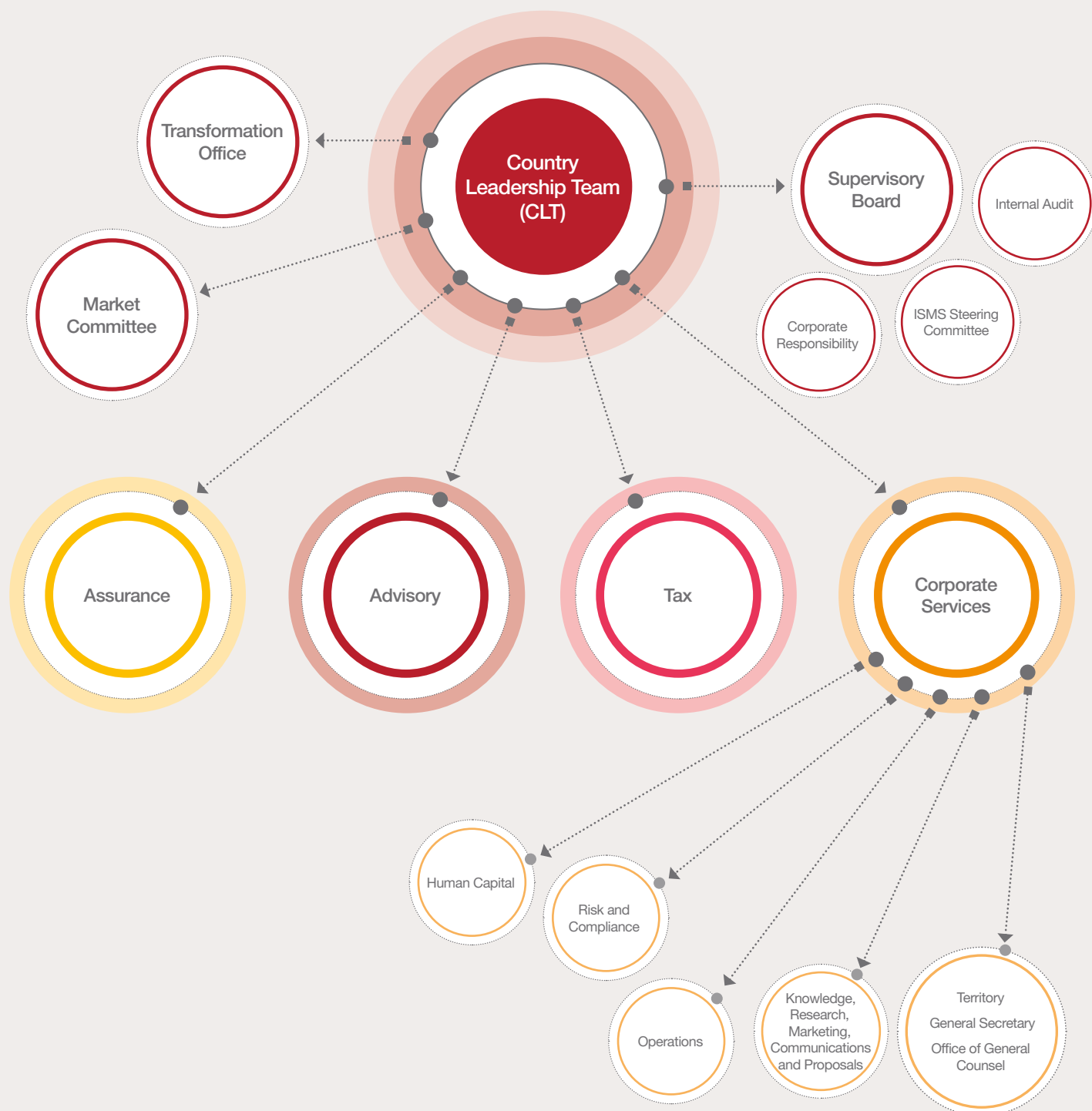
Besides these two important governing bodies, we also have six committees with an advisory role:

- **Internal Audit Office**, whose responsibility is to independently evaluate the effectiveness of the firm's risk management, controls and governance processes to assist the Management Board in the decision making process. The annual internal audit plan is submitted for approval to the management board and the audit committee and for review to the Supervisory Board. Recommendations and actions resulting from internal audits are monitored by the Audit Committee, the Management Board and the Supervisory Board. The Chief of the internal audit is Anita Bouvy.
- **Audit Committee**, is composed of 4 Management Board members and the Chief Internal Auditor. Its mission is to support the Leadership Team in the assessment of the firm control environment and in the coverage of potential key risks. The Committee also ensures that actions are done to answer the recommendations. The audit committee reports the conclusion of its work to the Management Board on a periodic basis.
- **Risk and Compliance Committee**, is in charge of managing the risks of the Firm and to ensure our compliance with laws and regulations. Its main focus areas are around Client Acceptance and Continuance including anti money laundering, independence, anti-corruption, and sanctions matters. The Committee monitors on going risks linked to the performance of our services pertaining to the quality of services and the compliance with international professional standards. It is also in charge of preparing the Firm to all new regulations on a timely basis. It is composed of the Risk and Compliance leader, our Risk Management partners, our Partner responsible for independence and our legal counsel. It is directly reporting to our Management Board.
- **Information Security Management Systems (ISMS) Steering Committee**, is in charge of defining the security strategy of the Firm and ensuring that appropriate means are made available to achieve its goal. The security strategy includes among others the protection of our data and the data of our clients, the protection of our people and of our building. It is led by our Risk and Compliance leader assisted by a multidisciplinary team including IT experts, our Chief Information Security Officer, our Data Protection Officer, HR specialists, the COO.
- **Corporate Responsibility (CR) Committee**, in charge of embedding our core sustainability priorities in our business model and the way we deliver services. The CR leader is Valérie Arnold.
- **Ethics Committee**, controlling and making sure we deal with all conflict of interest, confidentiality, anti-bribery issues/claims in a proper manner. The Ethics Officer is Loïc Derosa and the Business Conduct Leader is Thierry Blondeau.



The LuxLeaks affair, which dates back to 2014, was about customer data being stolen from our company by two former employees. The information disclosed was related to tax rulings which was, for the major part, accessible in the annual accounts of our concerned clients. In the aftermath of Luxleaks we introduced advanced technology tools that can detect a leakage of documents. Our clients can be reassured that their data continues to be safe with us and is protected by strict rules of confidentiality. In the period FY17, we did not face any complaints related to confidentiality breaches.

## Internal organisation of the firm



## Focus on the CR Committee

Valérie Arnold leads the Corporate Responsibility (CR) efforts at PwC Luxembourg. She was appointed by John Parkhouse, our CEO, in July 2015 and she reports to him on a bi-weekly basis. She also regularly shares updates with the leadership teams. Being in the firm for more than 25 years, and serving since 2006 as an audit Partner, Valérie has in-depth business knowledge, especially in investment funds, which represent the largest activity in Audit.

To support the development and focus on our seven most material topics which have been presented in the chapter 5 of this report, the CR Committee comprises two full-time employees, and members coming from the three lines of service (Audit, Tax and Advisory) as well as the strategic pillars of the firm's strategy: People, Market and Transformation.



- CR Leader: **Valérie Arnold**
- CR Manager: **Krisztina Szenci**
- CR Officer: **Juliette Child**
- CR Programme Manager: **Christophe Mazand**
- CR Advisory Representative: **Jacques Vandivinit**
- CR Tax Representative: **Lilia Samai, Janja Ovsenik**
- CR Audit Representative: **Maureen Malevez**
- CR People Representative: **Claire Audollent**
- CR Market Representative: **Hélène Thouvenin**
- CR Transformation Representative: **Isabelle Lunven**

While the Materiality analysis has set the focus to sustainability challenges more relevant to the core activities of our Firm, we have continued and strengthened our efforts around environmental stewardship, community engagement, entrepreneurship, and diversity and inclusion. We have several representatives for each of these activities, who are responsible for setting the focus, coordinating efforts, and monitoring impact.

- Community Engagement: **Dominique Robinet**
- Entrepreneurship: **Jacques Vandivinit and Cécile Hauser**
- Environmental Stewardship: **Dominique Laurent and Marie Gauthier**
- Diversity & Inclusion: **Vinciane Istace and Fabienne Moquet**
- Communications: **Youcef Damardji**





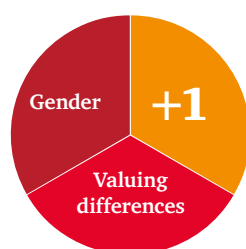
## Diversity and Inclusion

As the economy becomes increasingly global, our workforce becomes increasingly diverse. Organisational success and competitiveness depends on the ability to manage diversity in the workplace effectively. The benefits of diversity are multiple and a true value enabler by fostering a greater agility, providing larger pools of ideas and thus innovation, stimulating employees' engagement and being an authentic reflection of the society/clients we are servicing. More importantly, our diversity of skills and experiences (e.g. languages, cultural understanding) allows us to provide a broader range of services to customers on a global basis.

However, diversity is also a very complex dimension to handle as it includes ever growing dimensions such as race, gender, language, generation, ethnic group, personality, cognitive style, tenure, organisational function, education, background and more. These many differences being amplified by individual perceptions do require to be driven by a clearly defined action plan and a common vision.

### Our approach

Firstly, it is about building and implementing a customised strategy to create a culture of diversity that permeates every department and function of the organisation. We have recognised that the effects of diversity are maximised in the workplace with a culture of inclusion. We then created our diversity and inclusion programme around the global commitment:



“We respect and value differences” led by our 2+1 ambition that can be described as follows:

- Valuing differences because every single one of us is different – be that because of how we look, how we think, how we speak, how we act, or where we come from.
- Gender because 47% of our global workforce at all levels is female, but this proportion is not yet reflected in our leadership.
- Our specific dimension (+ 1) in Luxembourg goes to people with special needs such as people facing life challenges, long term unemployment, a visible or invisible disability, or a precarious social status like refugees.

### Our action plan



Secondly, we have agreed on five key actions being part of our Corporate Responsibility:

1. Accountability of Leaders – Engage our Leaders at the top (Partners) in building a more balanced firm in terms of gender with an objective of 30% of our partnership as women.
2. Awareness on Diversity & Inclusion among our People & Leaders – Build a supportive culture for D&I with a cycle of conferences and dedicated learning curriculum.
3. Pipeline of talents – Build the right pipeline of female talents with a 50%-50% hiring target at junior level and 70%-30% at experienced level.
4. Embed Diversity & Inclusion in all critical business activity – Increase our winning potential by valuing our diversity in our proposals for services.
5. Increase our Diversity & Inclusion external footprint – Contribute to a societal impact in the field of gender with our participation or sponsoring of external events such as “Connected women” to share and inspire a more diverse market place.

## Our measurement

It is key to continuously assess and evaluate our diversity journey. It forms an integral part of our management system:

1. We monitor the diversity dimension across the evaluation of 3 statements present in our Global People Survey

”

*PwC is an inclusive work environment where individual differences are respected and valued.*

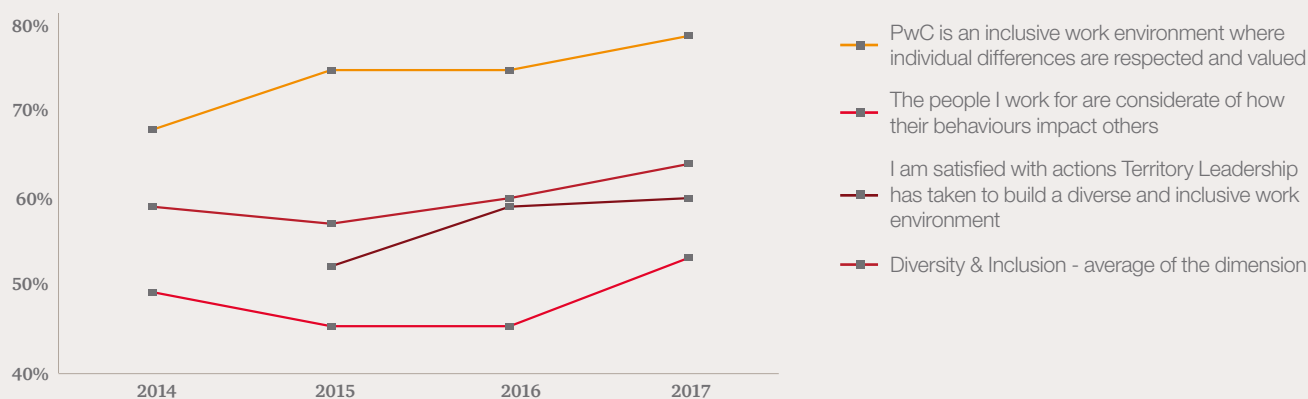
”

*The people I work for are considerate of how their behaviours impact others.*

”

*I am satisfied with actions Territory Leadership has taken to build a diverse and inclusive work environment.*

### Here are our favorable rates evolution over 3 years:



2. We monitor our recruitment activity in terms of gender allocation,
3. We publish monthly our Gender barometer (currently 53% men – 47%women) and have put gender at the agenda of all our “Comités Mixtes”

### Percentage of women in PwC Luxembourg



**47%**  
PwC Luxembourg



**38%**  
Management



**24%**  
Partners

4. We issue to our management a yearly Social Report analysing all our Employees' career cycle from the angle of gender (gender statistics are made available on recruiting, developing, promoting, assessing performance, rewarding and leaving).

### PwC Luxembourg is proud of a long-standing engagement both:

- Locally as founding member of the “Charte de la Diversité”
- Globally as key actor in pledging for the United Nations initiative HeforShe with our female partners having raised their voice in individual video testimonies to support gender equality and the realisation of our aspirations.







## Our environmental impact

Minimising the environmental impact of our daily activities is one of our long-standing ambitions key sustainability targets. As a professional services firm our biggest impact is related to transport: daily commuting trips as well as business travels.

Luxembourg, surrounded by Belgium, France and Germany, has just over 500,000 inhabitants. Our office employs 2,850 people - 53% of whom travel to work from one of these neighbouring countries each day. Most of these commuters are travelling for at least 1.5 hours per day, contributing to around 70% of our total greenhouse gas emissions (GHG). Naturally, we see mobility as one of our biggest people challenges and environmental impacts. As a result, in 2012 we've initiated a yearly mobility survey to help inform solutions and measure progress.

Since then, the country has experienced dramatic growth which has created a saturation in mobility infrastructure. In developing an approach to combatting this challenge, we've worked closely with our neighbouring businesses and the Ministry of Transport on a range of initiatives to promote public transportation and facilities for bike riders.

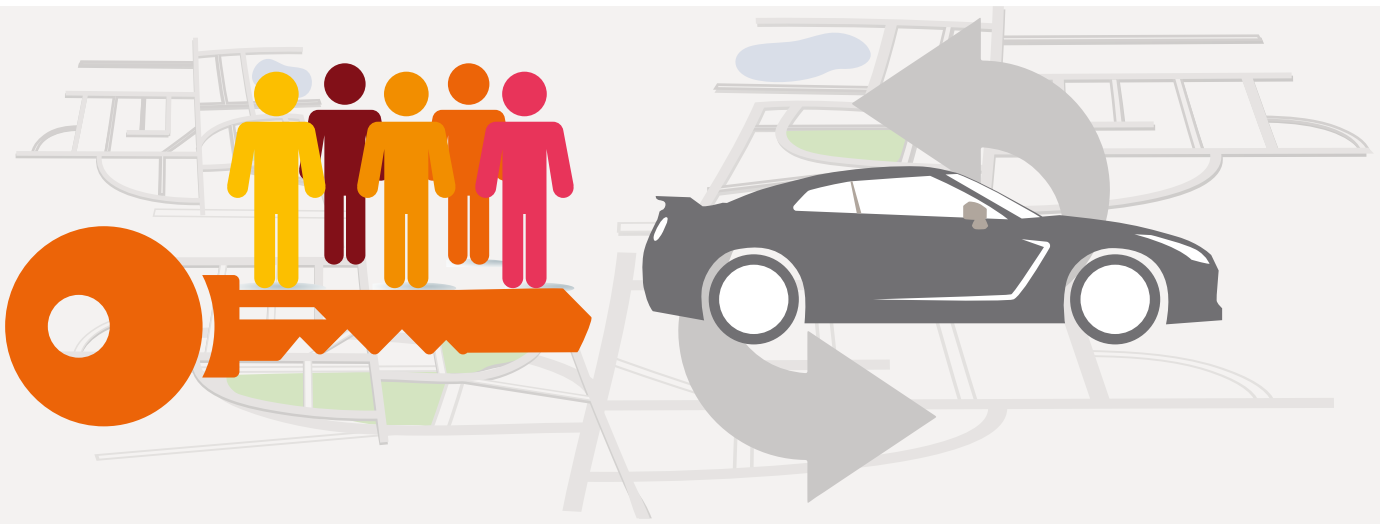
### Mobility

We've had a car-sharing service for work-related and personal trips in place since 2013. To encourage our people to use public transportation more often and leave their personal cars at home, we've launched, together with our lease partners, an online reservation system. The iPhone App enables sharing and optimises utilisation among multiple users. During the FY17, we've extended the fleet to 15 cars and had 741 users.

In addition, we've developed in-house a mobile app to encourage our people to get in touch and carpool. For each carpooling car transporting at least three persons, we offer free parking at our premises (we have 60 parking spots reserved for carpooling in our Crystal Park building). Since the launch of the app, we've had 4,872 carpooling bookings, with more than 11,000 people who carpooled to work through our application.

We also organise an annual Mobility Day where we invite local transport professionals to hear from our people about their challenges around commuting and give them the opportunity to share with us their latest and future initiatives. The participants included SNCF, CFL, Ville de Luxembourg, Verkeiersverbond, and LuxTram.

This year we launched our Home-based working programme which is helping to reduce the environmental impact of commuting. We've added new bicycle parking spots (40 spots in Crystal Park and 10 in H2O); and added 16 charge points for electric or hybrid cars (total of 19 charge points).

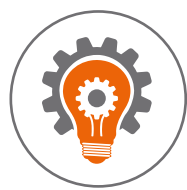


### Responsible facility management

1. **Building:** Since we moved to Crystal Park in 2014, we've been able to significantly decrease our impact on the environment. Indeed, our BREEAM Excellent building allowed us to reduce by 31% our electricity consumption. Our data centre concept was completely reviewed to lower cooling and electricity needs. We considerably reduced our need for physical servers through virtualisation and we developed a closed cold corridor system to limit electricity consumption. Additionally, the heat generated by our local data centre is recycled in the building's heating process.
2. **Paper:** Our new printing system allows us to considerably reduce our paper consumption. Installing fixed large screens for all employees allows us to reduce the need for printing. This summer we also launched a paperless campaign.
3. **Coffee corner:** all plastic disposal cups and cutlery were removed from our coffee corners and replaced by reusable items.
4. **Canteen:** All the take-away packaging available at our canteen is now 100% biodegradable. Furthermore, we partnered with our provider to add local products and vegetarian dishes to the menus. In September 2017, our catering provider was rewarded with the Sou Schmaacht Lëtzebuerg label which recognises companies which put forward local suppliers and products.

For a detailed analysis of our carbon footprint, please take a look at page 66 in our Appendices.





## Fostering local entrepreneurship

We are actively supporting the Luxembourg entrepreneurship ecosystem through various partnerships and volunteering schemes. A number of engaging partnerships with local institutions, NGOs and incubators/accelerators have been developed in order to support local/regional entrepreneurship.

For instance, PwC is very active with the JEL by providing skilled volunteering to some of their programmes such as Fit for Life, Youth Enterprise Project or Mini-Enterprises. This concretely means spending time with pupils and students – in- and outside schools – to support them in developing an entrepreneurial mind-set and sustainable business ideas. Similar type of support is provided to various incubators/accelerators such as 6zero1 and NYUKO via coaching, business plan evaluation and other types of skilled volunteering.

An internal team is responsible for coordinating social and non-social entrepreneurship efforts with all those organisations, ensuring that PwC plays its part in giving (something) back to the society it operates in and contributes actively to the development of the local economy as a whole.

Since 2017, we have established a number of indicators to monitor the impact of volunteering for both the volunteers and the organisations we support. Our goal is to better understand and increase the impact we generate both externally and internally via the development and engagement of our people.



Entrepreneurship	FY17
Programmes supported	<ul style="list-style-type: none"><li>• Youth Enterprise Project (JEL)</li><li>• Fit4Life (JEL)</li><li>• 1-2-3 GO (Nyuko)</li><li>• 1-2-3 GO Social (Nyuko)</li><li>• Partners with Impact (IMS)</li></ul>
Total Volunteering	150 hours
Jury duty	40 hours
Number of Volunteers	38 people

### Social Entrepreneurship Master Class

In November 2016, we launched our “Social Entrepreneurship Masterclass” training aiming at exploring social innovation opportunities and designing solutions for our firm. The training enabled a better understanding of the essence and potential of social entrepreneurship, the major trends and developments in this field and what it means to build viable business models. This 13h training was offered to our staff, ranging from Junior to Partner level across all competencies.

Following the training, three groups developed and pitched their social intrapreneurship solution to an internal panel. All projects were accepted and are receiving support via dedicated time and resources.

In order to further foster innovative solutions from our staff and empower them to explore – and find answers to – societal challenges, we developed My Societal Impact Project (MySIP), a tool to support socially innovative projects. To be considered, the project must be presented to an internal panel, that assesses the relevance of the project in relation to the sustainability challenges relevant to PwC, the viability of the operation model, and the strength of the value proposition.

### Social Innovation Symposium

In collaboration with TIIME and Ashoka, our firm was proud to host Luxembourg first ‘Social Innovation Symposium’ to showcase Social Entrepreneurship and Social Innovation in Luxembourg and beyond. The evening included highlights from two Ashoka fellows and a local Social Entrepreneur, who shared their stories from the field that inspired us all. We hope to organise a second edition in the coming months.





## Community engagement

Community engagement has always been as a heart of our firm, supporting from the start, iconic initiatives such as Fondation Cancer, Relais pour la Vie and many others. In order to have a better impact we have decided to focus our engagement on three areas: Health, Education and Environment. Additionally, we seek to involve and engage our people, asking them to propose NGOs or initiative they would like the firm to support. Below is a sample of a few of these initiatives:

**Kleng Maart** – Every Thursday from 4:30 to 6 pm we're gathering a handful of local producers and organise a local market for our employees. We try to, on the one hand, give our employees the opportunity to buy fresh fruits, vegetables, bread, delicatessen, cheese, eggs and, on the other hand, promote local producers and help them access a cross-border population. The 2017 edition was kicked-off with the Minister of agriculture.



**Run for Purpose** – We've launched a challenge for our people to walk or run the distance from our building to the moon. They've sent us screenshots of their weekly number of kilometres as recorded by their smartphones/devices and, from 25 April to 30 May we reached 46,448 km. As a result, we donated EUR 2,500 EUR to three charities: Make-A-Wish-Luxembourg, I am a refugee and Schreier fir Schreier.

**Project** – This programme allows staff members to share their skills and/or allocate time – during working hours, but no more than 120h - to a humanitarian or social project. MyProject can take the form of General volunteering (use of non-professional skills) or Skilled volunteering (informal use of professional skills). Our people can get involved in projects in Luxembourg, the neighbouring countries or worldwide. However, we give priority to countries targeted by the Luxembourg government for the provision of humanitarian aid (Vietnam, Laos, Nicaragua, Salvador, Niger, Namibia, Cape Verde, Senegal, Mali and Burkina Faso).

In FY17, our MyProjects supported the following organisations:

Pour un Sourire d'Enfant; Nepal et vous; Quinoa; Toutes à l'école; TECHO; Xaleyi





# GRI Content index

GRI Standard	Disclosure	Page number	Direct answer/Comments
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	<b>1. Organizational profile</b>		
	GRI 102-1 Name of the organisation	Page 6	
	GRI 102-2 Activities, brand, products and services	Page 6; Page 9-17	Assurance: Page 9-11 Tax: Page 12 - 13 Advisory: Page 14 - 16 Corporate Services: Page 17
	GRI 102-3 Location of headquarters		2, rue Gerhard Mercator B.P. 1443 L-1014 Luxembourg
	GRI 102-4 Location of operations		2, rue Gerhard Mercator B.P. 1443 L-1014 Luxembourg
	GRI 102-5 Ownership and legal form	Page 6; Page 46	
	GRI 102-6 Markets served	Page 6	
	GRI 102-7 Scale of the organisation	Page 6	
	GRI 102-8 Information on employees and other workers	Page 7	
	GRI 102-9 Supply chain	Page 18	
	GRI 102-10 Significant changes to the organisation and its supply chain		There were no significant changes during the period covered by this report
	GRI 102-11 Precautionary principle or approach		Not applicable: no real product with direct incidence on the environment
	GRI 102-12 External initiatives		The PwC Global Network has participated to the United Nations Global Compact since 2002 and submits yearly communication on progress. We are also founding member of IMS Luxembourg.
	GRI 102-13 Membership of associations	Page 64-65	
	<b>2. Strategy</b>		
	GRI 102-14 Statement from senior decision-maker	Page 4-5	
	<b>3. Ethics and integrity</b>		
	GRI 102-16 Values, principles, standards and norms of behaviour	Page 8; Page 26-28	Values and behaviours: Page 8 Legitimacy and Ethics: Page 26- 28
	GRI 102-17 Mechanisms for advice and concern about ethics	Page 8; Page 28, 34	Values and behaviours: Page 8 Whistleblowing procedure: Page 28 Ethics committee: Page 28 Declaring conflicts of interest: Page 34
	<b>4. Governance</b>		
	GRI 102-18 Governance structure	Page 48-53	Managment Board: Page 50 51 Supervisory Board: Page 52 Six committees with an advisory role: 53 CR Committee: 55
	GRI 102-19 Delegating authority	Page 53	See relationship between CEO and CR Leader
	GRI 102-20 Executive-level responsibility for economic, environmental, and social topics	Page 53	See relationship between CEO and CR Leader
	GRI 102-21 Consulting stakeholders on economic, environmental, and social topics	Page 20-21	
	GRI 102-22 Composition of the highest governance body and its committees	Page 48-49	
	GRI 102-23 Chair of the highest governance body	Page 48	

GRI 102-24 Nominating and selecting the highest governance body	Page 48	
GRI 102-25 Conflict of interest	Page 34	
GRI 102-35 Remuneration policies	Page 50	
GRI 102-36 Process for determining remuneration	Page 50	
<b>5. Stakeholder</b>		
GRI 102-40 List of stakeholder groups	Page 21	
GRI 102-41 Collective bargaining agreements		PwC Luxembourg is not subject to any collective bargaining
GRI 102-42 Identifying and selecting stakeholders	Page 20	
GRI 102-43 Approach to stakeholder engagement	Page 20-21	
GRI 102-44 Key topics and concern raised	Page 22-23	See material challenges in Materiality Matrix and their definitions, page 23 Summary of key messages from our stakeholders, page 22
<b>6. Reporting practice</b>		
GRI 102-45 Entities included in the consolidated financial statements	Page 46	We have different entities that are part of the consolidated financial statement
GRI 102-46 Defining report content and topic boundaries	Page 20-23	Stakeholders engagement processus was used to define reporting content (see pages 20 - 22). The reporting boundaries are defined by our stakeholders consultation, and can be found on page 23
Stakeholder Inclusiveness		Information on the stakeholders engagement can be found on Page 20 - 23, which includes an overview of their expectations and interests. The material topics discussed are directly correlated to the outcome of the stakeholders engagement process: Legitimacy and Ethics (26-28), Societal Impact (30 - 31), Conflict of Interest/Independence (32 - 35), Health (36 - 39), Attractiveness (40 - 42), Client Satisfaction (44 - 46), Continuous Learning (47 - 48).
Sustainability Context		The broader sustainability context in which we operate, discussed on Page 19, includes a series of questions we are asking ourselves and our stakeholders. The relationship between sustainability and the organisational strategy can be found in the Word of the CEO (Page 4 - 5) and is further discussed under our Societal Impact section in (Page 30 - 31).
Materiality		A materiality matrix can be found on Page 23, prioritizing our relevant issues. The seven material challenges identified as priority define the content of the section 'What we're doing about them', where we perform a deep-dive into these challenges: Legitimacy and Ethics (26-28), Societal Impact (30 - 31), Conflict of Interest/Independence (32 - 35), Health (36 - 39), Attractiveness (40 - 42), Client Satisfaction (44 - 46), Continuous Learning (47 - 48).
Completeness		A list of the seven material challenges and their boundaries can be found on Page 23. The information included in the report follows the FY17 reporting period (1 July 2016 – 30 June 2017).
GRI 102-47 List of material topics	Page 23	
GRI 102-48 Restatements of information		Not applicable: We do not have any restatement of information, as this is our first Sustainability Report following the GRI Standards.
GRI 102-49 Changes in reporting		None
GRI 102-50 Reporting period		FY 2016-2017 (1 July 2016 - 30 June 2017)
GRI 102-51 Date of most recent report		None
GRI 102-52 Reporting cycle		Annual
GRI 102-53 Contact point for questions regarding the report		Youcef Damardji, Head of Communication
GRI 102-54 Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core Option
GRI 102-55 GRI Content Index	Page 60-63	
GRI 102-56 External assurance		No external assurance



GRI Standard	Disclosure	Page number	Direct answer/Comments
<b>Material Topics</b>			
<b>Legitimacy and Ethics</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 26	
	103-2 The management approach and its components	Page 26-28	
	103-3 Evaluation of the management approach	Page 28	
<b>Societal Impact</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 30	
	103-2 The management approach and its components	Page 30-31	
	103-3 Evaluation of the management approach	Page 31	
<b>Conflict of Interest / Independence</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 32-34	Independence: Page 32 Conflict of Interest: Page 34-35
	103-2 The management approach and its components	Page 32-35	
	103-3 Evaluation of the management approach	Page 34	
<b>Health</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 36	
	103-2 The management approach and its components	Page 36-38	
	103-3 Evaluation of the management approach	Page 36	
GRI 403: Occupational Health and Safety	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities	Page 67	
<b>Attractiveness</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 39	
	103-2 The management approach and its components	Page 39-41	
	103-3 Evaluation of the management approach	Page 41	
<b>Client Satisfaction</b>			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 42	
	103-2 The management approach and its components	Page 42	
	103-3 Evaluation of the management approach	Page 43	

GRI Standard	Disclosure	Page number	Direct answer/Comments
Continuous Learning			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 44	
	103-2 The management approach and its components	Page 44-45	
	103-3 Evaluation of the management approach	Page 45	

# Appendices

## List of mandates

Company	Function
ABBL - Association des Banques et Banquiers Luxembourgeois	Member
ABIAL - Association of British and Irish Accountants	Secretary
ACA - Association des Compagnies d'Assurances	Member
	Representant PRIIPS / Reglementaire
	Associate Member
Accountancy Europe	Member
ACE - Kluwer (Professionnal accounting and tax brochure)	Member
ACFE	Member
Advisory - Corporate Finance	
AGERE - Association des Gestionnaires de Réassurances (AGERE)	Representative Member
AILO - Association International Life Offices	Member
ALCO - Association Luxembourgeoise des Compliance Officers	Member
ALFI - Association of the Luxembourg Fund Industry	Member
	Chairperson
	Co-chairman
ALRIM - Association Luxembourgeoise de Risk Management	Member
AMCHAM - American Chamber Of Commerce	Member
ASTF - Association pour la santé au travail du secteur financier	Board Member
ATEL (Association des Trésoriers d'Entreprise) à Luxembourg	Member
BAI - Bundesverband Alternative Investments	PwC Lux Representative
	Member
Belgian IEC	Member
BVI - Bundesverband Investment und Asset Management e.V.	PwC Lux Representative
Camara Oficial de Comercio de Espana	Member
CCIL - Camera di Commercio Italo Lussemburghese	Member
Chamber of Tax Consultants (Saarland, Germany)	Member
Chartered Institute of Taxation in the UK	Member
CLUSIL - Club de la Sécurité de l'Information du Luxembourg	Member
CNC - Comission des Normes Comptables	Member
EFAMA - European Fund and Asset Management Association	Member
	Co-chairman
EFFAS - European Federation of Financial Analysts Societes	Member
European Control Group	Member
EVCA - European Private Equity and Venture Capital Association	Member
	Chairman
	Associate Member
FEDIL	
Haut comité de la place financière	
IAB/IAC association	
ICA	Member

ICAEW - Institute of Chartered Accountants in England and Wales	Member
IDW - Institut der Wirtschaftsprüfer	Member
IFA - International Fiscal Association	
IIA - Institute of Internal Auditors (IIA)	Member General Secretary
ILA - Institute of Luxembourg Directors	Member Chairman
ILEA - Industrie Luxembourgeoise Des Equipementiers de l'Automobile	Member
IMD	Alumni
IMS Luxembourg (Institut du Mouvement Social)	Chairman
INREV - European Association for Investors in Non-listed Real Estate Vehicles	Member Chairman
INSEAD	Alumni
IRE - Institut des Réviseurs d'Entreprises	Member Board member Treasurer
ISACA Luxembourg Chapter - Information Systems Audit and Control Association	Member
itSMF Luxembourg- IT Service Management Forum	Member
Kikuoka asbl	Member
LPEA - Luxembourg Private Equity & Venture Capital Association	Member
LSF Advisory	Teacher
Lux Real	Founding Member
Luxembourg Economy	Member
Luxembourg Russian Chamber of Commerce	Member
LuxFLAG	Member
NvL - Nederlandse Vereniging Luxembourg	Member
OECLuxembourg (Ordre des experts-comptable Lux.)	Member Board Member
RICS - Royal Institution of Chartered Surveyors	Member
Russian Business Chamber of Commerce	
Solvay	Alumni
Steuerberaterkammer (Steuerberaterkammer Rheinland)	Member
Swiss Institute of Certified Accountants and Tax Consultants	Member
The Institute for Global Financial Integrity asbl	
Toutes à l'Ecole Luxembourg asbl	Member
ULI - Urban Land Institute	Member
Wirtschaftsprüferkammer	Member
Wirtschaftsprüferkammer Germany	Member

# Appendices

## Carbon footprint

Total Carbon emissions (Gross)	Tonnes of CO2	4209,03
Total Carbon emissions (Net)	Tonnes of CO2	2640,46
Scope 1		16,99
CO2e of natural Gas		0,00
CO2e of Owned/controlled transport		11,42
CO2e of diesel		10,21
CO2e of hybrid		0,00
CO2e of Petrol		1,20
CO2e of LPG		0,00
CO2e of Fuels		5,57
CO2e of Diesel combustion		0,00
CO2e of Fuel combustion		5,57
CO2e of Biofuel combustion		0,00
CO2e of Gas oil combustion		0,00
Scope 2		2055,73
CO2e of Electricity (Purchase) electricity)		1568,57
CO2e of heat (Purchased heat)		487,16
Scope 3		2136,31
CO2e of Long haul flights		1559,33
CO2e of Medium haul flights		562,93
CO2e of Short haul flights		14,049
CO2e of Electricity purchased from Green Electricity Tariffs		1568,57
CO2e of Electricity generated from onsite renewal sources		0,00
Tonnes of carbon offset		0,00

## Occupational Health and Safety

FY2017

Car Accident	without work interruption	7
	with work interruption	20
	<b>Total</b>	<b>27</b>
Road Accident (pedestrian)	without work interruption	2
	with work interruption	6
	<b>Total</b>	<b>8</b>
Accident at workspace	without work interruption	5
	with work interruption	4
	<b>Total</b>	<b>9</b>
Injuries during outdoor activities (football, golf...)	without work interruption	6
	with work interruption	0
	<b>Total</b>	<b>6</b>
Total	without work interruption	20
	with work interruption	30
	<b>Total</b>	<b>50</b>

Injury	1.9%
Absenteeism rate	
Women	4.7%
Men	1.9%
All	3.7%



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PwC Luxembourg (www.pwc.lu) is the largest professional services firm in Luxembourg with 2,850 people employed from 77 different countries. PwC Luxembourg provides audit, tax and advisory services including management consulting, transaction, financing and regulatory advice. The firm provides advice to a wide variety of clients from local and middle market entrepreneurs to large multinational companies operating from Luxembourg and the Greater Region. The firm helps its clients create the value they are looking for by contributing to the smooth operation of the capital markets and providing advice through an industry-focused approach.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 236,000 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](http://www.pwc.com) and [www.pwc.lu](http://www.pwc.lu).

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