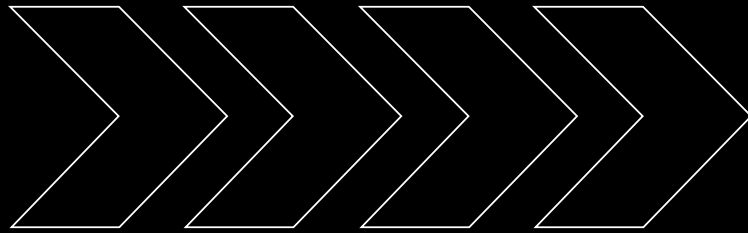


Appendices



PwC Luxembourg's sustainability transformation journey

2016-2020	<ul style="list-style-type: none"> Corporate Responsibility in place with Annual Review published based on Sustainable Development Goals (SDGs). PwC Materiality Matrix defined.
2020-2021	<ul style="list-style-type: none"> PwC commits to 13 of the WEF IBC Ambitions and starts reporting on those 13 Ambitions in the Annual Review (FY21 and FY22). Commitment of PwC to reach Net Zero GHG Emissions by 2030. Sustain Board created, under direct leadership of the CEO and Territory Senior Partner, John Parkhouse.
2022	<ul style="list-style-type: none"> FY30 goal of transitioning to 100% renewable energy (wind & hydroelectricity) achieved. Setting up of sustainability project to coordinate the sustainability transformation of the Firm through action plans under the accountability of the Sustain Board. Launch of multiple internal initiatives to boost environmental, social, and governance (ESG) innovation within PwC Luxembourg, generating 40+ ideas, implementation of our Human Capital strategy, with the focus on a healthy environment, competitive compensation, a differentiated career path and talent management. PwC supports charities with financial and material donations that help with humanitarian aid in Ukraine, Turkey & Syria.
2023	<ul style="list-style-type: none"> Sustainability is truly embedded as part of the core strategy of our new Country Leadership Team (CLT) and the 4 WEF IBC Pillar are allocated directly at CLT level, specifically the People Pillar is put under the responsibility of our new People leader, Roxane Haas. The TSP, François Mousel, becomes the CSO of the Firm. For the first time, concrete non-financial KPI are decided by the CLT for all of the 4 WEF IBC Pillars, communicated publicly in the FY23 Annual Review and a tangible action plan sustains each KPI. Creation of our Corporate Sustainability Office: this is a dedicated team in place to support the Firm's Sustainability Strategy endorsed by the CLT and to monitor the action plan defined with regard to each KPI.
2024	<ul style="list-style-type: none"> Sustainability strategy is integrated within role and responsibilities of the 16 committees of the Firm, and in Assurance, Advisory and Tax line of services through our sustainability leaders. The Corporate Sustainability Office is fully in charge of the transformation, monitoring and reporting, compliance, and finally cultural change of our firm to become more sustainable. CSRD is the next big thing that will heavily impact the corporate sustainability strategy, replacing the WEF IBC framework. The old 2016 Materiality Matrix is renewed thanks to the CSRD Double Materiality Assessment. PwC Foundation Luxembourg is launched under the aegis of Fondation de Luxembourg.

CSRD Double Materiality Assessment

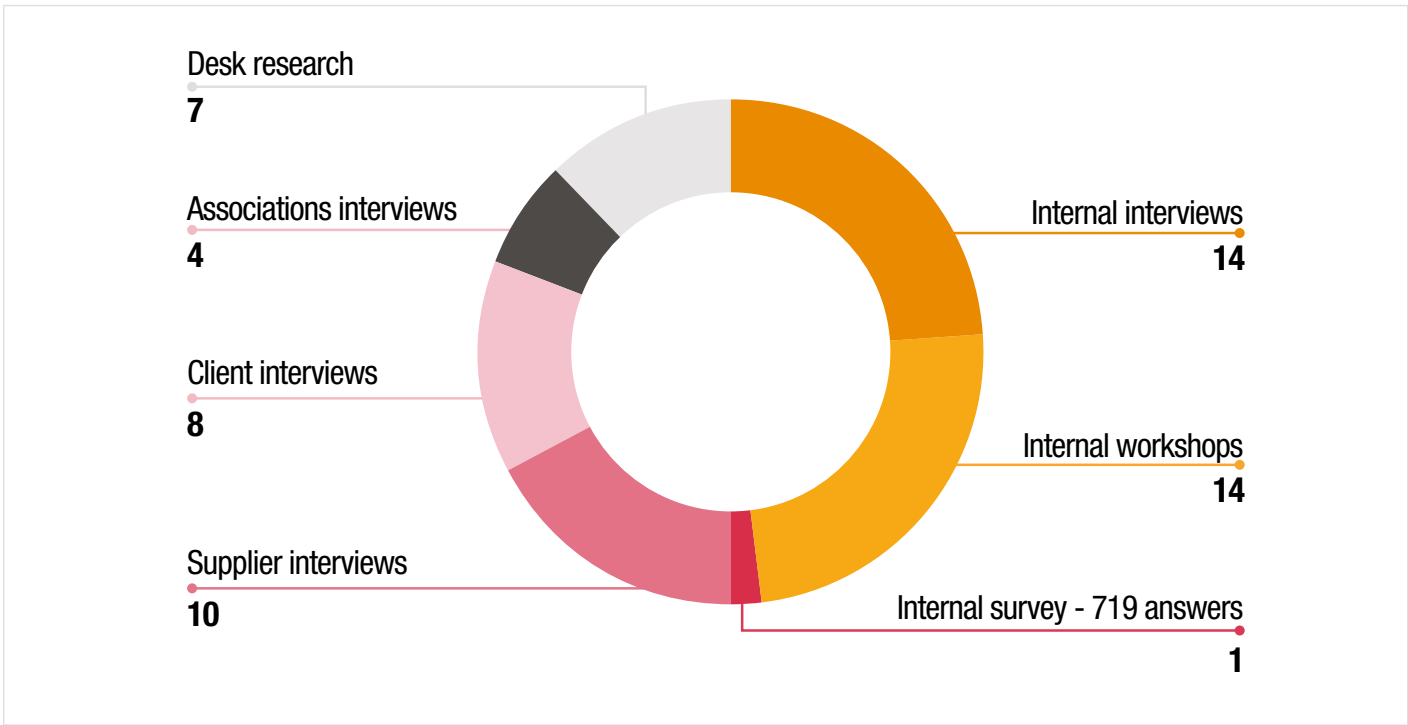
We developed the four-step methodology below, aligned with the specifications of ESRS, to conduct our Double Materiality Assessment:

STEP 1

We achieved a comprehensive understanding of our own operations as well as our value chain, which enabled us to identify our CSRD scope of reporting and to pre-select 16 sustainability matters from the list provided by ESRS 1 and add 2 entity specific topics: contribution to society, quality of services.

STEP 2

We identified relevant stakeholders both internally (people across all levels and departments in the Firm) and externally (suppliers, clients and professional associations), with the purpose to take their views and interests into account in our corporate strategy. In our engagements with them (interviews, workshops, surveys), we explored IROs (impacts, risks and opportunities) connected to the sustainability matters identified in Step 1. We assessed impact materiality (positive and negative impacts we have on Society and Planet) and financial materiality (risks and opportunities PwC Luxembourg has from Society and Planet). As a result, we identified more than 150 IROs.

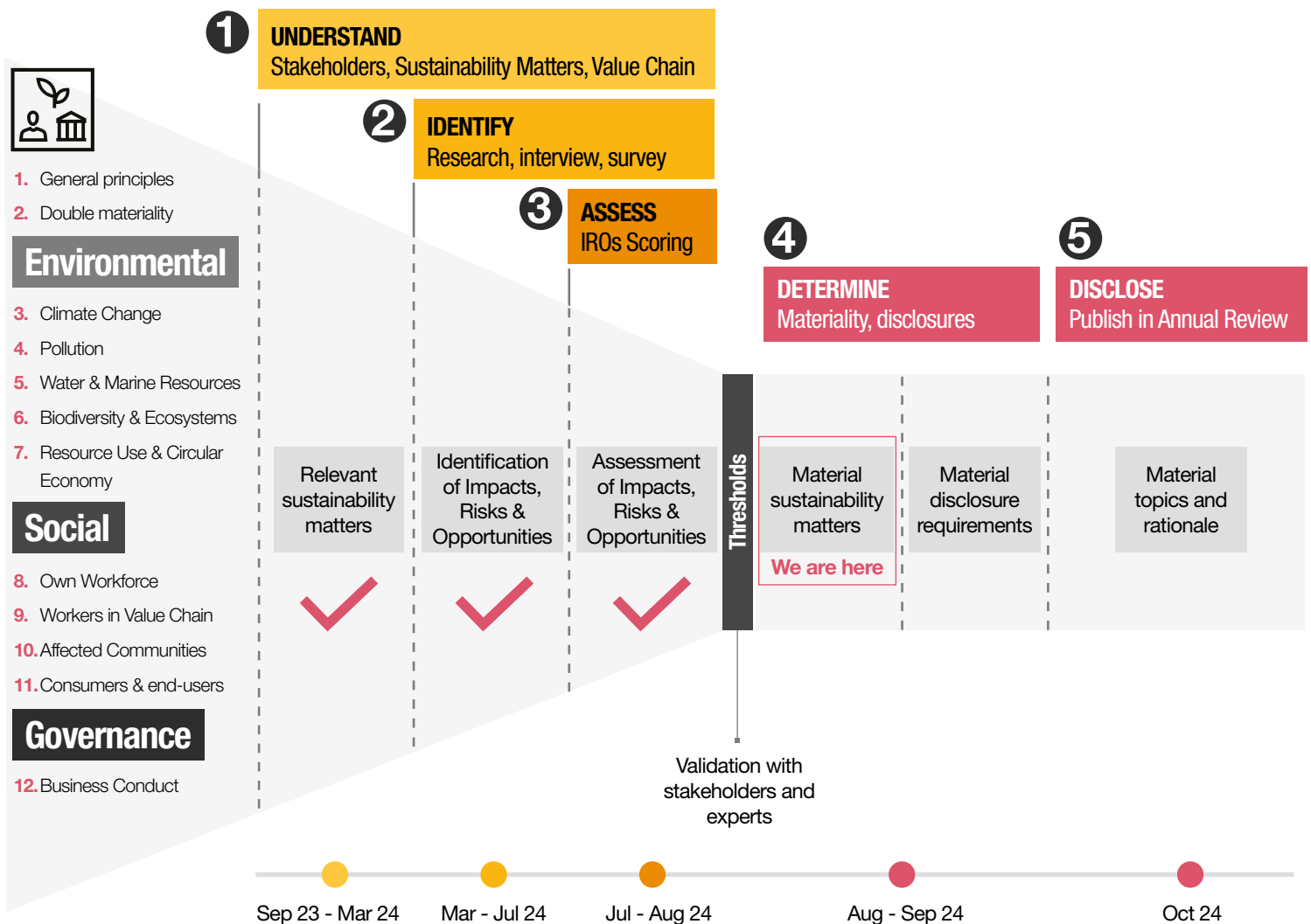


STEP 3

We scored the IROs, following the scoring methodology outlined by ESRS. We used a scale from 1-5. For impact materiality we looked at scope, scale, irremediability (for negative impacts) and likelihood, while for financial materiality we looked at continuation of use of resources, reliance on relationships and likelihood. IROs that were mentioned by more stakeholders or by more diverse groups of stakeholders (ie: both internal and external) or by specialists on certain areas (ie: ESG experts, Procurement team etc) were scored higher than the others. As a result, the score of an IRO is to a certain extent proportional with the number, diversity and expertise of sources.

STEP 4

We considered a topic material if it is above the threshold in either one of the two dimensions (Impact or Financial). For Impact materiality, we established a threshold at 2.60 (scale 1-5), which represents the average of all positive and negative impacts we identified. For Financial materiality, we used the same logic of establishing the threshold, this time at 2.50 (scale 1-5) by calculating an average score of risks and opportunities.



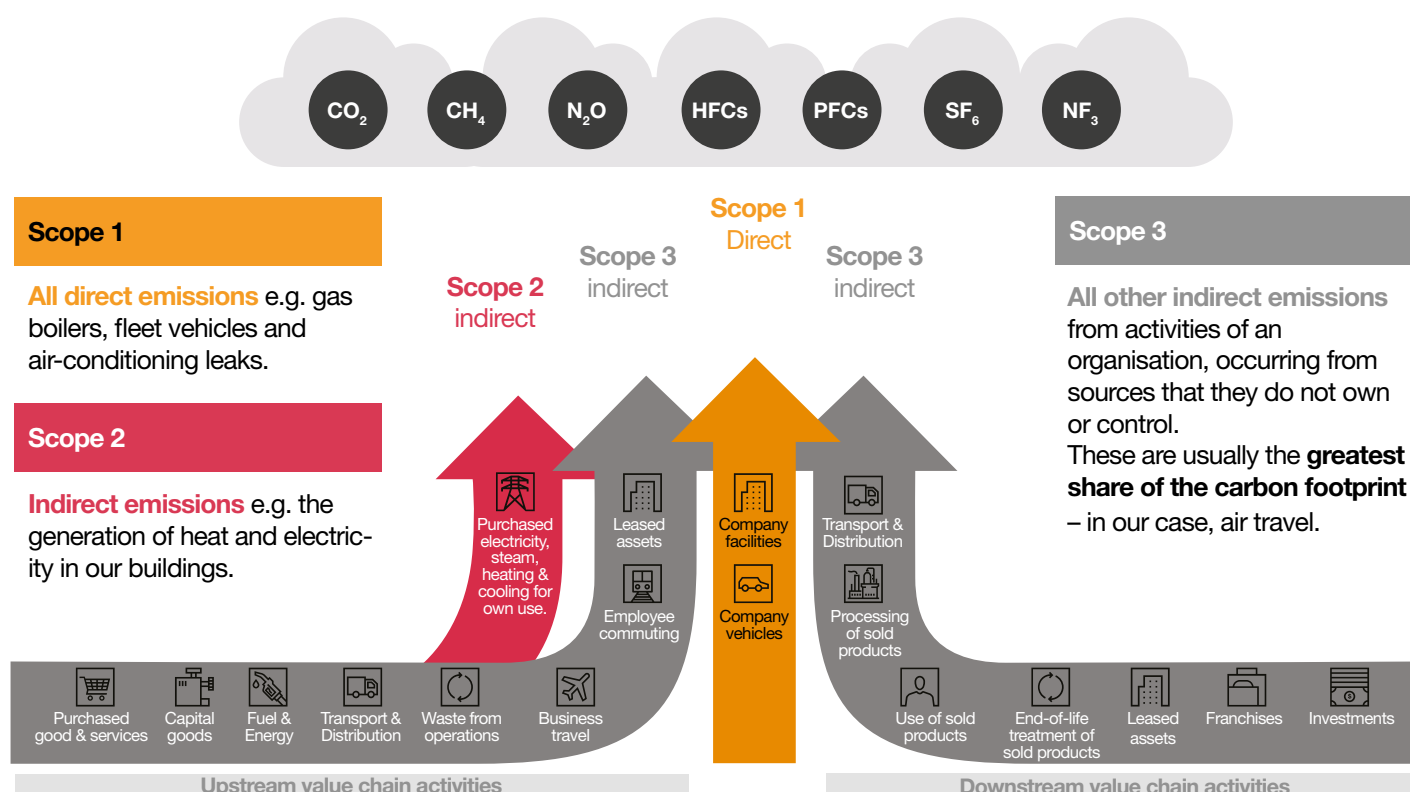
Net Zero - PwC Luxembourg's carbon emissions and environmental statistics

Our operational boundary

The study of CO₂-eq is carried out by listing the emissions according to the different Scopes. It is detailed as follows:

- **Scope 1:** Natural gas and/or biogas consumption resulting from combustion from Crystal Park; 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; and consumption of electric and hybrid cars.
- **Scope 2:** Total purchased electricity and 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, land-based travel by taxi and train, Flexi-cars (salary sacrifice Fleet scheme) and accommodation including room stay.

Figure 1: The details of the different Scopes to calculate the emission of CO₂.



Calculating Greenhouse Gas (GHG) emissions

PwC Luxembourg follows two methodologies to calculate its GHG emissions:

For Scopes 1 and 2 (which cover all our offices) and Scope 3 business air travel, we follow the PwC Network's methodology based on the GHG Protocol and the Carbon Disclosure Project (CDP), using the UK government conversion factors. The screening of the Scope 3 categories is based on a materiality assessment conducted by the Network, complemented/adjusted by local specificities, and the inventory is revised annually.

For both methodologies, the following equation was used:

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

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 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 CO2 emissions.

They are slightly down from FY21 but still remain 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 CO2 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.

- **Renewable electricity**

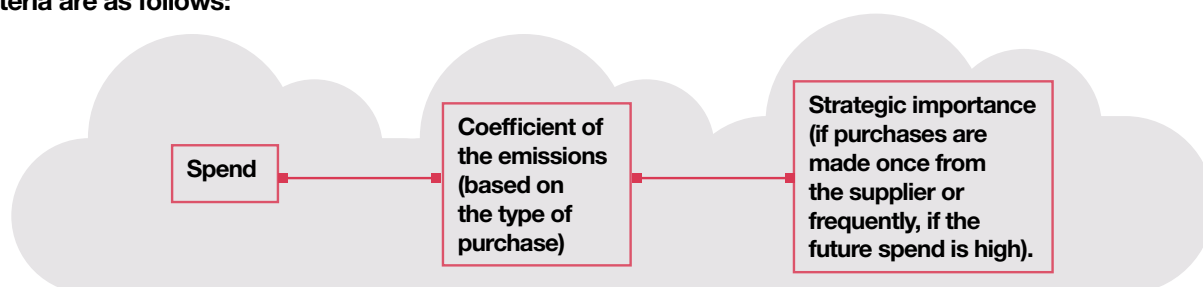
We consider renewable to be electricity generated from geothermal, solar, sustainably sourced biomass (including biogas), hydropower and wind energy sources. Biomass and hydropower can play a role in decarbonization provided they are created and used sustainably. All our satellite offices are included here.

- **Supplier emissions**

This emission source only includes the emissions associated with the products and services bought, this means the upstream emissions, not the entire lifecycle emissions of purchased goods and services. Emissions are calculated based on the type of product or service(s) being procured, the financial value and the location (country) of consumption. Costs or services performed by other entities within the PwC Network and supply chain beyond immediate suppliers (i.e., 'supplier of suppliers spend' by suppliers on materials or to their vendors) are excluded.

The procurement team commits to reaching SBTi goals by onboarding key suppliers on SBTi's target validation process and embedding sustainability criteria into the evaluation offer, based on a fixed threshold.

The criteria are as follows:



The procurement team is responsible for escalating any risk linked to sustainability and critical disruptions of the procurement processes (more details can be found in the Charter of Sustainable Procurement) throughout PwC Luxembourg operations.

A matrix to calculate GHG emissions of purchases has been put in place, to ensure gathered data is properly reported. Firstly, the spend per supplier is extracted. Then, each supplier is categorised based on the nature of purchases made with them. This categorisation is determined by the PwC Network and specific coefficients are assigned, which are then multiplied by the spend for each category. The reports on GHG emissions-scope 3 are calculated (on a spend-based approach) and sent quarterly to the Net Zero leader and annually to the PwC Network Net Zero.

PwC Luxembourg's approach to onboarding suppliers onto the Science Based Targets initiative (SBTi) is outlined as follows: Information sessions are arranged for key suppliers, particularly those with a significant share of spending and high emissions coefficients, who have not yet set science-based targets, urging them to do so. Moreover, when new projects commence, an assessment is conducted to determine the potential level of GHG emissions. Suppliers are requested to provide relevant environmental information and certificates during this evaluation process.

If the assessment identifies a high risk of GHG emissions, prospective suppliers are informed of our commitment to SBTi and are encouraged to participate.

- **Emissions offset**

Emissions offsetting includes the total in tonnes of CO2e abatement per year. This excludes any carbon credits purchased through the Network procurement process, as these are accounted for separately by the Network Corporate Sustainability team. The carbon offsets cover Scope 1, 2 and business travel emissions.

Community engagement

EDUCATION & INCLUSION

- **Toutes à l'Ecole Luxembourg Partnership**

We partnered with Toutes à l'Ecole Luxembourg, an organisation that supports graduates in Cambodia by providing student housing to pursue professional training or higher education, ultimately leading to their first formal job. Our contribution funds a four-year upskilling programme, offering evening and weekend classes in collaboration with industry experts.

- **Dress for Success Luxembourg Partnership**

Our collaboration with Dress for Success Luxembourg empowers women to secure employment. We fund the association's operational costs and sponsored their 10-year anniversary gala, a key event marking their continued impact. Additionally, some of our employees volunteered to help beneficiaries prepare for job interviews.

- **Support for Initiativ Liewensufank**

As part of our "Back & Happy" initiative, we supported Initiativ Liewensufank by contributing to their social fund. This fund finances free consultations for vulnerable women and future parents, as well as professional training for the association's employees who provide these services.

- **Jonk Entrepreneuren Partnership**

We have long supported Jonk Entrepreneuren through volunteering and significant donations. Our contributions support the "Explorer" pillar, which includes entrepreneurial programmes like My First Enterprise, Mini-Enterprises, and the JEL alumni network. Additionally, some of our employees regularly engage with local schools through the "Fit for Life" programme.

- **Ryse Partnership**

Ryse promotes the integration of refugees into the local job market. Our funding supports Project NetWORK, which builds relationships with organisations to provide beneficiaries with insights into the workplace, language practice, networking opportunities, and confidence-building. Moreover, several of our employees served as mentors to Ryse beneficiaries throughout the year.

- **Support for Letz Rise Up**

As a DEI (Diversity, Equity, and Inclusion) partner, Letz Rise Up received our donation to help cover their operational costs and fund the Peanut project, a series of workshops empowering women. Additionally, some of our employees volunteered to lead workshops focused on helping participants overcome challenges.

- **Women Excel in STEM (formerly Girls in Tech Luxembourg)**

We support this initiative by volunteering at their events and workshops, assisting participants in overcoming challenges and advancing their careers in STEM fields.

- **Kids Life Skills**

Our volunteers contribute by repairing IT equipment and streamlining internal processes. Additionally, we offer part of our Crystal Park facility for weekend coding classes, empowering children to develop valuable digital skills.

- **Universities and Schools in the Greater Region**

We engage with numerous educational institutions across the Greater Region, providing technical courses and mentoring to students. Some of our employees also take the initiative to lead special projects, such as facilitating a sustainability-focused hackathon at Henallux School in Arlon, Belgium.

- **KnowEdge**

Through skilled volunteering, we assist KnowEdge with accounting and budgeting support, helping them manage their finances more effectively.

- **Zefi**

Our volunteers have helped Zefi develop their website using WordPress, enhancing their online presence and outreach efforts.

CULTURE

- We have long-standing social partnerships with prominent cultural institutions like **Mudam** and **Neimunster**, regularly offering our employees opportunities to visit exhibitions and attend events and concerts.
- In FY24, we supported **CinEast**, the Central and Eastern European Film Festival in Luxembourg held in October. We will continue to finance and promote this festival in October 2024.
- This year, we expanded our cultural support to include the **European Academic Orchestra** and the **Festival Etrange Grande** further enriching the cultural experiences we offer.

HUMANITARIAN AID AND HEALTH

- **Banque Alimentaire Luxembourg Partnership**
We partnered with Banque Alimentaire Luxembourg, contributing funds to help cover their rising operating costs as they address increasing inequalities in Luxembourg.
- **Material Donation to SOS Village d'Enfants Monde**
We provided a significant donation to SOS Village d'Enfants Monde, supporting their educational projects in various parts of the world.
- **Luxembourg-Ukraine Business Forum**
In May 2024, we supported the Luxembourg-Ukraine Business Forum, aimed at accelerating investment in post-war Ukraine.
- **Employee Donations**
Many of our employees chose to donate their year-end gift budgets to charitable causes, and we doubled their contributions. This initiative resulted in three significant donations to health-related causes in FY24, including Fondation Cancer, Fondation Kribskrank Kanner, and Ile aux clowns. Additionally, some of our employees volunteered with Ile aux clowns to organise a St. Nicholas celebration for children in a foster home.
- **Bazar International de Luxembourg**
As Luxembourg's largest international fundraising event, held in November, Bazar International was our biggest volunteering effort this year, with 124 PwC volunteers participating over four days, including evenings and the weekend.
- **SOS Faim**
Our volunteers assisted SOS Faim by translating materials from French to English.
- **Stëmm vun der Strooss**
We supported Stëmm vun der Strooss by volunteering to manage a stand during the Christmas season, raising funds by wrapping gifts in a shopping centre.
- **Spendchen Initiative**
In December and January, we organised a donation drive, collecting 50 boxes of clothing and shoes and 30 boxes of toys, which were donated to Croix-Rouge Luxembourg and Caritas Luxembourg.
- **Croix-Rouge Luxembourg**
We organised several blood donation campaigns throughout the year.
- **Run for a Purpose Programme**
As part of our "Run for a Purpose" programme, we encouraged our employees who are runners to participate in races we sponsor, such as Relais pour la Vie, Postlaf, and Run in the Dark. We also recruited volunteers to assist with race logistics, with over 30 employees contributing their time, including 10 during working hours.

Risk Register

Regulations and/or Public Policy	
Risk description	Risk landscape
Failure to constructively engage wider stakeholder groups on our commitment to our purpose increases the risk of disruptive regulatory change. Such change could hamper our ability to deliver on our purpose and to operate in a sustainable way.	Public debate in several countries about the audit profession and multi-disciplinary model that could have long term impact in Luxembourg.
Responses	
<ul style="list-style-type: none"> • Clear policies, procedures and guidance; • Regular updating of Firm processes and procedures to facilitate compliance by all our People, on all our clients, with all applicable regulations; • Mandatory annual training for all partners and staff; • Client and engagement acceptance procedures; • Annual independence and compliance submissions for all partners and staff enforced by penalties for non-compliance; • Regular engagement and direct interaction, where possible, with governmental bodies and regulator to understand objectives, provisions of changes and the implications for our businesses (e.g. IRE/OEC representatives); • Regular monitoring and reporting to the Country Leadership Team (CLT). 	
Regulatory Compliance	
Risk description	Risk landscape
Failure to comply with relevant independence, legal, regulatory (including sanctions) or professional requirements leading to regulatory action, financial penalties, reputational damage and/or a client conflict of interest.	<ul style="list-style-type: none"> • The global regulatory environment is more assertive and the financial crime sanctions environment has increased, leading to increased monitoring and reporting to ensure the Firm is compliant. • Schrems impact on international transfer of data; • Independence restrictions globally are continuing to evolve; • Ethical standard has been embedded across the business; • The business is developing new services/technology which may require additional regulatory checks and monitoring.
Responses	
<ul style="list-style-type: none"> • Established compliance and independence management systems, including: • Clear policies, procedures and guidance; • Regular updating of Firm processes and procedures to facilitate compliance by all our people, on all our clients, with all applicable regulations; • Continuous update of our training programme; • Mandatory annual training for all partners and staff and close monitoring of attendance to compliance trainings; • Annual independence and compliance submissions for all partners and staff enforced by penalties for non-compliance; • Client Acceptance Committee (CAC); • Consultation of regulatory expert and proactive dialogue with the regulators on technology to be implemented; • Regular monitoring and reporting to the CLT; • Recognition and accountability framework is in place (including notably ethical behaviour); • Ethics counsellors. 	
Geopolitical Risk	
Risk description	Risk landscape
Failure to respond to global geopolitical and economic decoupling that could impact our ability to deliver our strategy.	<ul style="list-style-type: none"> • Ukraine war still ongoing and likely to continue for the medium term; • Geopolitical tensions (e.g. Middle East) and increased likelihood of further geopolitical tensions in other regions; • Economic uncertainty (inflation, interest rate changes, uncertain growth perspective in Europe and in the USA).
Responses	
<ul style="list-style-type: none"> • Regular engagement with experts, our Research Centre and the global PwC Network to understand the changing political landscape; • Regular agenda points on Management and the CLT; • Include worst-case scenarios in our Industry plans/market reviews. 	

Societal risks and Trust	
Risk description	Risk landscape
Failure to anticipate, understand and respond to market and societal expectations and concerns, or to engage in the broader societal agenda, will erode trust in our profession and in our business and put the relevance and value of our brand at risk.	<ul style="list-style-type: none"> Continued, heightened public scrutiny of business, professional services and the Big Four; Societal trust in professional services and wider business landscape eroding; Keeping pace with societal expectations including social inclusion, D&I and ESG.
Responses	
<ul style="list-style-type: none"> Embedding a culture of 'doing the right thing' from the top to the bottom of the organisation with an emphasis on individual accountability for reputational risk; Embedding corporate sustainability in our core strategy/governance, starting from the top (WEF IBC 4 pillars managed by the CLT); Corporate Sustainability Office (CSO) in place to spread ownership on sustainability topics and monitor related KPIs in the Firm; Launch of CSRD project. 	
Technology resilience and availability	
Risk description	Risk landscape
Failure to manage critical system availability will impact the ability to serve clients and to manage the business.	<ul style="list-style-type: none"> Criticality of technology solutions/products to support the delivery of services and the importance of business continuity planning continue to be an area of focus; Importance of preparing for the IT infrastructure of the future will affect the ability to serve clients in rapidly changing markets; The speed at which generative Artificial Intelligence (AI) is being deployed has the potential to be disruptive; Complexity of the technology environment is increasing and will continue to increase at pace; Increasing reliance on technology from other territories, Global or third parties.
Responses	
<ul style="list-style-type: none"> Recovery of critical systems is secured by the use of two redundant geographically distant data centres. If required, failed systems are restarted at the second data centre; Continuing programme of testing provides assurance of our ability to rebuild systems from backups; Business Impact Analysis (BIA) to identify key systems to determine the time criticality of impacted systems in order to ensure appropriate prioritisation of actions; Dedicated committee in place to ensure regular and timely review of business critical systems; Continued programme of disaster recovery; Product Risk Acceptance Committee (PRAC) in place to approve use of new technology. 	
Evolving new client services and products	
Risk description	Risk landscape
Failure to stay relevant, to invest and evolve services/products to meet changing market and client needs which could lead to poor business performance and impact the brand.	<ul style="list-style-type: none"> Evolving clients require us to identify changes, be agile and adapt at speed. This is increasing as we move into new products and services; Increased demand for Execution Managed Services (EMS) from clients; Potential for new services/technologies to lead to increased regulatory and independence requirements; Use of third parties in the development of new solutions creates additional risks.
Responses	
<ul style="list-style-type: none"> Industry programmes include monitoring of clients' needs/competition; Integration of transformation objectives in industry business plans (medium term) and ensurance that megatrends are taken into account by the industry leaders (long-term objectives); Client and Markets Leadership review and consideration of new client service and product offerings; Upskilling programme to provide partners and staff with enhanced business and commercial skills; PRAC in place to approve use of new technology (incl. third-party technologies). 	

Client and service quality

Risk description	Risk landscape
A significant failure in evaluating the risks associated with accepting or continuing with a client or engagement, or a significant service delivery quality failure, could impact our reputation and lead to litigation and/or regulatory action.	<ul style="list-style-type: none"> • Pressure on the audit profession potentially leading to fewer people joining the profession, and experienced professionals leaving the profession, which may negatively impact quality; • Rapid influx of new employees; • Continued regulatory scrutiny and challenging litigation environment in the audit market; • Risk of increased failure of clients due to the evolving economic environment; • Increasing complexity of the work we are performing, the client situations we are supporting and the length of contracts; • Increased use of technology to deliver services or licencing of technology to clients; • Increasingly competitive people market in key competencies.

Responses

- Continued commitment to quality supported by communications;
- Reward and accountability framework for all staff and partners;
- Client engagement standards supported by methodologies and tools;
- Client engagement and acceptance processes, including the CAC;
- Recruitment standards and staff development procedures;
- Continued Learning & Development (L&D) monitoring programme, specific on-boarding training for the new joiners;
- Continuous Improvement Team (CIT) focused on root cause analysis, dynamic issue identification and action planning;
- Established quality policies, processes and procedures;
- Continued risk and quality programme including network quality programmes and reviews (internal and external);
- Assurance: real-time support for engagements through hot reviews of active engagement files.

Information and Cybersecurity

Risk description	Risk landscape
Failure to manage the security of Firm, Client and our People's data or reduced defences against ransomware attacks could impact our reputation and cause legal and brand damage to the network.	<ul style="list-style-type: none"> • External geopolitical environment evolving with cyber warfare becoming more likely; • Increasing ransomware activity in prior years has waned slightly ; Increasing use of AI which increases the number and the fine-tuning of attacks; • Increased reliance on technology to deliver services leading to a greater risk of cybersecurity threats; • Increase of data breaches and cybersecurity Incidents due to compromise or failures of suppliers and third-party service providers; • Continued need to prepare for the technology environment of the future affecting the ability to serve clients in rapidly changing markets; • Access to greater volumes of data from clients could put the Firm into a target position.

Responses

- The Firm operates an ISO/IEC 27001: 2022 certified information security management system which includes:
- Governance – leadership: Information Security Management Committee (ISMC) which notably validates the information security programme in alignment with Global and Local strategy; provides an oversight of information security risks and related actions plans; ensures awareness of people on information security; advise on information security organisation and processes improvement.
- Governance - policies, processes and assessment for client data and other information;
- Physical, technical and human resource control;
- Threat intelligence;
- Incident response capability;
- Regular monitoring and independent review systems;
- Continual investment in established cybersecurity controls;
- Security awareness and education programmes;
- Specific governance body and processes to cover the safe use of AI;
- Due diligence assessments and monitoring of suppliers and third-party service providers.

Data Strategy and Management

Risk description	Risk landscape
Failure to manage and maintain data in compliance with regulatory requirements and the highest ethical standards.	<ul style="list-style-type: none"> Increasing demands of clients for additional data insights driving the need to adapt the use of data to provide increased value to clients; Increasing volumes of data being produced as clients accelerate their digitisation efforts; Increasing use of AI which requires a proper adaptation of our data governance; Hybrid working may increase the risk of data loss as engagements are conducted both through on-site and remote working teams; Increased public, client and regulatory scrutiny in respect of data/confidentiality as a result of high profile scandals and GDPR.
Responses	
<ul style="list-style-type: none"> Central data office with Chief Data Officer (CDO) to oversee data strategy and governance (Data use policy and data governance model in place); Data Protection Committee (DPC), which ensures an alignment between the data protection strategy with the Firm strategy, arbitrates data protection issues, assesses the effective respect of the data protection strategy; monitors data protection maturity of the Firm, reports data protection red flags to relevant committees; Europrivacy certification. 	

People

Risk description	Risk landscape
Failure to attract, retain and develop a diverse pool of skilled talent will impact our ability to deploy resources rapidly to realise opportunities, deliver quality, meet clients' changing needs and deliver our strategy.	<ul style="list-style-type: none"> Attractiveness of audit careers due to the multitude of competing, more fashionable careers in new industries, the uncertainty of future regulations, the intensity of the work environment and the reputation of the Big Four, which may inhibit ability to attract and retain top talent at both partner and staff levels; Increased competitiveness for talent increasing the risk of attrition - Importance of a diverse workforce and the risk of not achieving set targets. The Luxembourg labour market is short of qualified resources and as our resources are well trained, they are an easy target for other companies; Increasing need for technologists combined with the challenge in attracting and retaining them in professional services; Evolving expectations of employees potentially negatively impacting the attractiveness of the Firm and professional services to highly talented individuals; The situation of four generations now in the workforce with potentially different desires and needs, leading to incoherence of culture; Changing needs of clients and the importance of our People continually developing skills e.g. technology, data analytics, AI to provide high-quality services to clients; Evolving understanding of hybrid working for the future is ongoing.
Responses	
<ul style="list-style-type: none"> Human Resources (HR) Board defining a clear People vision, coordinating and driving the execution of the HR Strategy across the Firm, with the support of the different HR departments; Regular reviews of the market for student and experienced talent to benchmark the Firm's relative competitive position and ensure agile management of resources; Campus and recruitment teams to reinforce our attraction impact and better promote our employer branding; Leverage on the network taskforce to manage market/clients expectations; Workforce planning - with the 3 Business Lines of Services enhancing and adapting the delivery model to support the business ambition; Monitoring and review of Key Performance Indicators (KPIs) by the management, including staff surveys, external data and regular client feedback; Wellbeing programme with a focus on mental health and work-life harmony; Continue working on flexibility measures to answer our new generation needs and remain competitive on the market; Use of various communication and discussion channels to engage with our People and enhance proximity management; Use of Global People Survey (GPS), to measure the people engagement index; Diversity Equity Inclusion (DEI) strategy with monitoring of KPIs; Ongoing reviews of reward and incentives to ensure that they are relevant to the new world of work by using external salary benchmark providers; Regular review of the L&D curriculum to ensure it supports the development of the skills and behaviours required for our People to deliver their roles and that it aligns with our culture and strategy. 	

WEF IBC disclosures

In 2021 we conducted a materiality assessment of the 21-core metrics introduced by the World Economic Forum (WEF) and the International Business Council (IBC), “Towards Common Metrics and Consistent Reporting of Sustainable Value Creation”. We identified which ones are a priority for us currently and selected 12 metrics where we can have the most impact for our stakeholders and in the ecosystem we operate. Since then, we have set targets and ambitions, as well as a system of monitoring and reporting, allowing us to fully align with the metrics that are material to us.

We disclose in this table all the core metrics as well as providing disclosures illustrating the adoption status we reached. More details are available in our [FY24 Annual Review](#).

Principles of Governance			
Theme	Metric and disclosure	Adoption status	Additional details
Governing purpose	Setting purpose The company’s stated purpose, as the expression by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Full	<p>PwC Purpose and Values: Our purpose is to build trust in society and solve important problems. Our values define who we are, what we stand for, and how we behave.</p> <p>Corporate sustainability is embedded in our business model and supports our long-term success. We dedicate time for our prioritised 12 ambitions to make an impact so that we, as a firm, can be confident for our long-term future.</p>
Quality of governing body	Governance body composition 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.	Partial	<p>We commit to combine diversity in our governance structure to enhance inclusion and equity, as well as reflecting all different nationalities, seniorities, ages, background expertise and genders.</p> <p>Our governance structure can be summarised in the following organisational chart:</p> <ul style="list-style-type: none"> – Our Luxembourg Country Leadership Team integrating the following functions: Clients & Market, Financial Services, People, Technology & Transformation, Assurance, Advisory, Tax; – Three other key functions directly reporting to the TSP: Risk & Quality, PwC Network Coordination, Finance / Administration; – The main firm-wide governance and oversight bodies are: Supervisory Board and Ethics, and Business Conduct Committee. <p>Our Chief Sustainability Officer (CSO) is the Territory Managing Partner. There are also four pillar leaders, from top management following the WEF IBC:</p> <p>Principles of Governance - <i>Francois Mousel</i>, TSP;</p> <p>Planet - <i>Anne-Sophie Preud’homme</i>, Chief Financial Officer and Chief Administration Officer;</p> <p>People - <i>Roxane Haas</i>, People Leader;</p> <p>Prosperity - <i>Cécile Liégeois</i>, Clients & Markets Leader.</p> <p>Missing disclosures for a full coverage:</p> <ul style="list-style-type: none"> - <i>Tenure on the governance body;</i> - <i>Number of everyone’s other significant positions and commitments, and the nature of the commitments;</i> - <i>Membership of under-represented social groups.</i>

Principles of Governance

Theme	Metric and disclosure	Adoption status	Additional details
Stakeholder engagement	Material issues impacting stakeholders 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.	Full	<p>In 2016, together with our stakeholders, we identified 15 sustainability topics that are crucial for our Firm to address: Seven priority challenges and eight additional challenges. Our Firm is committed to aligning those sustainability topics with our business model through the application of the WEF IBC. Our current ambitions referring to the material topics are 12 ambitions on the 21 composing the WEF-IBC.</p> <p>In FY24, we decided to voluntarily apply CSRD to our firm and to leverage on this regulation as it is a unique opportunity for us to strengthen our corporate sustainability strategy and a way to walk the talk towards our clients. This is why we conducted this year our double materiality assessment (DMA) as defined by the CSRD (Corporate Sustainability Reporting Directive), replacing the materiality assessment of 2016 (FY23 Annual Review- page 13).</p> <p>The outcome highlights the following material sustainability matters:</p> <ul style="list-style-type: none"> • Environment - Climate change (ESRS E1) • Social - Own workforce (ESRS S1) • Social – Clients' data privacy and cybersecurity (ESRS S4) • Governance – Compliance; ethical behaviour (ESRS G1) • Entity specific – Contribution to society; Quality of services
Ethical behaviour	Anti-corruption 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	<p>Anti-corruption: As auditors of financial statements and providers of other types of professional services, PwC member firms, 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.</p> <p>Our Firm has established guidance, procedures, and controls to minimise the corruption risk. Mandatory training is organised at the time of on-boarding, as well as once year, to ensure an active learning. This mandatory training is part of our Annual Ethics & Compliance Curriculum. It explains the risk indicators, what to screen for or how to determine the risk. It contains a specific focus on the work for the public sector and high-risk countries. This training is crucial to convey the tone at the top of zero tolerance for corruption and to make every employee a protecting barrier against corruption.</p> <p>Missing disclosures for a full coverage:</p> <ul style="list-style-type: none"> - <i>Decide to report on total number and nature of incidents of corruption confirmed during the current year.</i>
Ethical behaviour	Protected ethics advice and reporting mechanisms 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.	Full	<p>Trust is built based on a culture of transparency, respect, and Speak Up culture. This is why we encourage an ethical culture inside our Firm that empowers our people to “do the right thing” without fear of reproach. Our governing purpose is supported by the solid foundation of our PwC Code of Conduct, our values, and the continuous fostering of an ethical environment.</p> <p>The motto of our ethical culture can be summarised as: Speak up. Listen up. Follow up.</p> <p>Our ethics and compliance policies and practices ensure that we embed ethical behaviour into our human resources, the way we conduct our business, and the way we engage with our clients and our suppliers.</p> <p>Beyond the Ethics Helpline, a whistleblowing platform, they also provide our workforce with other supporting channels such as a team of confidential counsellors, the Ethics Counsellors. Members of the Ethics and Business Conduct Committee (EBCC) and confidential counsellors are selected with diverse backgrounds and in consideration of their proximity to our People.</p> <p>Ethical training modules are mandatory to all our PwC partners and employees on an annual basis. The content of our training is reviewed in an ad-hoc manner to consider trends, our new needs and what our people tell us.</p>

Principles of Governance

Theme	Metric and disclosure	Adoption status	Additional details
Risk and opportunity oversight	Integrating risk and opportunity into business process Company risk factors 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.	Full	Our Quality Management for Service Excellence (QMSE) framework requires the Firm to conduct annually a review of the effectiveness of the Firm's internal process. This covers all material processes such as financial, operational, compliance, and risk management. Since FY23, we publish our Risk Register externally. This enables our stakeholders to have a look at how we deal with them.

Planet

Theme	Metric and disclosure	Adoption status	Additional details
Climate change	Greenhouse gas (GHG) emissions For all relevant greenhouse gases (e.g., carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Full	In FY20, PwC made a worldwide commitment to achieve net zero greenhouse gas (GHG) emissions with near-term science-based targets for FY30. In July 2021, our near-term emissions reduction targets were independently validated by the Science Based Targets initiative (SBTi). Our targets are in line with a 1.5-degree scenario to prevent the worst impacts of climate change, as set out in the Paris Agreement. Since FY23, we report on Scope 1 & 2 emissions, business travel emissions (Scope 3), our percentage of suppliers with GHG reduction targets (by emissions) and Scope 3 supply chain emissions, covering all requirements of the WEF IBC GHG emission core metric. On top of this, we also provide insight on our strategy to reach 100% of purchased electricity coming from renewable sources. We continue to offset our emissions. To mitigate, we will continue to support high-quality independently verified carbon reduction and removal projects. However, we want to emphasise that we are more focused on reducing emissions than offsetting.
Climate change	TCFD implementation 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.	Partial	PwC Luxembourg has committed to adopt the Corporate Sustainability Reporting Directive (CSRD) which integrates the principal principles of TCFD for its FY26 reporting. By taking this step one year in advance of the requirement applying to large private companies in the EU, we are demonstrating a steadfast commitment to sustainability within our firm. Missing disclosures for a full coverage: - CSRD report
Nature loss	Land use and ecological sensitivity 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).	Full	Since FY23, we have released data on our land use and ecological impact, fully aligning with the recommendations of the WEF IBC. As an office-based business our land use is minimal. Among our current offices and our future main campus, three offices (Wemperhardt, Dudelange and Biwer Wecker) are adjacent to protected areas and/or Key Biodiversity Area respecting national rules.

Planet			
Theme	Metric and disclosure	Adoption status	Additional details
Freshwater availability	Water consumption and withdrawal in water-stressed areas Report for operations where material: Megalitres of water drawn, 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.	Full	Given the office-based nature of our operations, we do not have a large direct water footprint. 0% of our water consumption is sourced from regions with high baseline water stress. In fact, in Crystal Park (our main building), 60% of the water comes from Luxembourg's own springs in Muhlenbach, Septfontaines, Pulvermühl, Grunewald, Kopstal and Birelergrund, while the remaining 40% is sourced from surface water from the Upper Sûre Lake.
People			
Theme	Metric and disclosure	Adoption status	Additional details
Dignity and equality	Diversity and inclusion (%) Percentage of employees per employee category, by age group, gender, and other indicators of diversity (e.g., ethnicity).	Partial	At PwC Luxembourg, we believe that empowering and promoting diversity, equity, and inclusion are important and are closely correlated to both financial and non-financial performance. This is why we monitor how our Firm could be even more diverse than it is today, starting with gender, but also how we can monitor our diversity within a much wider definition. Considering our proportion of employees per gender, our ambition is to improve our gender diversity at each grade and lines of services to achieve a 40% - 60% gender balance no matter whether this is 40% women and 60% men or the opposite. We also publish our Diversity, Equity and Inclusion Index, reflecting how satisfied our People are with our efforts to build a diverse and inclusive work environment. Missing disclosures for a full coverage: <ul style="list-style-type: none"> - Disclose percentage of employees by age; - Define other indicators that make sense for us.
Dignity and equality	Pay equality (%) 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.	Full	At PwC Luxembourg, we believe that providing equal remuneration for the same jobs, irrespective of gender or ethnicity/cultural diversity is crucial to attract talent and drive long-term competitiveness. We want to offer rich professional opportunities for all our People depending on their skills, motivation, and aspirations. This is why we are monitoring our remuneration in terms of gender equity, and this is a commitment we began several years ago. We use Logib, the Minister of Equality between Men and Women's standard analysis tool, enabling employers to conduct their own equal-pay analysis. Beyond the gender pay gap, we are looking at how women and men have equal chances to access management roles and promotions.
Dignity and equality	Wage level (%) 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.	Partial	The economic wellbeing of our People is linked to the fair compensation and benefits they receive. This is why we report on how the entry salary in our Firm is compared to the local minimum salary. Missing disclosures for a full coverage: <ul style="list-style-type: none"> - Decide to communicate on the ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees.
Dignity and equality	Risk for incidents of child, forced or compulsory labour 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.	Partial	We ask all 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. PwC publications: Human Rights Policy and Human Rights Statement . Missing disclosures for a full coverage: <ul style="list-style-type: none"> - Type of operation (such as manufacturing plant) and type of supplier; - Countries or geographic areas with operations and suppliers considered at risk.

People

Theme	Metric and disclosure	Adoption status	Additional details
Health & wellbeing	Health and safety (%) 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.	Partial	<p>We are primarily reliant on our People to deliver our services to clients. This is why we aim to provide our employees the opportunity to enhance their wellbeing and their mental health, for their own prosperity and towards a sustainable future for our Firm. At PwC Luxembourg, we believe that working proactively in the areas of health and wellbeing will help identify and mitigate potential risks.</p> <p>We disclose our Flexibility & Wellbeing Index, demonstrating the level of how satisfied our People are with finding a balance between work and personal life that works for them and working with people who make wellbeing a priority.</p> <p>It is also important for us to ensure we can identify people with mental and physical difficulties caused by stress, anxiety, and significant workload. We are looking at the absenteeism rate for illness-related absences compared with the local sector benchmark.</p> <p>Missing disclosures for a full coverage:</p> <ul style="list-style-type: none"> - Decide to disclose the average number of hours worked; - Report on fatalities and work-related injuries is not relevant for our activity.
Skills for the future	Training provided (#, \$) 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).	Partial	<p>We believe that investing in and upskilling our People will enhance their satisfaction, as well as our Firm's performance. As the skills our People need to support our clients and ensure sustainable solutions continue to shift, so does our training. We offer a wealth of continuously updated and relevant learning opportunities, enabling our People to be the inclusive, quality-driven, and expert leaders our clients require.</p> <p>Beyond monitoring the number of training hours we provide, we ensure that our People are given the right technical and behavioural learning experiences at the right time.</p> <p>Missing disclosures for a full coverage:</p> <ul style="list-style-type: none"> - Categorise our report by gender, grade, and other employee categories; - Decide to report on development expenditure per employee.

Prosperity

Theme	Metric and disclosure	Adoption status	Additional details
Employment and wealth generation	Absolute number and rate of employment 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Partial	<p>Employment and wealth generation are intrinsically linked. Our People are at the heart of our 12 priority ambitions on sustainability. This is why we aim to attract, develop, reward, and retain the best talent from a diverse range of backgrounds by building a meaningful journey for them and creating a culture where our people want to stay and build a career.</p> <p>We report on our rate of employee voluntary turnover and on our total new hires by gender.</p> <p>Missing disclosures for a full coverage:</p> <ul style="list-style-type: none"> - Split our report by age, gender, and other indicators of diversity and on our total number.

Prosperity

Theme	Metric and disclosure	Adoption status	Additional details
Employment and wealth generation	Economic contribution <ol style="list-style-type: none"> Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organisation's global operations, ideally split by: <ul style="list-style-type: none"> Revenues Operating costs Employee wages and benefits Payments to providers of capital Payments to government Community investment Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period. 	Partial	<p>At PwC Luxembourg, we believe that economic contribution provides an indication of how a company can create prosperity for stakeholders, including our People, our clients, and our communities at large.</p> <p>We report on our Firm turnover and net revenues as these indicators provide a valuable snapshot of the direct monetary value added to the markets in which we operate through the delivery of our services.</p> <p>Community investment: We define community investment as all activities, alongside financial contributions, pro bono services and volunteering that we are pursuing with the sole purpose of delivering social, environmental, and economic benefits to our local communities.</p> <p>We want to support communities via active contribution, like providing financial support to projects, delivering pro bono services as well as giving time to help non-profit organisations.</p> <p>We also promote volunteering by giving our employees the opportunity to dedicate 40 hours to Community Engagement per year for volunteering during work hours, primarily on our supported initiatives but also on self-sourced initiatives in line with our priority topics.</p> <p>Missing disclosures for a full coverage:</p> <ul style="list-style-type: none"> Decide to report on other financial KPIs suggested by the WEF.
Employment and wealth generation	Financial investment contribution <ol style="list-style-type: none"> Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. 	Partial	<p>We invest a minimum of 4% in our existing services transformation as well as in the development/innovation of new services. These investments not only focus on technology and data management, but also on business process improvements, organisational changes, upskilling of our people and client specific solutions.</p> <p>Our strategy is structured around five priorities:</p> <ul style="list-style-type: none"> Lines of Services transformation to constantly adapt ourselves to our client needs, Managed Services as a focus to support our clients' operations, Delivery models new approaches to more agile work models, Sustainability services and corporate sustainability to be confident for our long-term future as well as to support our client's sustainability agenda (specific reporting KPI), IT & data transformation to enhance our capabilities, support transformation and allow for an efficient ICT and data management. <p>Missing disclosures for a full coverage:</p> <ul style="list-style-type: none"> Align our reporting approach with the WEF guidance (Total capital expenditures (Capex) minus depreciation).
Innovation of better products and services	Total R&D expenses (\$) <p>Total costs related to research and development.</p>	Full	<p>Our research and development (R&D) operates with a team of experts dedicated to identifying market trends and generating new and innovative ideas for our Firm. We foster innovation through regular events and initiatives, encouraging our staff to propose innovative solutions for our clients. With the support of our team of experts, these solutions are incubated, and the collaboration between this team and our internal and business services transforms these solutions into tangible services and products to meet our clients' needs.</p> <p>Total R&D expenses are fully reported, including our innovation strategy, in our Annual Review.</p>
Community and social vitality	Total tax paid <p>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.</p>	Not disclosed	<p>We do not disclose this information.</p>

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