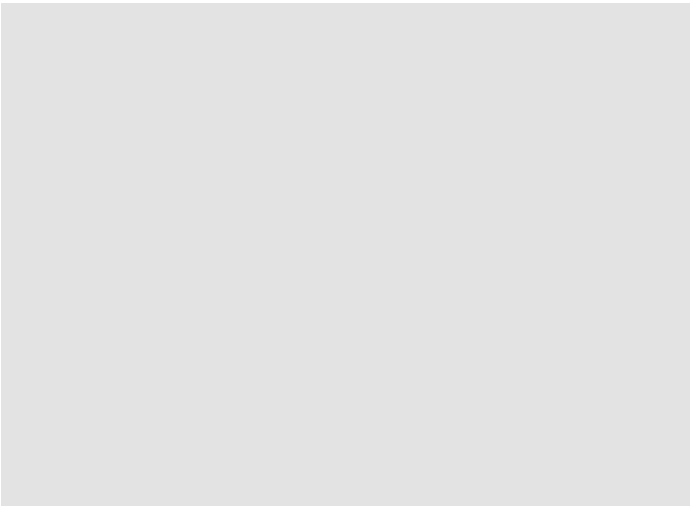
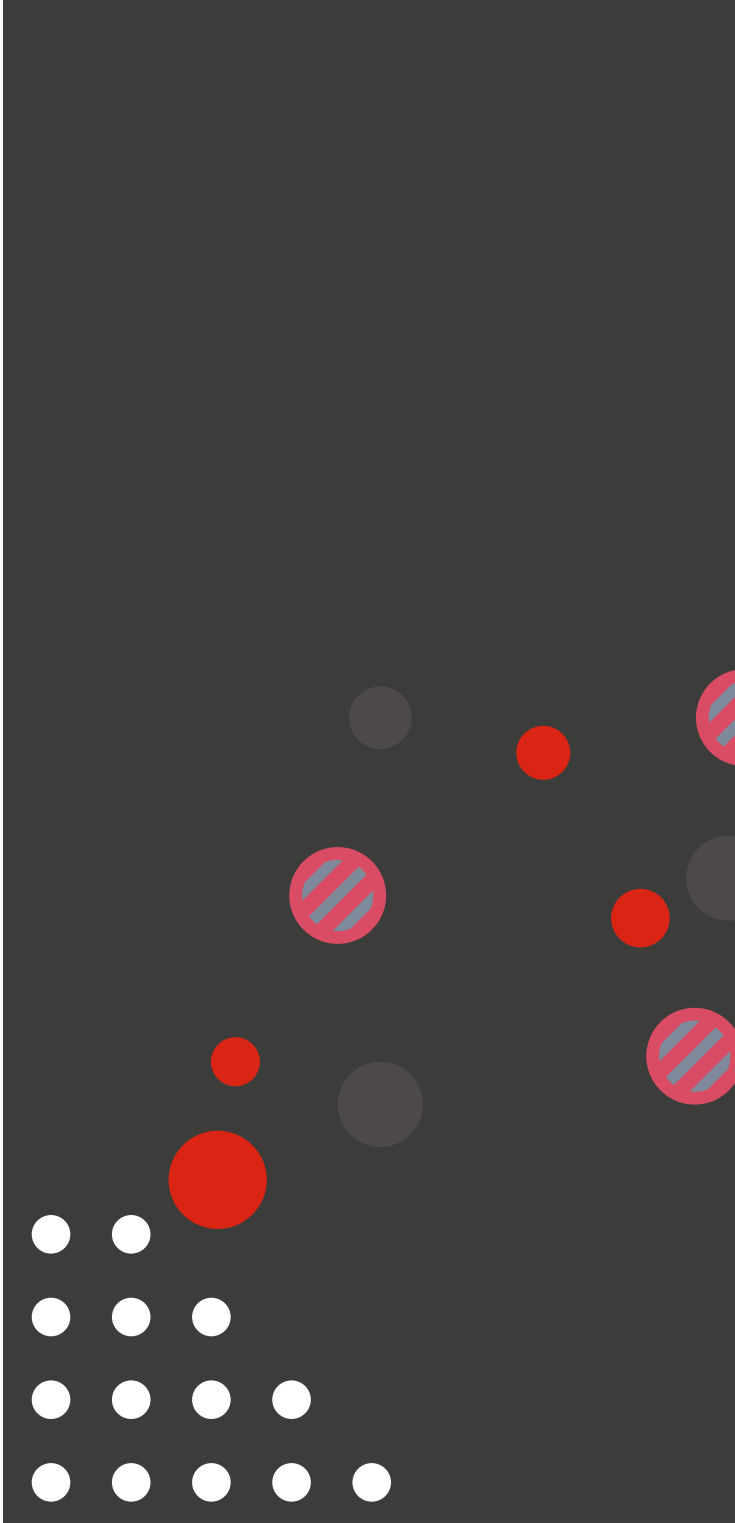




# 2022 Annual Review

Progressing on our  
**ambitions** to build trust  
and deliver on sustained  
outcomes



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# Message from John Parkhouse



A year ago, we were finally emerging from the world-changing impact of COVID with a renewed sense of optimism and hope as to what the future could bring. Yet in only 12 short months, we have seen the invasion of Ukraine—with all the human and economic implications such egregious actions bring—spiraling inflation, supply chain shocks, a looming energy crisis and the growing likelihood of recession across Europe and beyond. The phrase “Perma-crisis” certainly speaks to the sense of continuous challenge and uncertainty we all face, although it arguably underplays the sheer scale of what we see today. The importance of working together—business, policy makers and society at large—has rarely been so obvious nor so critical as we all strive to provide the stability and certainty we need in our tumultuous world.

At PwC, our purpose is to build trust and help solve important problems (i.e. problems important to our stakeholders) and it’s with this in mind that we strive in our own (very) small way to make a difference for our clients, for our people and in our communities.

Based upon this, I am pleased to share the highlights of our year in our Annual Review, focusing on four key areas – our business, our people, our workplace and our broader sustainability journey.

## Our Business

Despite the turmoil we have seen in recent months, we have witnessed very strong growth across all our businesses – posting a remarkable 11% growth in our turnover<sup>1</sup>, taking our firm comfortably past the half a billion mark (EUR 543m), and representing EUR 480m in net revenue<sup>2</sup>.

Growth has been particularly strong again in our alternatives sector (Private Equity and Real Assets) which has benefited not only from structural growth but also our ability to continue to capture the lion’s share of the market, taking our business in this area to just under EUR 250m in size by the end of the year. We have managed to retain our leading position across the other parts of the financial sector comprising Insurance, Banking and Asset and Wealth Management. Our success is further fuelled by our managed services business which now stands at over EUR 70m in revenue across the asset management and alternatives sectors as we deliver a market leading and seamless proposition for our clients. We will continue to broaden this with our recent addition of Fund Accounting and Transfer Agency services for alternative vehicles being an example. Outside financial services, our Industries and Public Sector (IPS) business, with more than EUR 100m in turnover, has also seen a strong year of growth as we bring value to our private sector clients and to the European and local institutions, particularly in areas such as finance and digital transformation, cloud, data, cyber and ESG.

Overall, we recognise that we are privileged to operate in a sector which enjoys such success at a time when many in the economy are suffering. As such, what is critical is the real value we bring to our clients and in this regard, I am particularly proud to report that our client feedback has never been so strong in terms both of volume of feedback and level of satisfaction with the difference we bring. At the heart of making that difference lies our people and the distinctive approach they bring to serving our clients, not only in terms of their expertise but also in their mindset of really listening to our clients’ needs and helping them to build trust and solve their important problems, day in and day out.

1. Turnover: gross revenue our business receives from the sale of services to our clients  
2. Net revenue: gross revenue net of expenses (such as external consultants / freelancers costs and out-of-pocket expenses) incurred to deliver services to our clients



## Our People

Arguably the most significant challenge we, along with many businesses, face today is the attraction and retention of the skills we need to serve our clients. In this regard, we have driven our people strategy around four distinct priorities:

1. **Healthy Environment** – focussed both on ensuring we have the capacity to deliver on our client needs without the need for continued and excessive workload on our people, and an ongoing push to support the mental and physical well-being of our people under the Be Well, Work Well banner. We have worked hard over the year to increase our capacity, hiring over 1,100 people here in Luxembourg (vs our initial target of 910) and increasing our use of other delivery centers across our network. We have also continued to focus on providing the maximum flexibility possible to our People within the Luxembourgish crossborder constraint.
2. **Competitive Compensation** – over the summer, we delivered to our People a market-leading enhancement to their compensation, both in terms of how they receive it and the level we offer.
3. **Talent Management** – focussed on ensuring PwC delivers the best opportunities to grow and develop as a business professional as well as reshaping how we assess our People.
4. **Differentiated Careers** – recognising the different profiles of our People and providing them with meaningful career paths outside the standard professional track. In this regard, we also launched the successful *Career Compass program* – onboarding graduates into a two-year programme which provides them the opportunity to work across all three lines of our business—Assurance, Advisory and Tax— within the alternatives sector.

It is heartening to see that our efforts across the four dimensions are reaping rewards as we see an increased attractiveness for new entrants, a significant decrease in our staff turnover rates and record levels of employee satisfaction as evidenced in our annual Global People Survey results. Of course, we recognise that we still have areas to improve and will need to ensure continuous effort in these areas.

## Our Workplace

In January we announced our intention to move offices in 2027 enabling us to significantly upgrade the working environment for our People and supporting our drive toward Net Zero by 2030. At the same time, we continue to invest in easing the travel burden so many of our People face (and reducing our carbon footprint) with the opening this year of a further three satellite offices—in Mondorf, Dudelange and Pétange—taking to seven our constellation of offices near our borders. The demand for use of such offices has increased significantly as the cross-border restrictions have returned and we will continue to seek opportunities to further broaden what we can offer to our People in this regard.

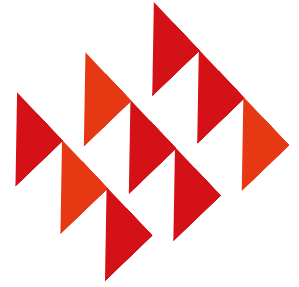
## Our ESG Journey

We continue to focus on execution of the 13 primary ambitions of our ESG agenda in line with the WEF-IBC framework under which we already reported last year. The 13 ambitions are aligned with the topics we had already identified seven years ago as those areas where we believe we can make the most difference as a professional services firm, hence our journey remains one of continuing to drive meaningful change in each of these areas and to ensure our goals remain relevant... and ambitious! In addition, we continue to work on embedding all our goals throughout the firm via the management teams and improving the data collection and related ongoing reporting such that we are able to better align reward with progress in this area across the firm.

To close, I would like to thank our clients for their continued trust in our services, our people for their passion and commitment and the broader community for their support and recognition of what we try to bring to our society. As said previously, never has it been more important for business, policy makers and society as a whole to work together on providing the stability and access to opportunities which are so important to us all and at PwC we recognise our responsibility in this as Luxembourg's largest professional services firm.



# Our materiality topics



The world is changing at a rapid pace. Firms like PwC Luxembourg are at the forefront of creating long-term and sustainable value for our stakeholders. We are committed to our corporate initiative, ***The New Equation***, and we continue to build trust and deliver sustainable outcomes for our communities.

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

Adopting those universal standards and disclosures enables us to unlock long-term value through greater transparency, accountability and business transformation. The WEF-IBC framework includes 21 core and 34 expanded metrics that define the most important sustainability issues businesses should address. In 2021, we identified the 13 Ambitions that are a priority to us.

The year 2022 was about continuing in setting ambitious and collective actions. Our team at PwC Luxembourg established the frameworks, key performance indicators (KPIs) and actions necessary to fulfil our commitment to our 13 Ambitions.



## Prosperity

- Economic contribution
- Financial investment contribution
- Absolute number and rate of employment
- Innovation with PwC Exponential



## People

- Diversity and inclusion
- Pay equality
- Health and well-being
- Skills for the future



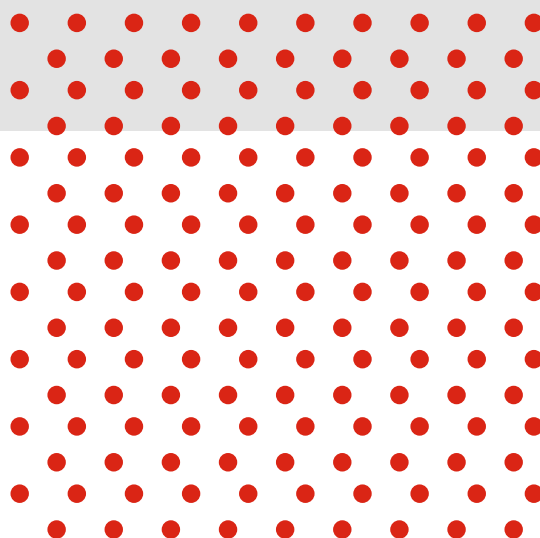
## Planet

- Net Zero
- Task Force on Climate-Related Financial Disclosures (TCFD) Implementation (later stage)



## Governance

- Quality of governing bodies
- Stakeholder engagement and accountability
- Ethics









# Prosperity

## Ambition

### **Economic contribution**

Create long-term value through our core business. Support community via active contribution.

### **Financial investment contribution**

Focus on quality to bring trust for our stakeholders, and deliver sustainable outcomes.

### **Build a meaningful journey for all our People**

Number/Rate of employment.

### **Future-proofed by innovation**

Sustainable innovation is at the heart of our business to deliver long-term value to our people and clients.

Prosperity is embedded in all dimensions of our firm, but for us it not only means financial success, but also, ensuring our ecosystem and stakeholders are experiencing a positive contribution. It goes without saying that without a successful and sustainable business nothing would be possible and one of the key elements to make that happen is a sustainable workforce. This is why our People remain a core focus and why we work on building a meaningful journey for them allowing for pro-bono work, professional associations membership and community engagements. Also, we make significant philanthropic contributions with an increasing focus on Luxembourg programmes. Our financial investments focus on quality, delivering sustainable outcomes for everyone and innovation and intrapreneurship to promote value creation and business opportunities for our clients.



## 1. Our economic contribution

Prosperity is embedded in all dimensions of our firm, but for us it no longer means only financial success, but also, ensuring our ecosystem and stakeholders are experiencing a positive contribution. It goes without saying that without a thriving and sustainable business nothing would be possible and one of the key elements to make that happen is a sustainable workforce.

### 1.1. Business review

Our financial year, which spanned from 1 July 2021 to 30 June 2022, was a very special one that started with a shift in the pandemic, where modern medicine allowed for a new normality and a feeling of optimism. Turbulent events – such as the war in Ukraine – began to impact us, mostly in the second half of our financial year, or compound post-COVID issues, with increasingly disrupted supply chains and a growing energy crisis as well as a very strong core inflation, especially in the US. This means we experienced the start of a complete paradigm shift in terms of monetary policy, which tightened quickly and sharply in all major economies.

Yet, despite these adverse impacts, we are pleased to report a double-digit 11% increase in our net revenue and that we exceed the half a billion turnover mark for our year ended 30 June 2022.

As a professional services firm in Luxembourg, this is a major achievement indicating the reach of our services on local clients, subsidiaries of international groups, as well beyond the local market.

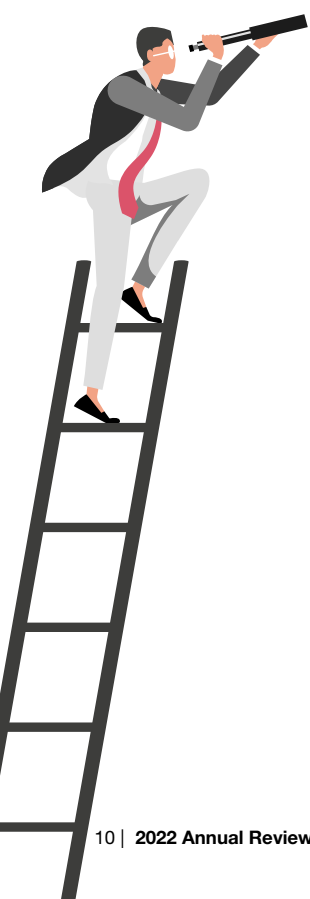


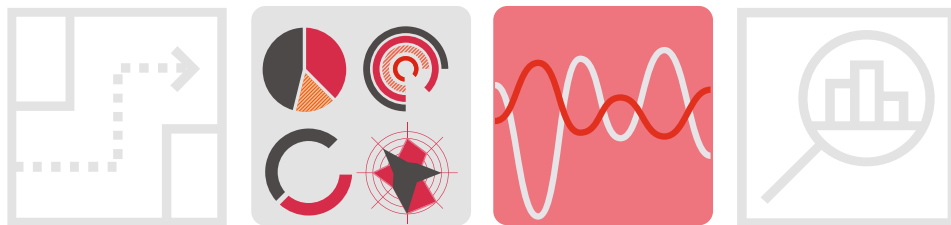
Our FY22 was marked by three major business trends.

#### 1. Increase in Environmental, Social and Governance (ESG) regulation intensity

The year 2022 saw an acceleration of European regulatory legislation, with a recent surge in regulatory momentum embedding ESG as a central tenet of the investment landscape.

Management Companies, financial reporting and sustainable investment products are a few categories with recent regulatory changes. The Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy are now in effect and used by companies and financial institutions. Fit for 55, the EU sustainability package passed on 14 July 2022, touches upon a broad set of policies, including carbon pricing, energy efficiency, taxation, land use, transport and renewables.





The integration of ESG factors into investment processes started in 2021. SFDR represents possibly one of the most transformational regulatory developments in the history of Europe's financial landscape. In the last decade, ESG has gone from a trend to the biggest revolution in the European fund industry. European Green, Social and Sustainability (GSS) bond issuance also rose to between EUR 1.4tn and EUR 1.6tn and will account for nearly 50% of the total European bond issuance by 2026.

We predict that Europe will continue to maintain dominance in the global ESG sphere, with Luxembourg as a fund centre, and PwC Luxembourg as a major professional services provider for mutual and alternative funds. Our firm continues to have a central role to play in this new environment and that's also why we regularly publish ***Thought leadership pieces*** to help clients leveraging ESG for their business.

In addition to maintaining our own ambitious sustainability agenda, we actively assist clients in the change with dedicated advisory and assurance services, and we adjust the core services we offer to address new standards. These changes not only impact our clients, but also PwC Luxembourg as a service provider and corporate citizen.

## 2. Significant market growth in “Alternatives”

Alternative funds, so-called private markets, i.e. private equity, real estate, private debt and infrastructure investments, continue to be a major growth area, including an indirect growth driver for asset management, asset servicing and corporate banking in Luxembourg. PwC Luxembourg has fully anticipated and embraced this trend by creating a combined and dedicated industry team on this market segment in 2019.

The main trends for 2023 will be the reversal of interest rates (induced by the change in the geopolitical and macropolitical landscape) as well as the impact of ESG on investment decisions, where investors are engaged and have outlined it as a major criterion for them (double materiality). These are material changes and will impact the investment model of the alternative asset

managers fundamentally. The realistic expectation is a slow down in the short to medium term. However, the long term future of the market segment remains robust and prosperous.

The needs and sophistication of the clients in this market segment are rising. In particular the focus on core services leads to the reconsideration of the value chain and outsourcing of tasks. PwC actively engages with its clients on this value chain transformation. We provide and continue to invest in a full range of technology enabled ***Managed Services*** solutions covering compliance, corporate secretary, accounting and reporting tasks.

## 3. A new era in digital transformation

The pandemic changed the use of digital solutions overnight. The shift to digital service practices highlights a new challenge of how to create value through digital experiences.

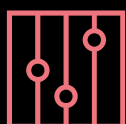
This transformation impacts PwC Luxembourg on two levels: the transformation of our existing services in the dimensions of service level and the service delivery model as well as assistance to our clients in the digital transformation journey.

The firm has been investing in a team of digital experts spanning the various sub-dimensions of technology skills (e.g. Cyber security, ERPs, Infrastructure and Cloud) as well as firm application management and implementation (e.g. Workday, Salesforce, Yardi, SAP). We assist our clients and provide digital solutions in the context of firm problems and needs that our multi-disciplinary teams assess and transform into tailored solutions.

All of the above dimensions, i.e. ESG and Digital, as well as our skilled business resources with a profound and deep industry knowledge of our client's businesses, do constitute our most fundamental key success factors in which PwC Luxembourg has invested and will continue to invest in the future.

## Our industries

We support our clients with services in five major industries: Alternatives, Asset and Wealth Management, Banking, Insurance and Industry & Public Sector.



Percentage of turnover  
**43.0%**

### Alternatives +23.2%

Our Alternatives industry segment experienced a strong growth (+23.2% in growth from the previous year), not only in Private Equity and Real Estate but also in the sub-industries of Private Debt and Infrastructure. As in the previous year, Alternatives was the largest revenue increase for the firm, where growth was seen across all Lines of Services, but the increase in Advisory was especially notable in relative terms (revenue more than doubled).

This industry's success is attributed to the win of new clients and the development of an X-LoS approach for existing clients; enabling and partnering in their business growth and establishing long-term relationships. Furthermore, growth in Alternatives is attributed to the roll-out of the *Managed Services* offering, and also a further focus on ESG and Valuation.

In the next 12 months and beyond, the Alternatives sector will face a series of challenges but also opportunities. Many factors, including unprecedented inflation and interest rate volatility, will cause Alternative asset managers to examine deeply their business models, sectoral focus and wider purpose. Technology transformation and talent acquisition will remain the key success factors to underpin market advantage, profitability and relevance. Our firm is investing to ensure the best possible support for our clients and their success.



Percentage of turnover  
**21.8%**

### Asset & Wealth Management +0.4%

Our Asset and Wealth Management (AWM) practice, including all our activities around traditional funds, showed a stable Turnover (+0.4% in growth from the previous year) in a highly competitive environment. We have defended the market-leading position of our Assurance practice and launched a series of innovative services focusing on ESG, Management Companies and Asset Management Digital Solutions.

A major trend is the broadening of our clients' business books beyond traditional listed securities investments towards real and alternative assets. This trend also explains the asymmetric growth patterns within our Alternatives and AWM industry segments.

Together with a series of leading asset managers, we have launched a strategic initiative to maintain Luxembourg's funds Centre as the global solution set of choice for global asset managers. Speaking with more than 30 clients, we have drafted the *Luxembourg User Experience in Asset Management* paper.

More than ever in this digital environment, we continue helping clients to find the right solutions tailored to their needs through digital solutions like technology enabled managed services and assurance services relative to ESG.



Percentage of turnover  
**11.4%**

### Banking & Capital Markets +4.6%

The Luxembourg banking market remains a resilient sector despite the effects of the pandemic and the current geopolitical situation. However, the months to come will certainly be interesting for banks especially with the rise of interest rates.

Once again, this year our Banking practice demonstrates strong financial results (+4.6% in growth from the previous year). Growth was mainly driven by our Advisory practice and relies on four main factors: (1) transformation and change management projects, (2) international and cross-border projects jointly with other PwC Network firms, (3) a continuation of the regulatory change and compliance agenda with focus on Anti-Money Laundering (AML) and Outsourcing, (4) rising interest in Digital/Technology transformation, which we predict will continue in the next 12 months, together with Risk related matters.

Our recent *Banking Trends & Figures* market analysis also highlights great opportunities for banks in the payments sector, especially when it comes to B2B and cross-border payments.

# 2022 in figures



543.3

**TURNOVER**  
(IN MILLION EUROS)

479.8

**NET REVENUE**  
(IN MILLION EUROS)

↑ **11.0%**  
**GROWTH**



Percentage of turnover  
**3.3%**

## Insurance

↓ **-0.6%**

Luxembourg's insurance ecosystem continues to be enhanced through investments by incumbents as well as the arrival and development of newer entrants.

PwC Luxembourg's insurance practice supports the broad base of industry actors from insurers themselves, brokers, agencies, and also banks, and asset managers with their insurance-related activities.

Our Assurance industry revenues decreased as expected due to the mandatory audit firm rotation in both 2021 and 2022. Most other areas of our business within Advisory and Tax consulting as well Actuarial & Risk modelling grew strongly. The underlying driver is the desire of insurers to further transform and modernise their businesses leading to an increased focus on key areas including technology, regulatory compliance and M&A. We expect this to remain over the coming 24 months as insurers seek to enhance their stakeholder experience and tackle inflationary pressures through technology and data-related investments. Retention and development of talents is high on the sector's agenda.



Percentage of turnover  
**20.6%**

## Industry & Public Sector

↑ **+5.3%**

Percentage of turnover  
**14.2%**

### Industry & Services

↑ **+6.0%**

Percentage of turnover  
**6.3%**

### Public Sector

↑ **+3.5%**

With a 5.3% yearly growth, the Industry & Public Sector practice achieved the second-highest performance of our firm in terms of growth rate. This achievement has contributed to the development of our client base in Assurance, where the market continues to recognise the outstanding quality of our audits and the prolonged momentum in Consulting services for the Public Sector.

In that area, the demand is fueled by a heavy EU and governmental agenda, in areas such as Public Services Modernisation (Including Digital Transformation), Borders and Customs and Healthcare, as well as Policy Advice, particularly in Sustainability and Climate Finance, Energy and Trade.

The Corporate business transformation agenda (ERP, Cloud, Data, Artificial Intelligence, Cyber) forms the other growth pillar of our Consulting practice. Additionally, our tax practice continues to be recognised as the leading provider of consulting and compliance services, helping our local and international clients navigate the ever-growing complexity of the EU/worldwide tax regulations.

## Our Lines of Services

In our matrix organisation, from a delivery perspective, our professional services are grouped in 3 Lines of Services: Assurance, Tax and Advisory.

They are supported by our specialised central teams in certain critical support areas, like Infrastructure, IT, Compliance, Marketing & Communications, Client Relationships & Sales, Market Research and Knowledge Management, to name a few.



### Advisory

Percentage of turnover

21.5%

▲ +13.9%

Our Advisory practice had a very successful year, reporting a 13.9% growth to EUR 116.5M, and was an important contributor to the overall growth of PwC Luxembourg. This performance reflects the attractiveness of our services and their relevance to clients' needs in uncertain times as well as a constantly evolving and attracting talent strategy.

The regulatory agenda, the important market growth in Alternatives, as well as the level of activities in deals on the market, have been key drivers of growth this year in addition to the heavy transformation, people and the modernisation agenda.

Our services offering has regrouped around our client's current key challenges, and focus mainly on Operational Excellence, Risk and Regulation, Sustainability, Alternatives, Workforce of the Future, Digital Transformation and Business Strategy.

In the coming year, we plan to continue broadening our Advisory business, recruiting further new competencies, proposing innovative services and reinforcing our Managed Services offering in Luxembourg and abroad, with the continuous purpose to build trust in society and solve important problems.



### Assurance

Percentage of turnover

50.1%

▲ +10.6%

Percentage of turnover

34.5%

#### Statutory audit

FY22 has been another very strong year for our Assurance practice with a growth of 10.6% to EUR 272.4M. As with the rest of the firm, the lion's share of this growth is attributable to the Alternatives industry. It should, however, be noted that all other industries, except for Insurance (as expected due to mandatory audit firms rotation in both 2021 and 2022), have also experienced a robust level of growth.

This long-term growth is first due to our relentless and key focus on quality, which ensures the trust of our clients and stakeholders and the value of the assurance reports that we provide. Our clients also appreciate that our teams continuously listen to them and help them navigate through ever more complex audits in very volatile and uncertain environments.

We also see a real increase in impact on our clients from our commitment to innovation, especially incorporating digital solutions into our Assurance work.

In that context, we have continued to focus on our transformation journey by further enhancing our current digital solutions and building new ones. A specific significant investment was made in the current year to develop our SFDR Assurance Digital Solution that will underpin our ESG assurance engagements for SFDR Level 2 Disclosures. Our client-focused ESG assurance service relies on the latest technology and a robust methodology implemented by professionals with deep expertise in ESG and sustainable finance.

Building on the same innovative approach, our Assurance practice aims to further develop other assurance services, such as non-financial reporting, internal audit, processes and controls, and data & data analytics.

Percentage of turnover

15.6%

#### Other Assurance services



# 2022 in figures



543.3

**TURNOVER**  
(IN MILLION EUROS)

479.8

**NET REVENUE**  
(IN MILLION EUROS)

↗ **11.0%**  
**GROWTH**



Percentage of turnover

28.4%

↗ **+9.0%**

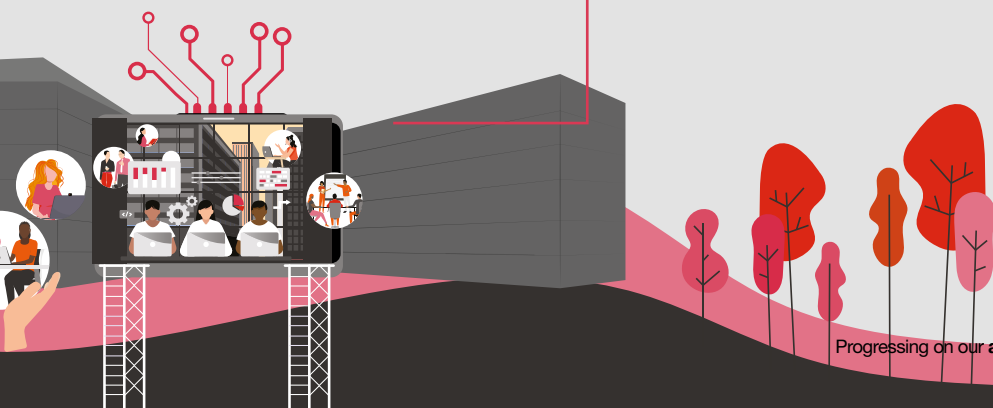
## Tax

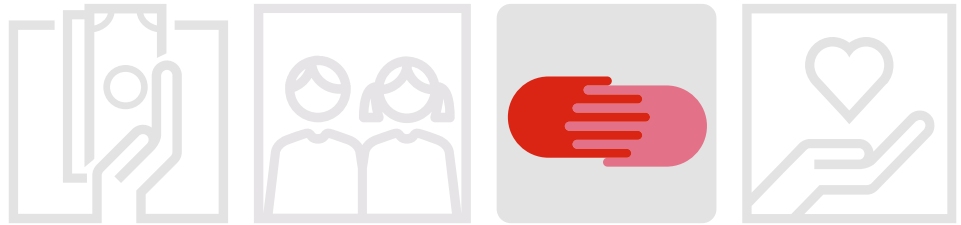
In FY22, Turnover from our Tax Services grew by more than 9% to EUR 154.4M. The solid growth is equally spread over all of our Tax Services. The Tax Services practice continues to be recognised as the leading provider of consulting, compliance and managed services in Luxembourg, in terms of size, Turnover and services scope.

The Luxembourg market is resilient despite the adverse effects of the pandemic and the geopolitical situation. The steady growth of the Luxembourg financial services industry led us to expand and diversify our Tax Services offering in order to best serve our clients in support of their businesses.

The demand for our *Managed Services* is growing rapidly due to the ever-more complex tax rules and reporting landscape. We help our local and international clients successfully navigate and comply with the complexity of rules across disciplines. Our clients are confronted with significant resource constraints, continuing the accelerating outsourcing trend, notably in the field of accounting, tax compliance and other reporting.

We continue to actively recruit talents to reinforce our teams, and we are enhancing our service delivery models. Our goal is to ensure the best service experience for our clients, to keep up with the increasing demand for our services, and to meet our client's highest service quality expectations. We pursue our services scope innovation, our technological transformation and the launch of digital platforms.





## 1.2. Philanthropic contribution

Locally, we support the community by providing active contributions to the public sector. **In FY22, more than 900 employee volunteer hours were spent on local initiatives and organisations.** Nearly 27% of our workforce, meaning more than 800 of our People, were involved in these initiatives and activities. **In addition, EUR 143,000 were directly donated to charities.**

We invested our time and funded donations in these programmes:

- The **Luxembourg Model United Nations** is an ongoing programme where we support local youth in solving problems and issues in the current world.
- **Kids Life Skills Asbl** collaborated with us to host a weekend event where children visited our office, and our employees mentored them on important career skills.
- **Amazing kids Asbl** requested us to support their communication by providing posters used by all school participants in the contest.

Furthermore, with the events in Ukraine, we have immediately put actions in place to support the families of our People, PwC Ukraine employees, and People in and from Ukraine by making financial and material donations and by supporting our People who hosted family members or refugees.

New methods are being developed to support the greater Luxembourg community through charity work and donations, like providing our People with dedicated paid leave for volunteer activities during work hours. We will promote specific Luxembourg programmes that embody our values and establish a philanthropic endowment dedicated to it, where we can continue to be impactful in both donations and voluntary time in the local community.

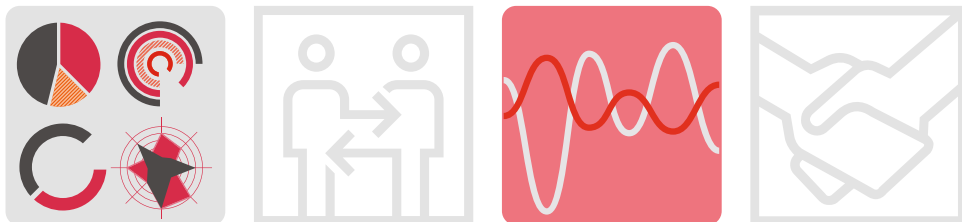
## 1.3. Long term value for our clients: Net Promoter Score

Innovation comes from listening to our clients and implementing their feedback into our service offerings. Client feedback and satisfaction is a key part of our on-going monitoring and takes many shapes in our organisation. Every year, we conduct a Client Experience Survey aiming to assess the relationships that we have with our clients. To monitor evolution and trend, we use the Net Promoter Score.

Our objective is to reach a sample of respondents accurately representing our client portfolio. This way, we can analyse results and further tailor our approach.

The FY22 survey resulted in very positive feedback: 54.2% of our clients are highly satisfied with our services and act as **promoters** (NPS 9-10) towards other stakeholders and prospects. In total, we surveyed almost 700 clients and targeted contacts.





The main reasons as to why our promoters would recommend PwC Luxembourg include:

1. **We establish long-term relationships:** clients appreciate that we develop long-standing and trusted relationships and they recognise that we learn from previous feedback.
2. **We tailor our deliverables to our clients' needs** and apply insights and common sense when searching for the right answer.
3. **PwC is available** when necessary, by being proactive and taking ownership of issues and opportunities.
4. **Our clients appreciate that we listen and care:** we communicate well and display empathy when working with them.

To reinforce these feedbacks, 66% of our clients consider that **we create a distinctive experience when working with us**, rating us 8 and above to that specific question. It deeply reflects and confirms their high opinion on the relationships established with PwC.

## 2. Financial investment contributions

Our financial investments focus on quality, bringing trust to society and delivering sustainable outcomes for our stakeholders.

Ongoing investments continued this year for PwC Luxembourg with investments in Technology, in People, including upskilling and in ESG to reach Net Zero targets. In FY22, we invested EUR 2.7M in ESG-related internal or service related projects, EUR 18.9M in technology/digitalisation and EUR 1.5M in upskilling projects (mainly with our Digital and Business Acumen programmes).

ESG impact is an especially important part of our investments, with a strong focus on ESG Trust and Assurance/Reporting. We will continue to invest heavily in sustainability to enable our ambitions, whilst supporting our clients in reaching their long-term sustainability goals. The investments contribute directly to our ability to innovate client services in support of their ESG journey.

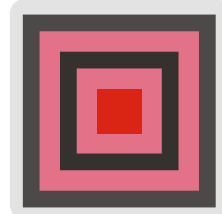
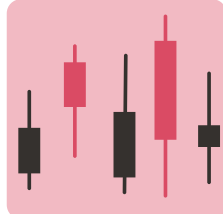
## 3. Build a meaningful journey for all our People

A sustainable workforce enables a prosperous future, which is why our People remain a core focus in prosperity efforts.

Luxembourg continues to be a versatile labour market, and attracting talent to the area can be challenging. To remain an appealing place to work, holistic sustainable hiring practices and a retention approach are needed to support both employees and the firm.

The health and job security of our People have been a priority during the pandemic. We made a substantial investment in our People during the last year whilst planning for a post-pandemic world. Recruitment activity has been reinforced with a strong linkage in attracting a diverse range of people through diversity specific recruitment targets for gender equality.

At PwC Luxembourg, our People's expectations have shifted. They increasingly vocalise the importance of maintaining firm Purpose and Values. Workplace factors like flexibility, work-life balance and development are becoming 'must-haves'. To thrive, we must adapt to these changes faster, as the current priority continues to be attracting and retaining talent.



### 3.1. Employee turnover

Employee turnover is an important element that we monitor. A defined level of turnover is expected, and even healthy, but specific actions are triggered when the rate exceeds our defined limits.

When an employee is replaced, the firm loses his or her knowledge and skills, whilst having to train and upskill new recruits. The voluntary turnover in FY21 was 14,5% and increased in FY22 to 18% (22,9% of total turnover). This is largely due to the impact of the so-called "Great Resignation", which is affecting companies around the globe. According to the WEF, 20% of employees were planning to leave their jobs in 2022 (a figure that PwC is still below).

The specific actions taken are focused on job attractiveness and retention as well as the previously mentioned ambition to build a meaningful journey for all our people with a target of reducing the turnover to 15%.

We have focused our efforts on flexibility solutions, upskilling and career opportunities to ensure that PwC Luxembourg remains an appealing work environment. We also achieved our hiring targets by hiring more than 1,100 new people at the beginning of 2022, outpacing recruitments in the previous year.

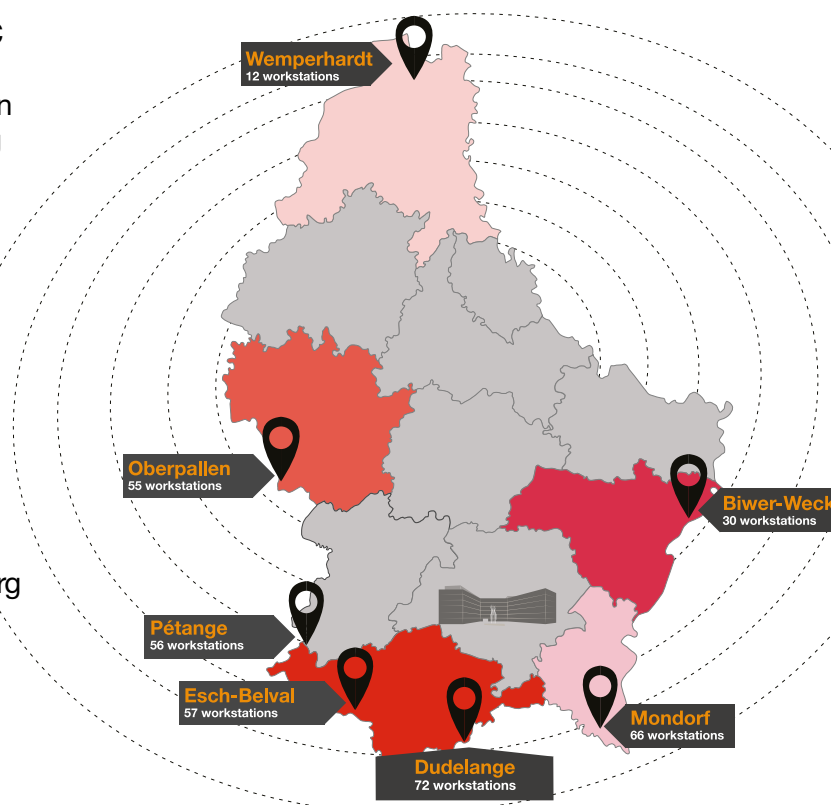
### 3.2. Workplace flexibility

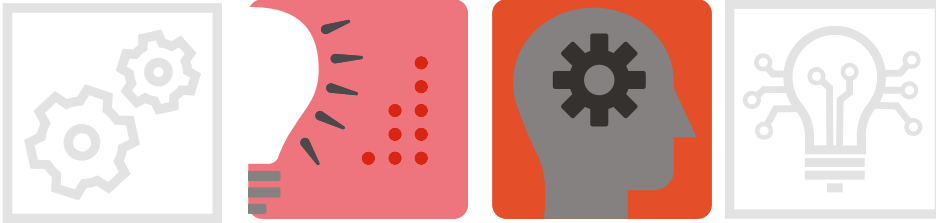
A healthy work environment that includes location and schedule flexibility contributes to the long-term prosperity of our firm. Last year also marked a new transition where our People began the journey back into the physical office. The remote work policy was reviewed and adapted to meet new workforce needs, providing maximum flexibility to our People. We plan to continue nurturing a more well-balanced, mentally healthy workforce, while also making PwC Luxembourg a more attractive place to work.

To support this strategy, **PwC Luxembourg has opened a total of seven satellite offices** allowing attendance in these offices up to 80 days per year. These coworking spaces are close to the Belgian, French and German borders. In each office, a fully-equipped work environment, as well as parking facilities, are included to maintain high working standards. For our People, our satellite offices offer flexible work options that are closer to their homes.

Resident employees are only required to come to the office once a week, allowing for more flexible and work-from-home options. Providing flexible work schedules not only contributes to employee retention, but also reduces our carbon impact from our People commuting to work, and fosters employee well-being.

At PwC Luxembourg, we are proud to be the first firm in the area to develop these solutions for our People, allowing them to have a modern and flexible workplace.





## 4. Future-proofed by innovation

Innovation and intrapreneurship ignite ideas and enable the creation of new products and services. Our innovation inspires value creation and business opportunities for our clients, generating new revenue streams. To support our focus on prosperity, our **PwC Exponential** team is dedicated to developing new solutions for our clients (incubation) and building an extensive innovation community.

**PwC Exponential** is a citizen-led approach set-up to capture innovative ideas at PwC Luxembourg and translating them into solutions having a significant market potential. Through a sounding board and our

- Providing a structured approach to capturing innovative ideas
- Sharing potential market opportunities/feedback from client discussions
- Advocating for new innovation initiatives and culture
- Engaging a growing innovation community

Some of the more notable initiatives from last year are the **Dragons' Den** and **Breakfast with Startups**.

Inspired by the popular TV shows, **Dragons' Den** is an initiative programme in its second year, giving selected participants the chance to pitch their startup idea to a panel of firm investors. In the first round, participants are invited to upload solutions to our ideation platform. Five ideas are shortlisted, and the selected teams are coached to develop business plans and financials, learning how to pitch in the process. The best projects are selected for implementation at the firm, reinforcing the intrapreneurial spirit within PwC.

We frequently work with startups and third-party partners to solve our client and internal project demands. Last year, we hosted **Breakfast with Startups**, an event which brought together selected startups and firm stakeholders for networking, interacting and brainstorming new ideas. This session exposed our People to the workings of a startup, and in turn, the participating companies learned our approach to tackling client problems.

Ideas that are being sourced from these various initiatives are then incubated by the PwC Exponential team. This includes applying the right skills & knowledge to realise an idea into a tangible solution ready to be launched on the market. In the past year alone, the team has managed to bring new solutions ranging from ESG & gender equality to regulatory & accounting services onto the market. These client-centric solutions are a product of various innovators and intrapreneurs at the firm being given the opportunity to create something new through PwC Exponential.

### Key figures

3

New products  
launched

600

Innovation  
community size

6

Ideation &  
partnerships  
promoting  
events

9

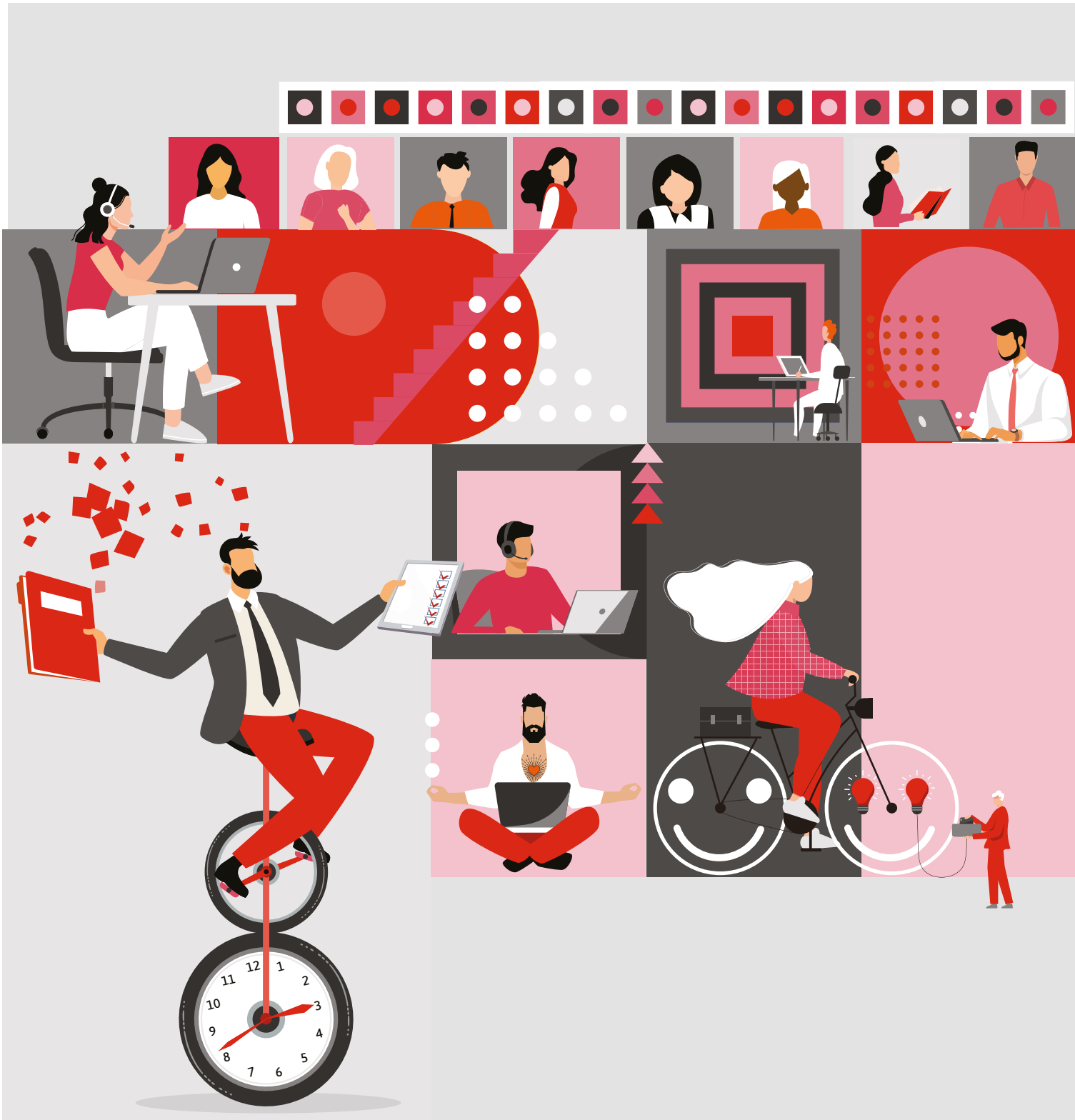
Startup  
connections for  
potential new  
solutions

3

Collaborations in  
the pipeline

50+

Ideas submitted  
on idea  
management  
platform





# People

## Ambition

### Listening to our People

Allow our People to have a say in the sustainable growth of the firm.

### Upskilling our People

Includes training on sustainability core behaviours: values, DNI, ESG, health/mental health and other.

### Inclusion and Diversity (I&D)

5% annual increase of gender diversity for each management level to achieve a 40-60 gender balance.

### Pay equality

Pay equality, including Partners in the gender pay gap.

### Health and well-being

Boosting mental health & work engagement while preventing & minimising burnout.

**Our People are a key success factor in building a prosperous future at PwC Luxembourg.**

With 3,100 employees from 85 countries<sup>1</sup>, we are the largest professional services firm in the country. A strong workforce that is thriving and healthy is important for our growth. By contributing our energy and resources to enable a more diverse and thriving workforce, we provide our clients with the best service outcomes and continue to create long-term value.

As we adapt to a new normal, the pandemic continues to impact the health of our People. Furthermore, maintaining pay equality while strengthening our diversity and inclusion efforts continues to take centre stage. We have set new ambitions specifically focused on monitoring our bias, closing the gender pay gap, supporting the LGBT+ community and providing training for our People to enable prosperous outcomes. The firm's ambition is to create a diverse and inclusive environment that encourages career advancement and engagement for all our People.

1. Data for the number of employees and current country affiliation was last updated in June and August 2022.



Plant seeds for tomorrow  
by participating in the **Global People Survey**



## 1. Listening to our People

Our 13 Ambitions cannot be achieved without our Peoples' support and commitment. The annual **Global People Survey (GPS)** is the cornerstone of our **PwC Continuous Listening Programme**, providing the firm with important insights and perceptions from our People. This year's motto was 'Your voice. Our action' and encouraged our People to give feedback on the issues most important to them. The intention of the campaign was to allow all of our People to have a say in the sustainable growth of the firm. **The survey yielded a stunning 83% participation rate, up 2% from 2021.**

We continue to make significant improvements in the Behaviour Change (+19%), Inclusion and Diversity (+12%), Leadership Effectiveness (+8%), and Reward and Recognition (+12%) categories. We still see some areas where we need to make more effort, for example in our Learning & Development offer (satisfaction rate: 59% in 2022 vs. 71% in 2019).

To work on this dimension, and in addition to the efforts made on the upskilling of our people we created a soft skills training catalogue aiming to help them achieve their professional goals and career aspirations.

## 2. Upskilling our People

Future-proofing our firm for the uncertainties of tomorrow begins with preparing our People for the transition. Upskilling through active learning and development programmes was a major focus in FY22. We have invested heavily in training our workforce, focusing on **ESG-specific skills as well as digital transformation skills** that are fundamental to preparing ourselves and our clients for the future business transition.

We have complemented these **technical skills with client management and business acumen dimensions.**

The upskilling Your Tomorrow programme continued for its third year, providing skill training. The year 2022 was dedicated to business skill development and offering specific programmes like "Active Business". We reimagined our leadership model this year, where leadership skill development was emphasised at all levels of the organisation. **65% of employees in our firm believe these engagements or projects align with their career interests and goals (up 8% from the previous year). This percentage from the 2022 GPS also increased by 8 points from 2021.**

**Soft leadership skills** like relationship building, networking and employee empowerment were emphasised in the programme. It was directed towards leaders of all genders and backgrounds, aiding in the effort to diversify not only our workforce but also leadership at every level.

We want our leaders to be effective, diverse and inclusive. In the programme, they are provided with the skills needed to perform successfully and advance in leadership roles, dedicating as much as four to eight hours to the programme. To ensure a prosperous future, sourcing new and younger leaders and evolving them in the leadership pipeline is important to our growth.





### 3. Inclusion & Diversity (I&D)

For another year, Inclusion & Diversity (I&D) was driven by the following: to encourage the right behaviours to nurture an inclusive culture and inspire our People to be their truest selves.

During FY22, we translated this into a series of actions that form part of our strategic plan. We are happy to spotlight the ones which really matter to our People according to the GPS survey, namely:

- Focusing through a gender lens across our talent cycle
- Nurturing awareness among our People about the inclusive mindset across all the dimensions of diversity
- Supporting the LGBT+ community and promoting an allies' *esprit de corps*.

The GPS report provides us with an I&D index that stands at **72%**, a great improvement compared to last year's 60%. This means that 72% of our People believe we have an inclusive and diverse work environment and culture.

The index is determined by four items that capture the various dimensions of diversity and show the progression and the areas that we still need to work on in terms of I&D. One of the highlights of this survey is that **74% of our People are satisfied with actions that the leadership team has taken to build a diverse and inclusive work environment** (+5% compared to the previous figures).

Even if the overall results are positive, we still have to take actions to reduce the gender diversity gap by management level in order to reach a 40-60 balance - this is one of our 13 Ambitions.

#### Monitoring our talent pipeline across genders

In FY22, we continued to apply a data-driven approach and implemented a promotion dashboard, deployed during our promotion decision process.

Looking through the dashboard this year, **we see that we have an overall ratio of 55 % men and 45 % women at the firm**. Furthermore, 21% of the women and 26% of the men, out of the employees that were eligible for the evaluation cycle, were promoted to the next grade. This translates to a total of 564 individuals promoted throughout the firm. Even though the ratio in promotions varies by small percentages (between 3% and 9%, to the detriment of women), we still see that for certain positions, like senior manager (10% of women against 22% of men), the gap continues to exist. We could say that while the tool is doing its job by minimising the gaps in promotions, we note that the biases take refuge in the highest positions and demand more continuous action to eliminate them.

#### Measuring our Gender pay gap

Health checking our remuneration in terms of gender equity is a commitment we began several years ago. Every two years we perform a granular gender pay gap analysis using Logib, the Minister of Equality between Men and Women's standard analysis tool, enabling employers to conduct their own equal-pay analysis. Our evaluation provided us with the following results:

YEAR	GENDER SPECIFIC PAY GAP (%)*
2022	-1.0%
2020	-0.3%

This year, the analysis indicates that the gender pay gap, i.e. differences in salaries, has increased from -0.3% to -1%. It is not a massive trend but we are focusing on actions to contain and reverse this evolution.

To put these results in perspective, the 2021 edition Eurostat report shows that in 2020, women's gross hourly earnings were on average -13% below those of men in the EU. The smallest gender pay gap was measured in Luxembourg (-0.7%).



## Increasing awareness

We continue to enthusiastically support our internal and greater community with various events throughout the year.

- **International Men's Day:** we celebrated International Men's Day for the third time with a virtual panel. The topic of this year was 'Better relations between men and women' and the conference was streamed to 200 people. The idea behind this celebration is to improve gender relations and promote gender equality, so this day is truly about supporting both genders.
- **International Women's Day:** this year's edition welcomed many events within our doors. First we recognised the efforts of our support group 'Women and Men Committee at PwC' through an informative session where they presented their achievements and their programme for progressing in terms of equality in our firm.
- **Diversity Day:** this particular event aims at celebrating the diversity of our firm's people and invites us to experience another great angle of our diversity: nationalities and ethnic origins through culinary art. An incredible cake contest displayed the skills of 16 pastry chefs who offered delicious treats to more than 200 testers who happily left their desks to enjoy a delicious moment on 12 May 2022. They elected three happy winners who took some prizes home.
- **Pride EMEA Month 2022:** was celebrated for the third consecutive year, and the whole month of June was dedicated to raising awareness of the LGBT+ community's challenges and how we can make a more inclusive workplace. The speeches and sessions were grouped into everyday actions that can have positive impacts: how we think, how we speak and how we act. As a national action, PwC Luxembourg was a sponsor for the first time of the Luxembourg Pride Parade 2022 on the 9 July and participated in the pride march with a group of employees.

## Nurturing a culture of inclusion

Another action in terms of awareness, we launched two new states of the art I&D training:

- **Inclusive Mindset Badge:** A PwC global network initiative that our firm helped create and develop. We want our People to acquire new competencies and soft skills that can help lead to a more inclusive workplace. This certification programme covers topics such as biases, microaggressions, allyship and more.
- **Shining through our diversity:** A LGBT+ dedicated training where our People can discover the world of LGBTQAI (lesbian, gay, bisexual, transgender, queer, questioning, intersex, asexual and agender), learn the meaning of each of these letters and open the door to the world of inclusiveness. This training explains why it is important to talk about this topic at the workplace, why we need allies and how to become one.

We are thankful to our People for embracing their role in I&D and recognising that it matters for all of us.





## 4. Health and well-being

A prosperous future is rooted in supporting the mental health of our People and creating healthy work engagements that prevent and minimise health impairments, such as burnout. Burnout from heavy workloads and external events like the pandemic continue to affect around 1% of the workforce.

However, it is not the only challenge we have. The pandemic multiplied digital and home-based interactions, which have led to difficulties in keeping community bonds and maintaining a sense of belonging. Our ambition is also to take new actions to monitor items like the well-being, level of stress and absenteeism of our People with an eye on making our workforce a mentally healthy one. This year, we will launch an updated health and well-being strategy along with an accountability framework focusing on concrete preventing and correcting actions.

The **Well-being and Flexibility Index** derived from the GPS sheds insight into the topic of our People's well-being. **This year we have seen a significant increase (more than 5%) in our Well-being and Flexibility index, meaning our flexibility measures and programmes provided to our People are unique in the market.**

Every year, we work with the Luxembourgish Association Pour la Santé au Travail du Secteur Financier (ASTF) to identify the number of burnout cases. In the past year, we registered 11 cases between January and the end of June 2022, compared with 18 cases throughout 2021. We can indeed forecast a slight increase in burnout by the end of the year. In the last year, we saw sick leave rise, almost back to the 2019 level.

Although we entered a new normal of our People returning back to the office, the pandemic continues to impact both physical and mental health. This is why flexible work and wellness programmes directed towards pandemic adaptation are essential to a prosperous future.

### Be Well, Work Well

The PwC Global Be Well, Work Well programme continues to be implemented in Luxembourg to create a vision and actions for our People's well-being. It is a locally tailored pragmatic and solution-driven programme offering a range of concrete tools, actions and objectives to ensure that well-being is implemented in our work culture.

Under this programme, one of the pilot actions supports the ambition to make well-being a centerpiece of our sustainability efforts and work. It aims to ensure a supportive working environment through regular workforce coaching sessions with external senior coaches, helping our People overcome specific challenges. The pilot was open to Managing Directors, Directors, Senior Managers and Managers and has supported 80 individuals in coaching sessions totaling between 3 and 13 hours in 2022. Employee development and growth are also supported through ongoing training and skilling programmes. All of these ambitions and programmes are essential in meeting our 13 Ambitions and supporting a thriving workforce.





# Planet

## Ambition

### Net Zero

Following the global commitment:

**FY25:** Transition to 100% renewable electricity. Ensure 50% of our purchased goods and services suppliers have reduced their own climate impact.

**FY30:** Reduce absolute CO<sub>2</sub> emissions by 50% including business travel. Transitioning our carbon offset portfolio to 100% carbon removals.

Climate change is undeniably the biggest business and social challenge of the current century. The last year has made the effects of the changing climate even more apparent with extreme drought, forest fires and flooding, impacting communities around the Planet.

The business community has a pivotal role to play in making positive change. The PwC global network's ambitious *Net Zero 2030 Commitment* requires us to transform our firm's business model by decarbonising our operations and value chain while also engaging with clients and suppliers to meet these ambitions.

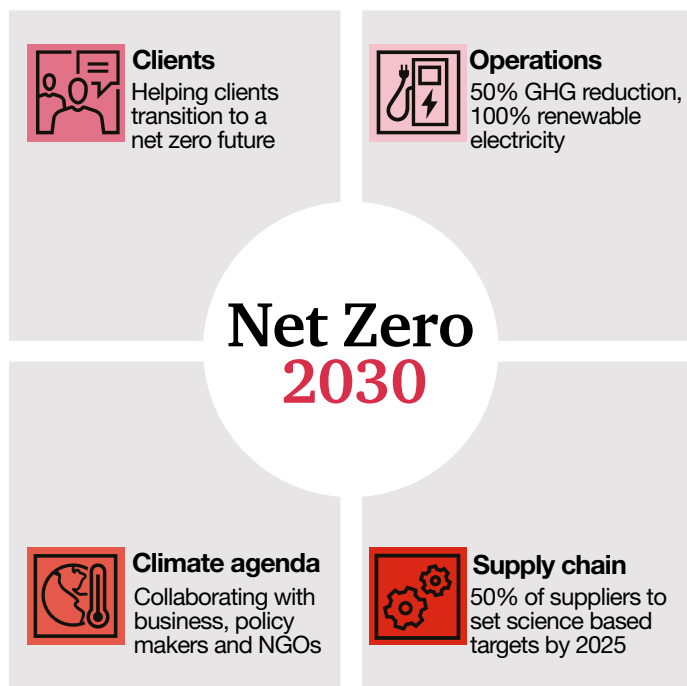


## 1. PwC's Net Zero commitment

The PwC global network aims to reduce gross emissions by 2030 in symmetry with the 1.5-degree climate agreement, starting with a 50% reduction in all Scope 1 and 2 emissions and a 50% reduction in travel-related Scope 3 emissions—targets that were approved in 2021 by the Science Based Targets initiative (SBTi). In addition, we will transition to 100% renewable electricity.

We are also engaging our entire value chain in this effort, including a commitment to ensuring that 50% of our purchased goods and services (by emissions) come from suppliers that have set their own science-based targets by 2025. All remaining emissions will be fully offset by 2030, where we already took some measures from 2022 onwards.

Figure 1: The journey to Net Zero by 2030

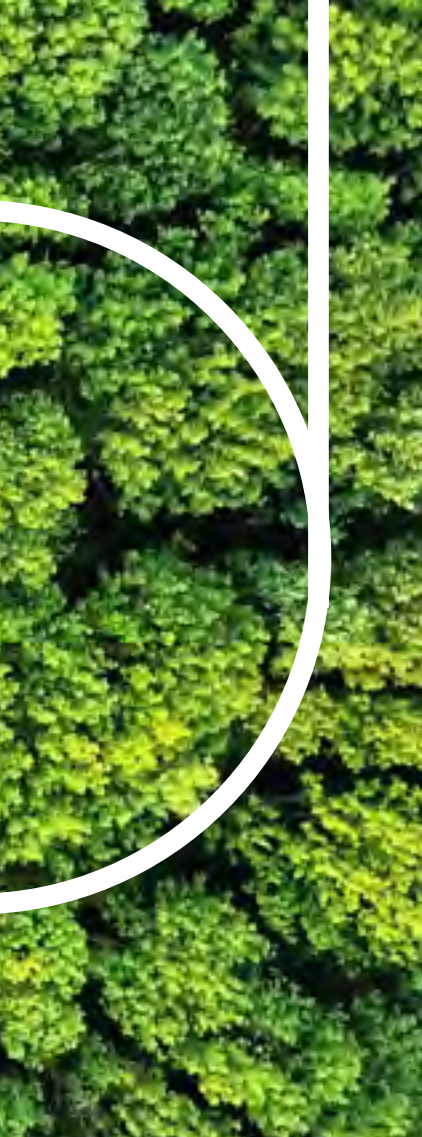


## 2. Climate risk disclosures

Since 2018, in response to our client's requests, the PwC global network has disclosed its climate performance and approach to managing climate-related risks to the Carbon Disclosure Project (CDP) on an annual basis. PwC has also supported the Task Force on Climate-related Financial Disclosures (TCFD) since it launched its recommendations in 2017 and have been members of the Task force since 2016. The framework helps business leaders to spot, assess and deal with the risks and opportunities from climate change. The positive outcomes this will deliver will accelerate the overall transition to the net zero future we all need to achieve.

Since 2021, PwC Luxembourg has incorporated TCFD implementation into the 13 Ambitions alongside our aggregate network Greenhouse Gas (GHG) emissions in the Global Annual Review to align with the 21 core WEF-IBC metrics. We are at the stage now to start developing a TCFD action plan by 2023.





### 3. Net Zero Ambitions and Governance

To meet these very ambitious targets we have finalised a 3-year **Net Zero Implementation Plan for PwC Luxembourg** under the guidance of the PwC global network's Net Zero team and PwC Luxembourg Sustainability Board, a dedicated "Planet Leader" and a Net Zero Steering Committee.

The implementation plan **targets Scope 1 and 2 emission reduction of 57% by 2025 and 73% by 2030, and we set a 50% target for Scope 3** (which remains our biggest challenge) against the 2019 baseline.

The pandemic resulted in a significant reduction in business travel and office usage and associated emissions. As mentioned, business travel has increased again in the last year as restrictions have eased, and commuting by car has also grown. It is a transitional period, as we seek to reconnect with each other and our clients while moving towards a new lower emissions business operating model, and we remain committed and on track to meeting our Net Zero 2030 ambitions.

### 4. Our GHG Emissions

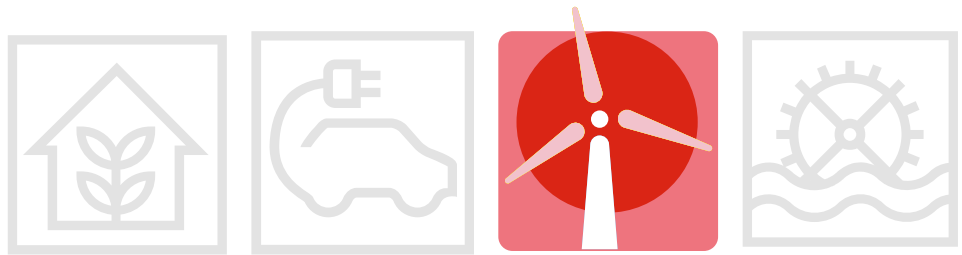
Table 1 below discloses the total amount of emissions in tonnes of CO<sub>2</sub>-eq for Scopes 1 and 2 and business travel emissions under Scope 3 for the past four financial years, starting from the 2019 baseline.

This year, we have revisited our baseline emissions calculation to be in line with PwC global network's methodology, and we will provide further details on the data and methodology used (incl. modification of our 2019 baseline) and also on what actions have been taken to reduce our emissions to reach our targets.

Table 1: Annual PwC Luxembourg GHG Emissions (tonnes of CO<sub>2</sub>-eq)

Summary emissions estimates	Actual Data (tCO <sub>2</sub> -eq)			
	2019	2020	2021	2022
Scope 1 Total	312	195	181	304
Scope 2 Total	402	412	655	460
Scope 3 Total	5529	2671	307	1640
<b>TOTAL</b>	<b>6242</b>	<b>3278</b>	<b>1143</b>	<b>2404</b>





Below we discuss the data and methodology in greater detail provided in Scope 1, 2 and travel-related Scope 3 emissions:

### 4.1. Scope 1 emissions

The Scope 1 emissions comprise of our direct emissions emitted through owned or controlled assets, including the fuel oil consumption necessary to operate our generators and the amount of petrol and diesel used for our firm's vehicles (Car sharing, owned tractors to remove snow, etc). This year, for the first time, we have also included the fuel oil consumption of our long-term leased cars (for business trips, excluding private journeys), which has significantly impacted our 2019 baseline emissions.

#### *What's next?*

Reducing Scope 1 emissions from the **company car fleet** remains a priority. As of January 2023, we're committing to rent only hybrid or electric cars. This is consistent with our 2030 ambition to have 100% electric cars.

### 4.2. Scope 2 emissions

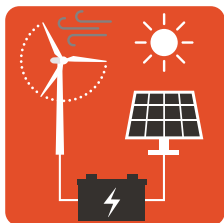
The Scope 2 emissions encompasses our indirect emissions associated with the energy (mainly power and heating) that we buy. Our 2019 baseline has remained unchanged since last year's report.

Our main office building since 2014, **Crystal Park**, is an energy-efficient building, achieving an excellent rating from the Building Research Establishment Environmental Assessment Method (BREEAM). We purchase 100% renewable electricity generated in Norway from wind and hydroelectricity from the Luxembourg Energy Office. This energy is included in the purchased renewable electricity in evaluating the emissions. At the end of 2023, Crystal Park will also host 50 charging stations for our electric cars. As of today, **PwC Luxembourg with its 7 PwC Satellite Offices close to the Belgian, French and German borders, aims to reduce commuting distances and related CO<sub>2</sub> emissions.**

#### *What's next?*

In April 2022, we announced our commitment to move to a new building in 2027, which will be a Taxonomy Compliant and Carbon Neutral building (in construction and operations) and that uses 100% renewable electricity – WELL and BREEAM environmentally certified. The new building will further reduce electric consumption by about 30 %, thanks to photovoltaic panels, as well as our primary energy needs when it comes to heating (reduction of 70%).





### 4.3. Scope 3 emissions

Our Scope 3 emission reduction and offsetting commitment is currently limited to business travel. For air travel, the categorisation of flights was reviewed in 2022, and the emission coefficients have been adapted according to the class type. Flight categorisation has been improved in the last year, and the emission coefficients have been adapted according to the type of class. We have also widened Scope 3 by including more relevant data for land-based travel and accommodation. Together, these methodological changes resulted in a significant increase in our 2019 baseline estimate for Scope 3.

#### Improving the travel policy

While travel-related emissions are likely to increase again in FY23 as we reconnect with our clients and our network after the pandemic, we are already taking the first steps to deliver our commitment to reduce travel-related emissions by 50% by 2030 (compared to FY19 baseline). The **travel policy** will be adapted to challenge our People to choose travel solutions that offer the best compromise in terms of environmental and time costs.

#### What's next?

#### Development of Travel Dashboard

An analysis of air travel data is being conducted this year to better understand what causes emissions increases, to develop targeted actions and to impose the newly adopted travel policy. The data will be displayed through a **Travel Dashboard** allowing real-time monitoring and transparent reporting that will enable our People to make better and more responsible decisions during business travel.

## 5. Carbon offsetting

Even as we significantly reduce our gross emissions in line with science-based targets, reaching Net Zero by 2030 is not achievable without offsetting the remaining emissions.

Since 2022, PwC Luxembourg has purchased carbon credits through a centralised carbon credit procurement service provided by the Global Corporate Sustainability team (partnering with Natural Capital Partner to offset 2,370 tonnes CO<sub>2</sub>e for FY22 and with EcoAct to offset 4,173 tonnes CO<sub>2</sub>e for FY23). It enables a more streamlined and coordinated approach across the PwC global network and supports managing risk and reducing costs. Engaging with the global portfolio provides broader communication of our collective impact. As from 2024 onwards, we have committed to offset 100% of emissions through our participation in the Lowering Emissions through Accelerating Forest finance (LEAF) Coalition.

Our future ambitions include collaborating with others to finance carbon-offsetting projects in our local region, and to transition our carbon offset portfolio to 100% carbon removals by 2030.







# Governance

## Ambition

### **Quality of governing bodies**

Leverage our governing bodies to properly integrate our Sustainability Framework.

### **Stakeholder engagement**

Communicate and seek internal and external people engagement on the 13 ambitions. Embed sustainability into the objectives of our leadership.

### **Ethical behaviour**

Foster an environment that allows ethical behaviours to reach highest standards.

### **Systemic transparency**

Monitor our Sustainability journey by defining and reporting on KPIs from all pillars.

Trust is built through authentic, transparent and credible actions that are aligned with our corporate purpose. Governance is the foundation of how we build that trust and continued long-term value with our stakeholders.

We believe accountability, responsibility and stewardship principles are important governing values. They ensure that we execute our ambitions for the business, our clients, stakeholders, the planet and society. In today's environment, we must remain transparent about our strategy and report on it — both formally in the Annual Review, and also to our People and clients.

We achieve this through good governance. It enables us to set, monitor and integrate our firm's economic, social and environmental ambitions into action, and to navigate future risks and opportunities with resilient behaviour.

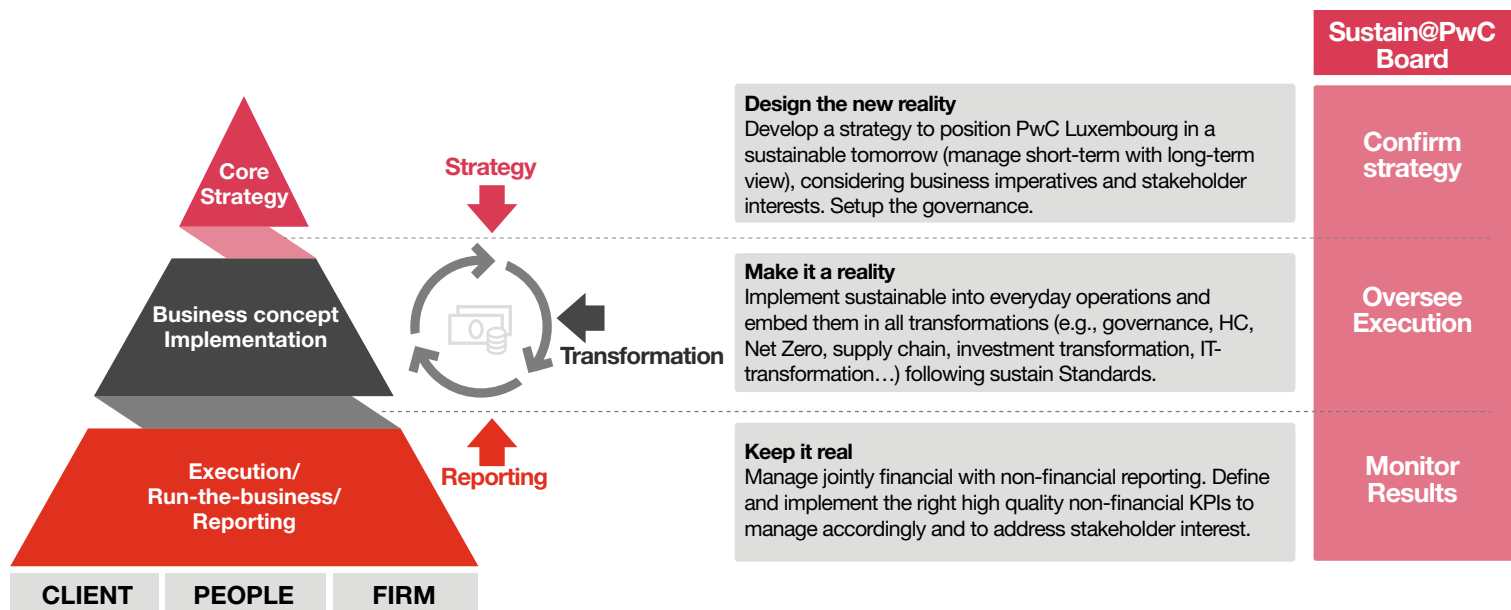


## 1. Ensuring our success: SUSTAIN@PwC

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

Our committee, **SUSTAIN@PwC**, was established in April 2021 as the steering committee to execute on our sustainability strategy and ambitions. We're now one year later. Under the leadership of our CEO, John Parkhouse, and supporting Vice Chair, Christophe Pittie, the committee includes four leaders, each running one of the four pillars: Governance, Prosperity, People and Planet. They are Senior Partners and are directly linked to sustainability topics. They bring expertise and experience to their respective themes, spreading our ambitions throughout their areas.

SUSTAIN@PwC: From strategy to transformation and reporting alignment is key



The committee is focused on ensuring success in three main areas:

### 1. Build the sustainability strategy

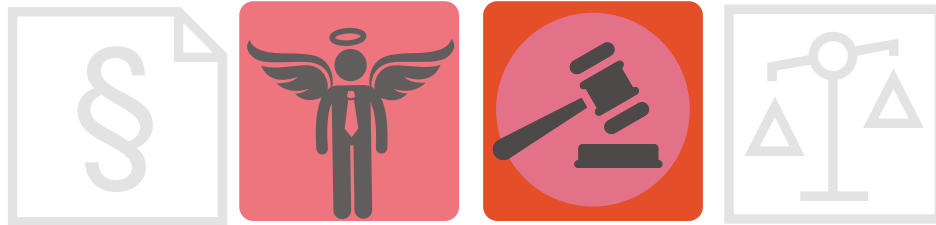
Ensure that the strategy is aligned with The New Equation and our local PwC23 strategy.

### 2. Drive transformation

Engage with management teams to align strategic objectives in all Service Lines and Industries.

### 3. Setting ambitions into action

Progress towards execution of strategic actions by setting up reporting and monitoring frameworks, reporting quarterly to our Country Leadership Team (CLT) and in the annual reporting to stakeholders.



## 2. Engagement and Accountability

Engaging with our internal stakeholders is a critical aspect in executing on our sustainability strategy. Since confirming our decision to align with the WEF-IBC 21 core metrics, it is essential for our stakeholders to be engaged for these ambitions and to be accountable for their actions through clear objectives.

In our journey of transforming our ambitions into action we have therefore to inform, engage, evaluate and compensate stakeholders with reference to objectives that apply to them starting internally with our leaders and leadership teams and cascading down to the wider Partners group, management and staff.

In 2022, we drew our transition Roadmap; in 2023, we will execute on it also including the external stakeholder engagement.

## 3. Ethics

The continued communication, monitoring and evaluation of our values, standards and **codes of conduct** enable us to remain trustworthy.

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

In this context the Committee initiated a communication campaign around “Speak Up”. Beyond the Ethics Helpline, a whistleblowing platform, they also provided our workforce with other supporting channels such as Ethics Counsellors, selected with diverse backgrounds and proximity to our People and Ethics Committee Members. In addition, an ethics survey involving more than 100 employees and Partners was launched.

Our GPS Ethics index increased over the last two years, demonstrating the positive impact of our efforts in this area.

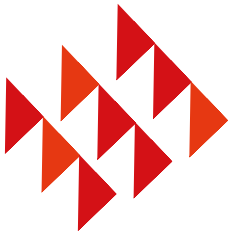
## 4. Transparency

### 4.1. Why we included transparency

Following the 21 core WEF-IBC metrics foster transparency, consistency and comparability; and catalyse a systemic solution that integrates financial and ESG reporting for our stakeholders. We want to demonstrate our commitment to purpose as a measure of good governance and transparency, and as fundamental to long-term value creation.

### 4.2. What we cover under this Annual Review

We are proud to announce that our 2022 Annual Review is aligned with the latest reporting disclosures and metrics proposed by the WEF and the IBC, “Towards Common Metrics and Consistent Reporting of Sustainable Value Creation”. The layout of our report mirrors that of the four pillars suggested by the WEF-IBC – Principles of Governance, People, Prosperity and Planet – and we have matched our corporate responsibility and sustainability topics with the metrics and disclosures proposed.



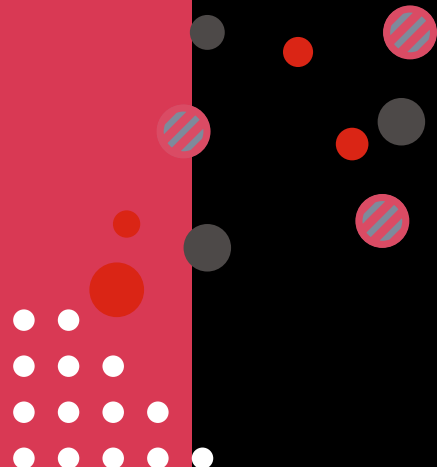
# Appendices

## About this Annual Review

We are proud to announce that our 2022 Annual Review is aligned with the latest reporting disclosures and metrics proposed by the World Economic Forum (WEF) and the International Business Council (IBC), “Towards Common Metrics and Consistent Reporting of Sustainable Value Creation”. The layout of our report mirrors that of the four pillars suggested by the WEF/IBC – Principles of Governance, People, Prosperity and Planet – and we have matched our corporate responsibility and sustainability topics with the metrics and disclosures proposed.

In 2021 we conducted a materiality assessment of the 21 core metrics of the WEF-IBC framework to identify which ones are a priority for us currently, and selected 13 metrics where we can have the most impact for our stakeholders and in the ecosystem we operate. These are the 13 topics that are at the core of our re-designed sustainability strategy and will drive our agenda forward. The year 2022 was about setting ambitious and collective action. Our team at PwC Luxembourg established the frameworks, key performance indicators (KPIs) and actions necessary to fulfill our commitment to our 13 Ambitions.



While we have already adopted – to various degrees – the majority of the core metrics, it is our goal to fully align with the remaining metrics that are material to us.



## WEF Core Metrics and Disclosures

Pillar	Theme	Metric and Disclosure	More information	Adoption status	Additional details
<b>Prosperity</b>					
	<b>Employment and wealth generation</b>	<b>Absolute number and rate of employment*</b> <ol style="list-style-type: none"> <li>1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</li> <li>2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.</li> </ol>	Build a meaningful journey for all our People (p.17)	Partial	<p>The voluntary turnover in FY21 was 14,5% and increased in FY22 to 18% (22,9% of total turnover). This is largely due to the impact of the so-called "Great Resignation", which is affecting companies around the globe.</p> <p>Attractiveness and retention are two fundamentals challenges we have identified as well as the motivation of our previously mentioned ambition to build a meaningful journey for all our people and reduce the turnover to 15 percent (P2). We have focused our efforts on flexibility solutions, upskilling and career opportunities to ensure that PwC Luxembourg remains an appealing work environment. We also hired 1,167 new people at the beginning of 2022, outpacing recruitments in the previous year.</p>
	<b>Employment and wealth generation</b>	<b>Economic contribution*</b> <ol style="list-style-type: none"> <li>1. Direct economic value generated and distributed (EVG&amp;D), on an accruals basis, covering the basic components for the organisation's global operations, ideally split out by: <ul style="list-style-type: none"> <li>– Revenues</li> <li>– Operating costs</li> <li>– Employee wages and benefits</li> <li>– Payments to providers of capital</li> <li>– Payments to government</li> <li>– Community investment</li> </ul> </li> <li>2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.</li> </ol>	Our economic contribution and Philanthropic contribution (p.10-16)	Partial	<p>Economic contribution is a material sustainability topic for us.</p> <p>This year we focus on the impact we had in our ecosystem in Luxembourg through 1) our economic contribution to the Public Sector and 2) through our Philanthropic contributions.</p> <p>We are exploring ways to provide additional data in future reports.</p>
	<b>Employment and wealth generation</b>	<b>Financial investment contribution*</b> <ol style="list-style-type: none"> <li>1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</li> <li>2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</li> </ol>	Financial investment contribution (p. 17)	Partial	<p>Financial investment contribution is a material sustainability topic for us.</p> <p>Ongoing investments continued this year for PwC Luxembourg with investments in Technology, in People, including upskilling and in ESG to reach Net Zero targets. In FY22, we invested EUR 2.7M in ESG-related internal or service related projects, EUR 18.9M in technology/digitalisation and EUR 1.5M in upskilling projects (mainly with our Digital and Business Acumen programmes).</p>
	<b>Innovation of better products and services</b>	<b>Total R&amp;D expenses (\$)*</b> Total costs related to research and development.	Future-proofed by innovation (p. 19)	Partial	<p>Innovation and intrapreneurship ignite ideas and enable the creation of new products and services. Our innovation inspires value creation and business opportunities for our clients, generating new revenue streams. To support our focus on prosperity, our PwC Exponential team is dedicated to developing new solutions for our clients (incubation) and building an extensive innovation community.</p> <p>We are exploring ways to further develop initiatives for this metric and to provide additional data in future reports.</p>
	<b>Community and social vitality</b>	<b>Total tax paid</b> The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.		Omission	We do not disclose this information.

## WEF Core Metrics and Disclosures


Pillar	Theme	Metric and Disclosure	More information	Adoption status	Additional details
<b>People</b>					
	<b>Dignity and Equality</b>	<b>Diversity and inclusion (%)*</b> Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Inclusion & Diversity (I&D) (p.23-24)	Partial	Diversity and Inclusion is a material sustainability topic for us. During FY22, we translated this into a series of actions that form part of our strategic plan. We are happy to spotlight the ones which really matter to our People according to the GPS survey, namely: <ul style="list-style-type: none"> <li>• focusing through a gender lens across our talent cycle</li> <li>• nurturing awareness among our People about the inclusive mindset across all the dimensions of diversity</li> <li>• supporting the LGBT+ community and promoting an allies' esprit de corps.</li> </ul> For this metric we are exploring how to provide additional data in future reports.
	<b>Dignity and Equality</b>	<b>Pay equality (%)*</b> Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Measuring our Gender pay gap (p.23)	Full	Pay equality is a material sustainability topic for us. This year, the analysis indicates that the gender pay gap, i.e. differences in salaries not explained by objective factors such as grade, seniority, etc., has increased from -0.3% to -1% to the detriment of women. It is not a massive trend but still a sign that invites us to the utmost vigilance.
	<b>Dignity and Equality</b>	<b>Wage level (%)</b> Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.		Omission	PwC Luxembourg is in compliance with the minimum social wage in Luxembourg. Therefore, this metric is not material for us.
	<b>Dignity and Equality</b>	<b>Risk for incidents of child, forced or compulsory labour</b> An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	PwC's Global Human Rights Statement  Charter of Responsible Purchases 	Omission	We ask all of our suppliers to sign our Charter of Responsible Purchases. By signing this Charter, our suppliers have agreed to respect the Universal Declaration of Human Rights (UDHR) and follow social, ethical and environmental requirements.
	<b>Health and well-being</b>	<b>Health and safety (%)*</b> The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organisation facilitates workers' access to non- occupational medical and healthcare services, and the scope of access provided for employees and workers.	Health and well-being (p.25)	Partial	Health and Well-being is a material sustainability topic for us. We monitor the health and well-being of our staff through our burnout rate. In the past year, we registered 11 cases between January and the end of June 2022, compared with 18 cases throughout 2021. We can indeed forecast a slight increase in burnout by the end of the year. In the last year, we saw sick leave rise, almost back to the 2019 level.  This year we have seen a significant increase (more than 5%) in our Well-being and Flexibility index, meaning our flexibility measures and programmes provided to our People are unique in the market.  We are continuously finding ways to address issues of mental health and we are exploring how to provide additional data in future reports.
	<b>Skills for the Future</b>	<b>Training provided (#, \$)*</b> Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Upskilling our People (p.22)	Partial	Training Provided is a material sustainability topic for us. Our total training hours for the Firm amount to 165,303. This averages to 58 hours per employee per year. This year we specifically emphasise digitising our network by upskilling all our employees to become a 'digital citizen'. For this metric we are exploring how to provide additional data in future reports.

## WEF Core Metrics and Disclosures

Pillar	Theme	Metric and Disclosure	More information	Adoption status	Additional details
Planet					
	Climate Change	<b>Greenhouse gas (GHG) emissions*</b> For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Greenhouse Gas Emissions (p.29)  PwC's Carbon Emissions and Environmental Statistics (Appendix 2)	Partial	Greenhouse gas emissions is a material sustainability topic for us.  This year we introduced our Net Zero Ambition and have highlighted what we have achieved this past year.  We also published for the first time an extensive list of our GHG emissions for our scopes 1, 2 and air travel emissions for scope 3. However, going forward in our Net Zero journey, we are exploring ways to increase our scope 3 and to provide additional data in future reports.
	Climate Change	<b>TCFD implementation*</b> Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Climate risk disclosure (p.29)	In progress	TCFD implementation is a material sustainability topic for us. It is an ambition that we will only implement as of 2023.
	Nature Loss	<b>Land use and ecological sensitivity</b> Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).		Omission	This disclosure is not relevant for us because the sites we own are not located in or adjacent to protected areas and/or key biodiversity areas.
	Freshwater Availability	<b>Water consumption and withdrawal in water-stressed areas</b> Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.		Omission	This disclosure is not relevant for us because we are not located in a water-stressed area.



## WEF Core Metrics and Disclosures

Pillar	Theme	Metric and Disclosure	More information	Adoption status	Additional details
<b>Principles of Governance</b>					
	<b>Governing Purpose</b>	<b>Setting purpose</b> Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Code of conduct 	Full	Our Purpose and Values are the foundation of our success. We exist to build trust and solve important problems, and our values help us deliver on that Purpose.
	<b>Quality of governing body</b>	<b>Governance body composition*</b> Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non- executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under- represented social groups; stakeholder representation.	SUSTAIN@PwC (p.34)	Full	Quality of Governing body is a material sustainability topic for us. Our firm is led by our CEO, John Parkhouse with the support of our Executive Committee. SUSTAIN@PwC, was established in April 2021 as the steering committee to execute on our sustainability strategy and ambitions. We're now one year later. Under the leadership of our CEO, John Parkhouse, and supporting Vice Chair, Christophe Pittie, the committee includes four leaders, each running one of the four pillars: Governance, Prosperity, People and Planet. They are Senior Partners and are directly linked to sustainability topics. They bring expertise and experience to their respective themes, spreading our ambitions throughout their areas.
	<b>Stakeholder engagement</b>	<b>Material issues impacting stakeholders*</b> A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Our material topics (p.6-7) Engagement and Accountability (p.35)	Partial	Stakeholder engagements is a material sustainability topic for us. In 2021 we identified 13 priority topics from the WEF-IBC core metrics that form the basis of our new sustainability strategy. The year 2022 was about setting ambitious and collective action. In our journey of transforming our ambitions into action we have therefore to inform, engage, evaluate and compensate stakeholders with reference to objectives that apply to them starting internally with our leaders and leadership teams and cascading down to the wider Partners group, management and staff. In 2022, we drew our transition Roadmap; in 2023, we will execute on it also including the external stakeholder engagement.
	<b>Ethical Behaviour</b>	<b>Anti-corruption</b> 1. Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption		Partial	As auditors of financial statements and providers of other types of professional services, PwC member firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients. Not a material sustainability topic at this time. Planned to align with it in the near future.

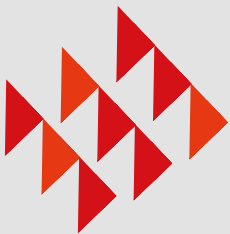


## WEF Core Metrics and Disclosures

Pillar	Theme	Metric and Disclosure	More information	Adoption status	Additional details
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### Principles of Governance

	<b>Ethical Behaviour</b>	<b>Protected ethics advice and reporting mechanisms*</b> A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organisational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity	Ethics (p.35)	Partial	<p>Ethical behaviour is a material sustainability topic for us. Ethical behaviour, values and purpose are fundamental for our business, and for the trust our clients, communities and people place in us.</p> <p>This year we focused on the importance of our Speak-Up culture. In addition, an ethics survey involving more than 100 employees and Partners was launched.</p>
	<b>Risk and opportunity oversight</b>	<b>Integrating risk and opportunity into business process</b> Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Message from John Parkhouse (p.4)	Full	<p>The phrase “Perma-crisis” certainly speaks to the sense of continuous challenge and uncertainty we all face, although it arguably underplays the sheer scale of what we see today. The importance of working together—business, policy makers and society at large—has rarely been so obvious nor so critical as we all strive to provide the stability and certainty we need in our tumultuous world.</p> <p>At PwC, our purpose is to build trust and help solve important problems (i.e. problems important to our stakeholders) and it's with this in mind that we strive in our own (very) small way to make a difference for our clients, for our people and in our communities.</p>



# Appendices

## PwC Luxembourg's Carbon Emissions and Environmental Statistics

### Our operational boundary

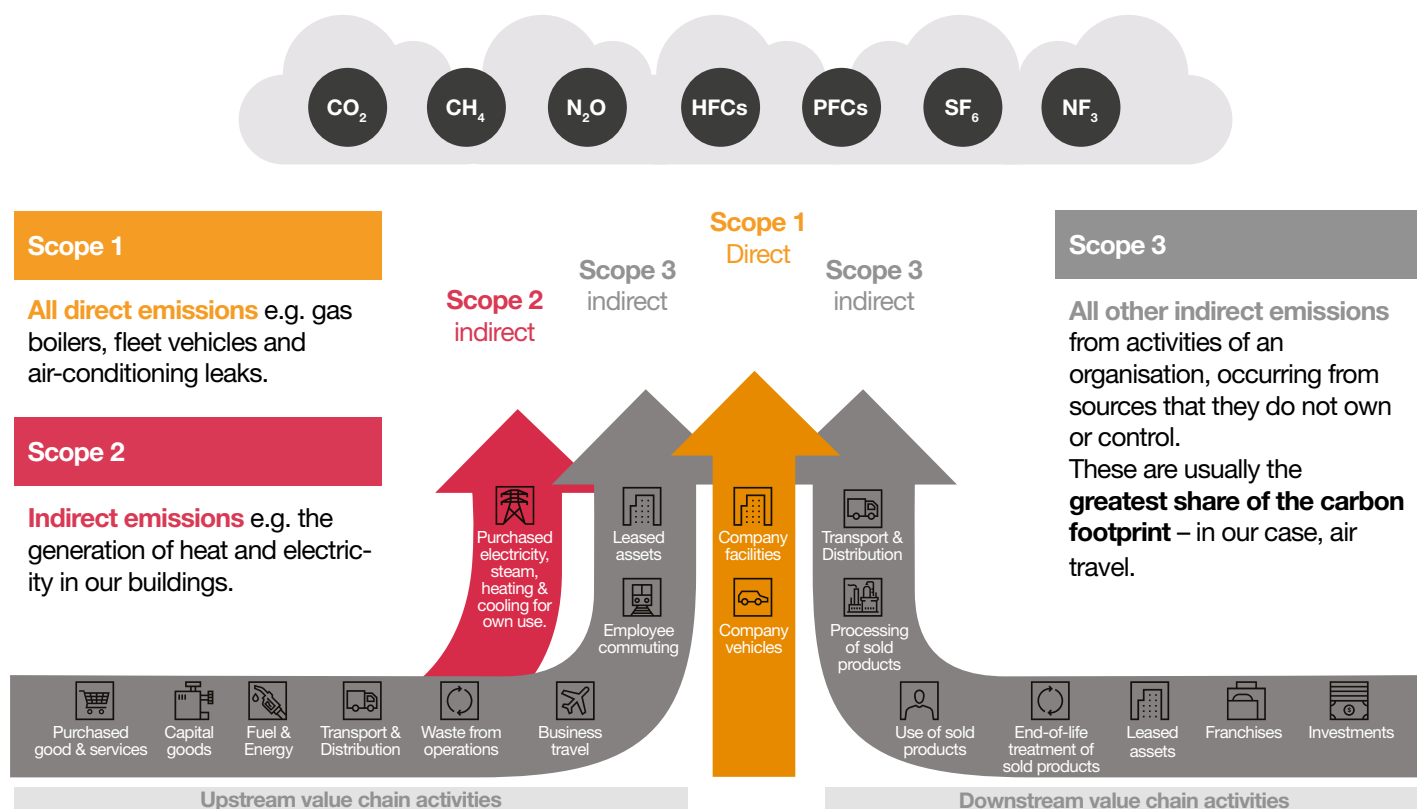
The study of CO<sub>2</sub>-eq is carried out by listing the emissions according to the different Scopes. It is detailed as follows:

**Scope 1:** Fuel oil consumption; Petrol consumption by controlled or owned passenger transport in cars (Company cars) fuelled by petrol; Diesel consumption by controlled or owned passenger transport in cars fuelled by diesel; consumption of electric and hybrid cars.

**Scope 2:** Total purchased electricity; Purchased heat, steam or hot water for our main office building, **Crystal Park**.

**Scope 3:** Air travel emissions by short, medium and long haul flights, landed-based travel in taxi and train, Flexi cars (salary sacrifice Fleet scheme) accommodations included the room night.

Figure 1: The details of the different Scopes to calculate the emission of CO<sub>2</sub>.



## Calculating Greenhouse Gas (GHG) emissions

PwC Luxembourg follows two methodologies to calculate its GHG emissions. For Scopes 1 and 2, we use the emission factors proposed in the Bilan Carbone, which ADEME (Agence de la Transition Energétique) developed in 2004. We follow the PwC global network methodology based on the GHG Protocol and the Carbon Disclosure Project, using the UK Government Conversion Factors to calculate our GHG emissions from business air travel in Scope 3.

For both methodologies, the following equation was used:

$$\text{Activity data} \times \text{Emissions conversion factor (kg CO}_2\text{e / kWh)} = \text{kg CO}_2\text{ equivalent}$$

## Explanation of the results and limitations

Our carbon inventory was carried out using a 'manual' approach, and the acquisition of all the data remains complex due to the diversity of sources to be consulted. In the future, we would like to automate the data collection to ensure better reproducibility of results from year-to-year. An automatically updated dashboard will allow us to display real time status and engage our people to reduce our CO<sub>2</sub> emissions.

**Scope 1 emissions** include our direct emissions from owned or controlled assets, including the consumption of fuel oil to run our generator and the amount of petrol and diesel used for PwC-owned tractors (to remove snow, etc).

In FY22, we revised the calculations for our long-term leased cars. The methodology now focuses on the number of kilometres driven by each of our leased cars to include only business trips, which has significantly impacted our 2019 baseline emissions.

**Scope 2 emissions** are slightly down from FY21 but remain still high compared to our FY19 baseline. For health-related reasons due to the pandemic, our main buildings were heated with only fresh air (100% new air), as opposed to recycled air, which we relied upon before the pandemic. For the calculation of CO<sub>2</sub> emissions related to energy consumption, we used the "market based" approach. This choice is justified by the fact that we have a contractual commitment with a green energy supplier.

Concerning **Scope 3 emissions**, we reviewed the firm's air travel policy in FY22, which significantly changed our 2019 baseline to include all business travel: flight data broken down by class, road and rail travel, and hotels.

For air travel, the categorisation of flights was revised this year, and the emission factors were adapted according to class type. The categorisation of flights has been improved, and the emission factors have been adapted according to the class type. We have also extended Scope 3 to include more relevant data for accommodation, rail, taxi travel and our Flexi car fleet scheme. Consumption related to purchasing is not included in scope 3 because it is CO<sub>2</sub> emissions that are the responsibility of the supplier.

## Results

**Table 1: Scope 1** – GHG released directly from assets PwC Luxembourg owns or controls

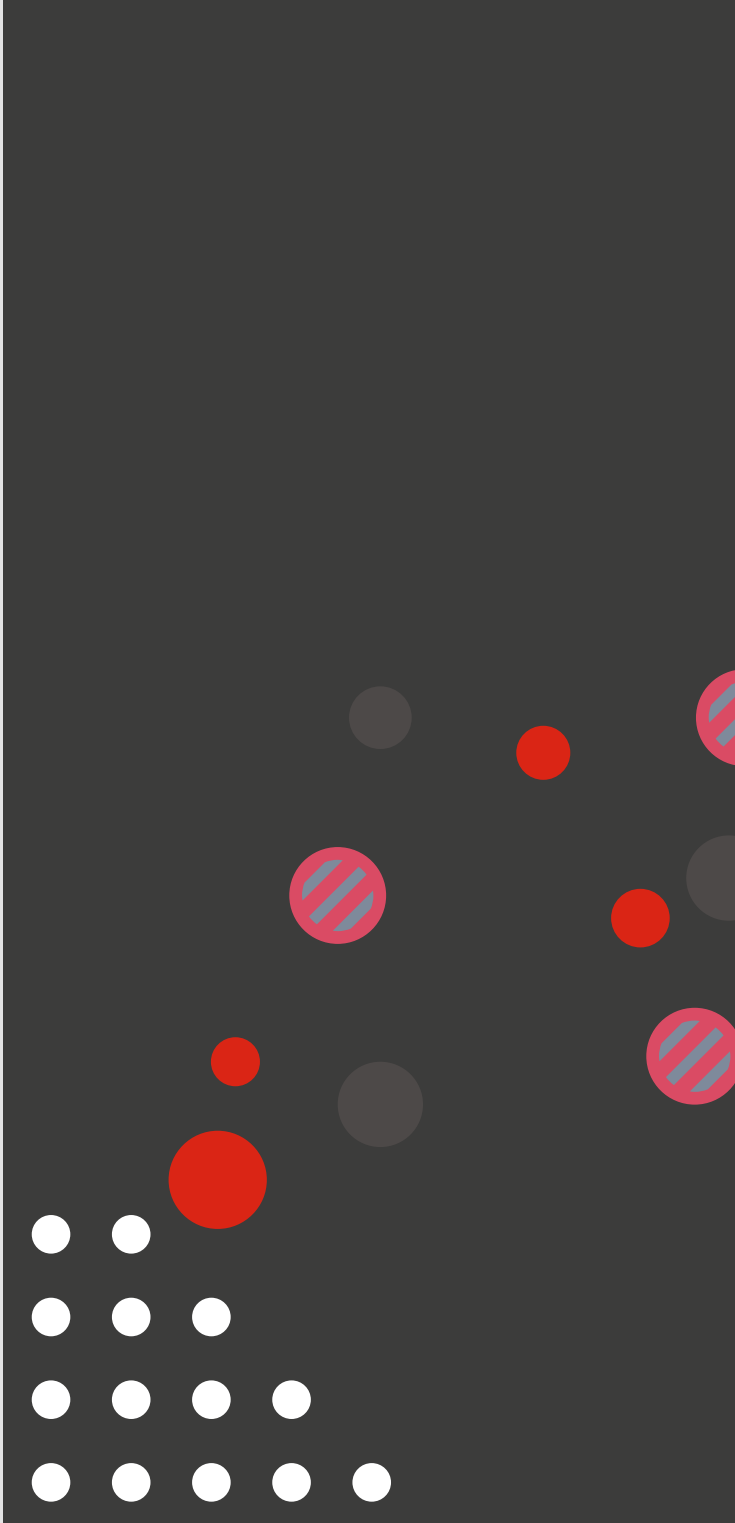
<b>Scope 1</b>				
	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Fuel oil consumption (L)	<b>210</b>	<b>240</b>	<b>350</b>	<b>280</b>
GHG emission of consumption of fuel oil (tCO <sub>2</sub> -eq)	<b>0.67</b>	<b>0.76</b>	<b>1.11</b>	<b>0.89</b>
Gas oil consumption (L)	<b>4484</b>	<b>0</b>	<b>4500</b>	<b>4702</b>
GHG emission of consumption of Gas oil (tCO <sub>2</sub> -eq)	<b>13</b>	<b>0</b>	<b>12</b>	<b>12</b>
Petrol consumption by controlled or owned passenger transport in cars fuelled by petrol (km)	<b>405 464</b>	<b>379 079</b>	<b>435 319</b>	<b>701 061</b>
GHG emission from petrol consumption (tCO <sub>2</sub> -eq)	<b>74</b>	<b>68</b>	<b>75</b>	<b>122</b>
Diesel consumption by controlled or owned passenger transport in cars fuelled by diesel (km)	<b>1 074 930</b>	<b>711 470</b>	<b>526 822</b>	<b>792 273</b>
GHG emissions from diesel consumption (tCO <sub>2</sub> -eq)	<b>190</b>	<b>123</b>	<b>88</b>	<b>122</b>
Hybrid car consumption by controlled or owned passenger transport (km)	<b>26 886</b>	<b>9 539</b>	<b>20 830</b>	<b>376 750</b>
GHG emissions from hybrid cars (tCO <sub>2</sub> -eq)	<b>2.79</b>	<b>1.09</b>	<b>2.41</b>	<b>45.03</b>
Unknown car consumption by controlled or owned passenger transport (km)	<b>163 129</b>	<b>8 670</b>	<b>2 658</b>	<b>0</b>
GHG emissions from hybrid and battery electric cars (tCO <sub>2</sub> -eq)	<b>29.47</b>	<b>1.54</b>	<b>0.46</b>	<b>0</b>
<b>TOTAL EMISSIONS FOR SCOPE 1 (tCO<sub>2</sub>-eq)</b>	<b>312</b>	<b>195</b>	<b>181</b>	<b>304</b>

**Table 2: Scope 2** – GHG associated with producing the energy PwC Luxembourg buys

<b>Scope 2</b>				
	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
GHG emissions from electricity (market based) (tCO <sub>2</sub> -eq)	<b>2</b>	<b>2</b>	<b>26.2</b>	<b>21.5</b>
GHG emissions from purchased from heat, steam or hot water (market based) (tCO <sub>2</sub> -eq)	<b>400</b>	<b>412</b>	<b>629</b>	<b>439</b>
<b>TOTAL EMISSIONS FOR SCOPE 2 (tCO<sub>2</sub>-eq)</b>	<b>402</b>	<b>410</b>	<b>655</b>	<b>460</b>

**Table 3: Scope 3** – Emissions from any other activities upstream or downstream in our value chain

<b>Scope 3</b>				
	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Short haul flights (<460 km)	<b>98,553</b>	<b>39,677</b>	<b>48,742</b>	<b>24,963</b>
GHG emissions for short haul flights (tCO <sub>2</sub> -eq)	<b>29</b>	<b>10</b>	<b>12</b>	<b>6</b>
Medium haul flights (460 - 3,700 km)	<b>3 854 136</b>	<b>1 978 386</b>	<b>43 723</b>	<b>1 231 208</b>
GHG emissions for medium haul flights (tCO <sub>2</sub> -eq)	<b>623</b>	<b>310</b>	<b>7</b>	<b>188</b>
Long haul flights (> 3,700 km)	<b>11 512 956</b>	<b>5 166 161</b>	<b>257 295</b>	<b>3 059 510</b>
GHG emissions for long haul flights (tCO <sub>2</sub> -eq)	<b>3,879</b>	<b>1,742</b>	<b>60</b>	<b>1,093</b>
Land-based travel (flexi cars, taxi, train) (tCO <sub>2</sub> -eq)	<b>517.07</b>	<b>304.34</b>	<b>189.22</b>	<b>202.33</b>
Accommodation (room night domestic and international)	<b>479</b>	<b>304</b>	<b>38</b>	<b>150</b>
<b>TOTAL EMISSIONS FOR SCOPE 3 (tCO<sub>2</sub>-eq)</b>	<b>5528</b>	<b>2671</b>	<b>307</b>	<b>1640</b>







# Contacts



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Territory Senior Partner, CEO

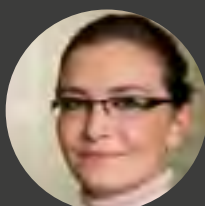
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