



2024 Annual Review

Embracing change for more sustainable success



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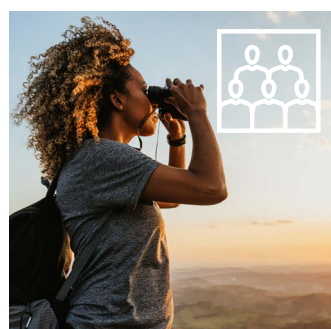


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Message from François Mousel



Dear all,

The year ending on 30 June 2024, has been a very successful year for our Firm.

Despite a challenging macroeconomic environment due to a further year of restrictive monetary policy, we were able to grow our business overall by 11.4% to reach a total turnover of slightly more than €700m. We note however that, contrary to past years, the growth has not been homogeneous across all our service lines: while Assurance clearly had an exceptional year and Tax, including Managed Services, grew solidly, Advisory had a more challenging year, reflective of a market environment characterised by volatility and uncertainty.

We see this very solid performance as an outcome of our efforts and achievements especially in the following critical success areas:

- The **multi-line of services strategy and diversification** in terms of client industries and sub-industries we are working on. The increased mix between our recurring services, such as assurance, tax compliance and managed services, is rendering our business robust and protecting against some of the short-term macroeconomic impacts.
- The **satisfaction level of our clients** is very high, with a significant further increase in our Net Promoter Score as well as having many positive comments coming out of our extensive client satisfaction programmes. Clearly, this does


not mean that we will rest on our laurels (on the contrary!), but it demonstrates that our resolutely “Client 1st” perspective is noticed and valued.

- Similarly, overall, our Global People Survey showed a **high level of engagement and trust of our People**, who highlighted our focus on quality and our values, as well as our initiatives around flexibility, health, wellbeing and diversity, equity, and inclusion. We have been able to onboard more than 400 Full Time Equivalent (FTE) net over the past year, another strong sign of the attractiveness of our Firm and brand.

We also launched some very important initiatives:

- Our GenAI Business Center and GenAI enhanced services,
- Our PwC Luxembourg Foundation and, last but by no means least,
- PwC Services Portugal, our new office located in Porto (Matosinhos), which is a partnership between PwC Luxembourg and PwC Portugal. It is a very strategic and large project mainly aimed at developing, to the benefit of our financial sector clients, a sustainable and specialised delivery setup inside the EU for our Assurance and Managed Services.

Through what we observe on the market and in conversations with our clients, we are happy to see that the new Government clearly has a business-oriented stance with a focus on further developing the financial centre and further diversifying our



economy as well as investing in the future skillsets of the country to generate the productivity gains our small, open and specialised economy needs.

For us, it has always been key to listen to our clients and other critical stakeholders. In the context of our voluntary adoption of the Corporate Sustainability and Responsibility Directive (CSRD) (wherein we demonstrate we are “walking the talk”), we have gathered the following significant sustainability matters through a robust stakeholder engagement exercise carried out over the past months:

- Quality of services
- Ethics and business conduct
- Working conditions and proximity management
- Compliance and client data protection
- Contribution to society
- Climate change mitigation and energy consumption

We are already fully focused on these sustainability matters as this Annual Review shows. You will find publicly disclosed in the next pages all our main non-financial Key Performance Indicators (KPIs) which we follow to monitor how we fare compared to those priority areas.

For FY25, we expect a more challenging year. Although we have seen the first lowering of central bank interest rates on either side of the Atlantic, the soft (or hard) landing of the economies is yet to fully materialise and will impact some of our services.

In such a context, we will remain very focused on:

- Our main market priorities being a well-balanced book of core services (Assurance, Tax, Advisory), the development of our Managed Services scope and client base, our Sustainability Services and the support in the transforming our clients’ businesses through regulatory, operational and technology (also (Gen) AI) skill sets.

- The transformation of our own delivery model through technological innovation (including through (Gen) AI).
- Scaling up and making PwC Services Portugal a relevant and value-adding venture for our clients and teams.
- Building out our unique people-centred corporate culture around:
 - Further fostering proximity with our People and their flexibility, health and well-being,
 - Strengthening specifically our following cultural traits: Excellence, Entrepreneurship and Walking-the-talk, and
 - Encouraging a speak-up culture and strong ethical behaviour.

On a long-term basis and in line with the previous year, we remain optimistic. Therefore, we continue to invest heavily in our business, and we do not allow ourselves to be distracted by short-term market volatilities.

I would like to thank our clients for the continued trust they put in our services and in our Firm. And I would like to specifically thank all the Partners and all our People for all the efforts provided. *Villmools merci!*

I hope you find this Annual Review useful and impactful. I value any feedback to be received because it is only through constructive criticism that we can adapt and improve.

Warm regards

François Mousel, Managing Partner







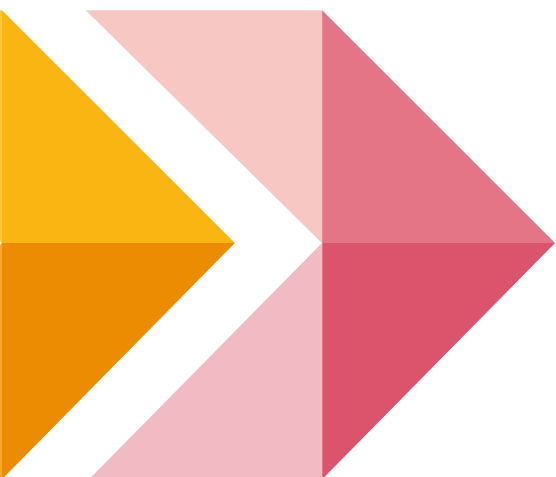
Governance

As a Firm, we cannot be sustainable and successful without considering long-term thinking within our corporate strategy, engaging in sustainable business practices to support our growth and leveraging on our non-financial KPIs (Key Performance Indicator) to make decisions.



Only sustainable businesses generate financial success over the long term and are truly embedded in society. My priority as Chief Sustainability Officer is to embed our non-financial objectives into our core business and to put the responsibility for their execution at the highest management level, i.e., the CLT and myself.”

François Mousel, Managing Partner, PwC Luxembourg





Our ambition as PwC Luxembourg locally is to be the most impactful, trusted and dynamic professional services partnership and – in our core markets – and beyond the borders of Luxembourg. We strive to be a leader, a standard setter and a role model in what we do and how we organise ourselves. We consider strong financial results as an outcome and not a purpose in itself.”

François Mousel, Managing Partner, PwC Luxembourg

1. Governing purpose

Our **purpose and values** are the foundation of our success. We are committed to building trust with all stakeholders and delivering quality in the marketplace, which translates into sustained outcomes. This is critical in the current environment where competition, societal expectations and the risk of disruption are more present and demanding than ever before. As a hugely diverse business, our purpose and values bind together everything we do. It sums up our role beyond serving our strict business purpose and how we contribute to society more broadly.

It is not enough for us to just state what our purpose is. We must make sure not only that our People are aware of it, but also of how it governs our actions and consequently our outcomes and our impact. We measure this by asking our internal stakeholders, our People, through our Global People Survey a set of 12 dedicated questions each year:

Awareness of our purpose*

Firm level 22	Firm level 23	Firm level 24	Target
68%	69%	70% ▲	>75%

**Calculation based on the Global People Survey results of 12 questions on our PwC purpose and values.*

Answers scale from 1 to 5, from very negative to very positive, 3 being neutral.

Based on those 12 questions, we can conclude that more than two thirds of our People are consistently aware of, and apply, our purpose, which is to build trust in society and solve important problems. This is a very strong result given the dynamic character of our workforce and its size and the awareness has risen almost 10% since FY19. On the question “I understand how my work contributes to our purpose”, 83% of respondents replied “yes”.

In FY24, we started a journey to strengthen our corporate culture and establish a distinct local corporate identity through the launch of our **Firm cultural evolution** programme, aligned with the worldwide PwC Network standards.

Firm cultural evolution



Walk the Talk



Excellence



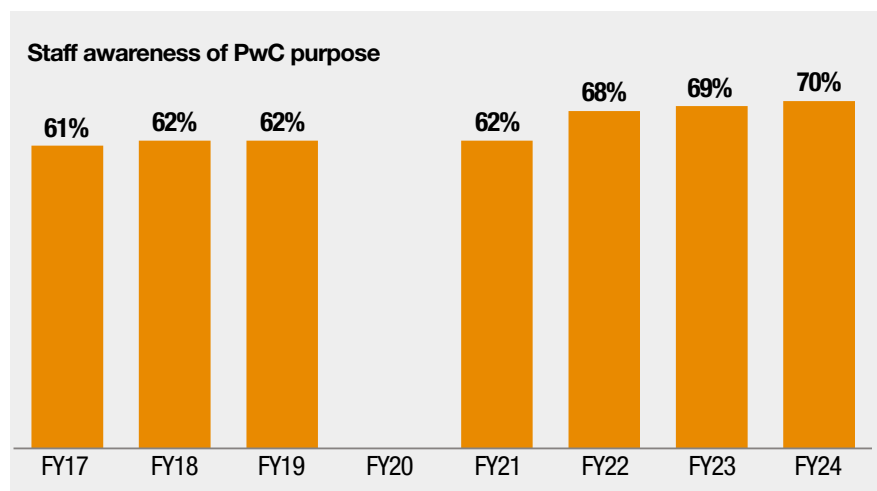
Entrepreneurship



To reach our 75% target, we believe our corporate culture evolution programme is a lever. The behaviour underpinning our cultural traits are the concrete expression of our purpose and values. This is why FY25 will be dedicated to reinforcing three priority cultural traits at every level of the Firm: Walk the Talk, Entrepreneurship and Excellence.

We are happy to note that those three cultural traits have already come out distinctly in our Global People Survey in FY24:

- To the Global People Survey question, “Actions taken in the last year by the leaders I work for have made a positive impact on my day-to-day work experience at PwC.”, we improved our result from 43% to 57%, showing a strong consideration of our leadership to Walk the Talk, something we will reinforce even more next year through dedicated trainings to our leaders.
- We obtained scores above 80% to the question, “I am encouraged to try new things and learn from failure” including within our internal services. By using leading technologies, experimenting and searching for unexpected solutions, our teams are delivering distinctive outcomes to our clients and are already showing an entrepreneurial mindset. More than ever, this is what we are expecting in all our services.
- We have also obtained scores of more than 80% on questions related to the level of quality we expect in the work we do – underpinning our relentless efforts to hold up to the highest quality standards as consistently as possible.



No data for FY20 as no GPS has been performed due to Covid19 pandemic.



2. Stakeholder engagement

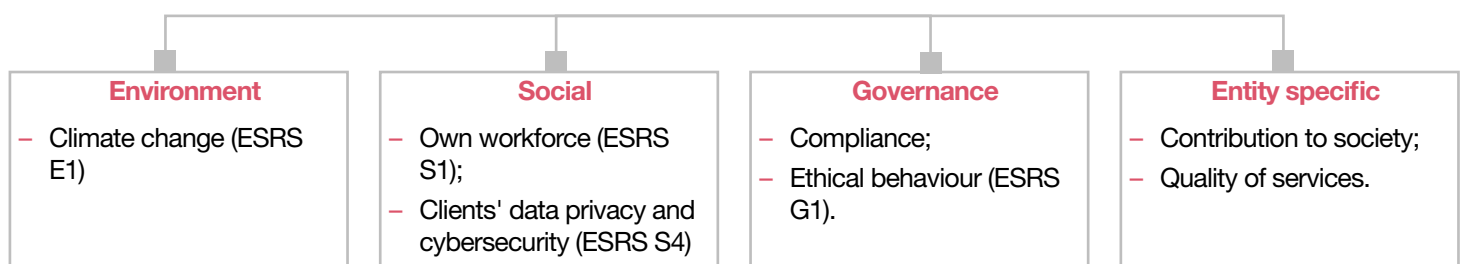
As we all live and operate in an environment that constantly changes, we are aware that our stakeholders' priorities evolve continuously and that we must adapt ourselves to sustain our long-term success. Our efforts in sustainability only have meaning if we focus on what is important to our most significant stakeholders and where we have the biggest influence.

Material topics of PwC Luxembourg

Following our FY23 commitment, we conducted this year our double materiality assessment (DMA) as defined by the CSRD (Corporate Sustainability Reporting Directive), replacing the materiality assessment of 2016 ([Annual Review, page 13](#)). This is a key step leading to our first CSRD compliant report for FY25.

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, since we deliver sustainability services to our clients.

A central piece of our DMA was engaging with various groups of stakeholders, to capture diverse perspectives by compiling a list of sustainability matters that will become the basis of our strategy and the priorities to consider for the coming years. We engaged extensively with people across our value chain including our own operations and suppliers, customers and local community stakeholders. Moreover, we incorporated the key risks from Enterprise Risk Management (ERM). The outcome highlights the following material sustainability matters:



We detail in a more extensive way our methodology in Appendix 2.

In FY25, our way of reporting will change extensively by moving from WEF-IBC to CSRD framework. This entails a major change by embedding even further ESG in our core strategy and relevant metrics in our day-to-day internal and client-facing operations, while keeping in mind that it is a unique opportunity for value creation and transformation of our company to be even more driven by a long-term vision.

Furthermore, we plan to review the results of our DMA on a regular basis and engage with additional stakeholders in the coming years, to enable us to update our priorities in line with the changing context.