

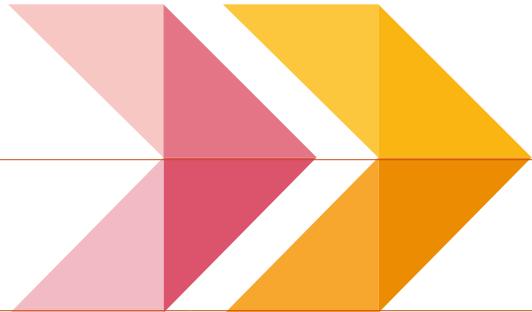


2024 Annual Review

Embracing change for more sustainable success



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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

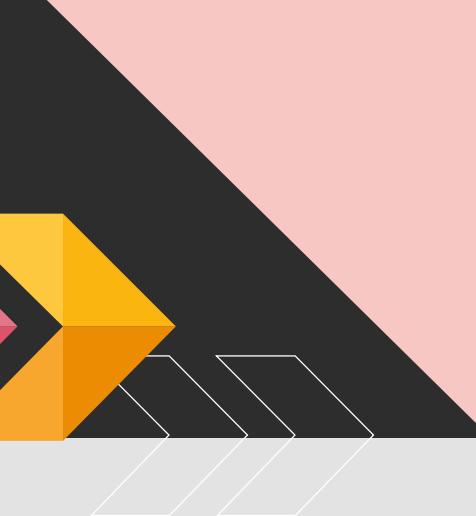
not mean that we will rest on our laurels (on the contrary!), but it demonstrates that our resolutely “Client 1st” perspective is noticed and valued.

- 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. *Villmoors 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





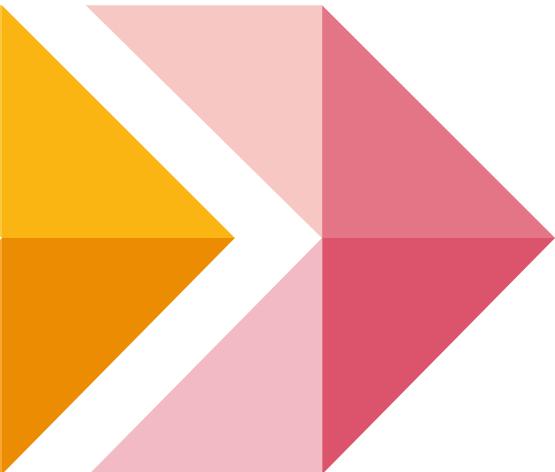


Governance

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.

Firm cultural evolution



Walk the Talk



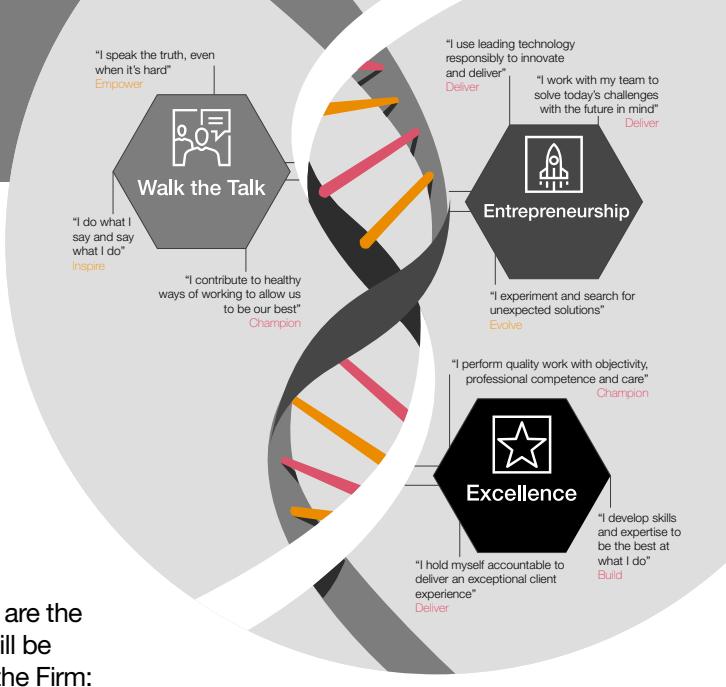
Excellence



Entrepreneurship

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”.

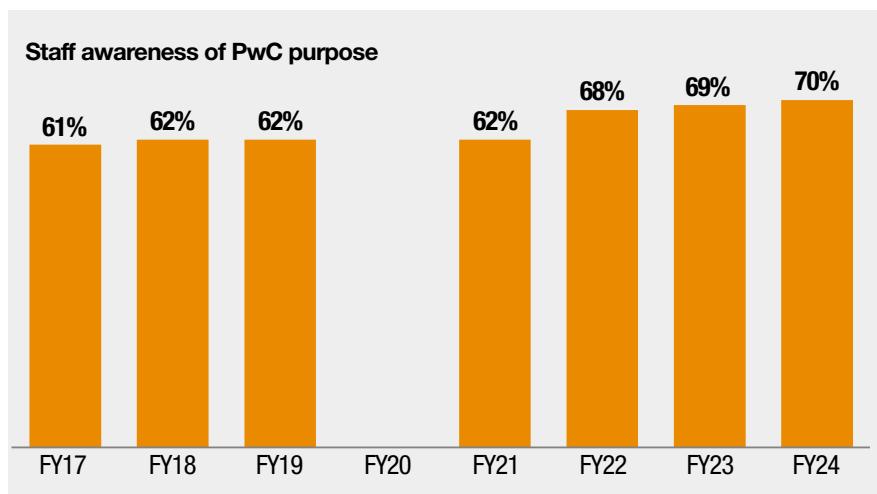
In FY24, we started a journey to strengthen our corporate culture and establish a distinct local corporate identity through the launch of our **Firm cultural evolution** programme, aligned with the worldwide PwC Network standards.



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.





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:

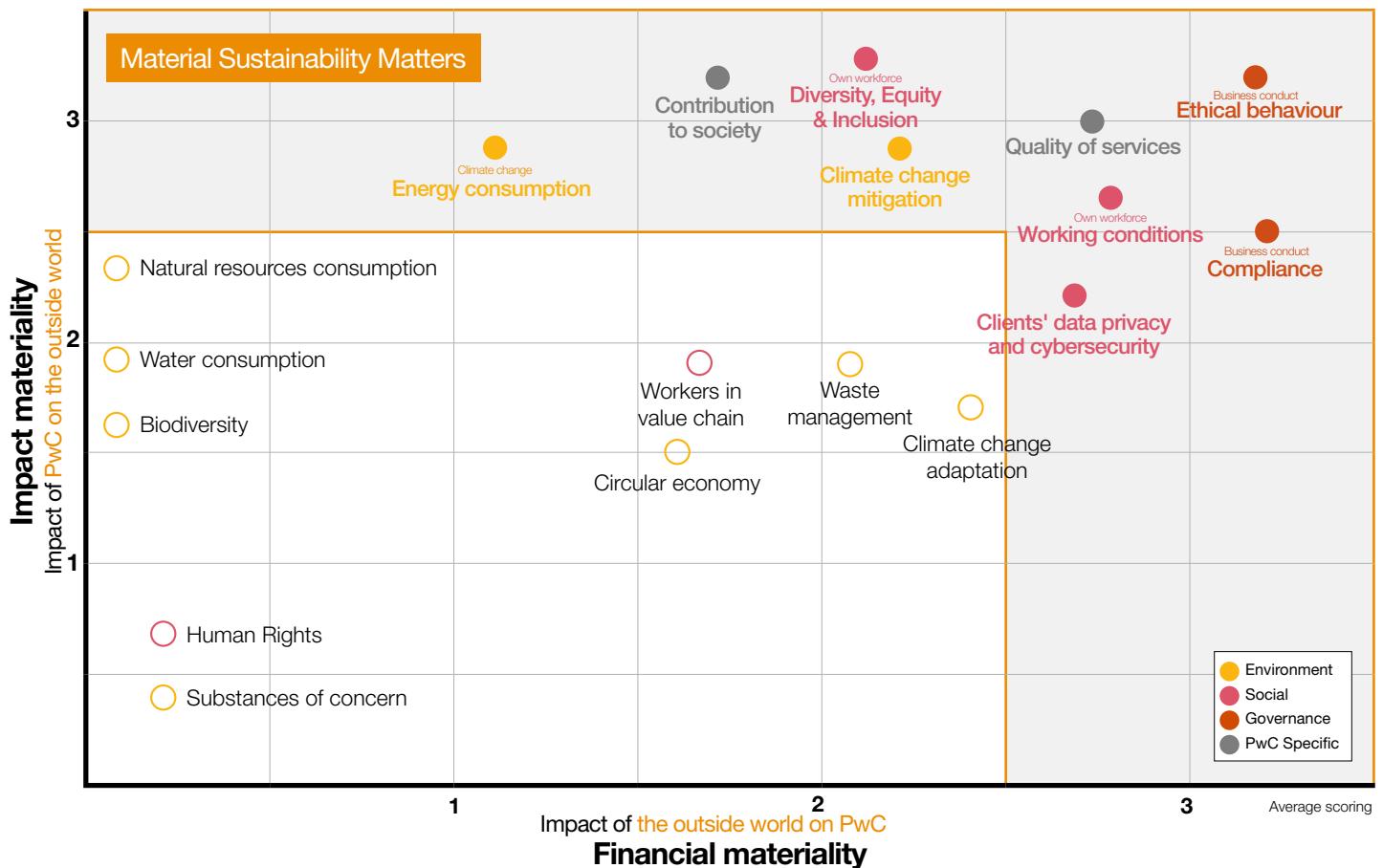


We detail in a more extensive way our methodology in Appendix 2.

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.

Double materiality matrix – our priorities



All our 9 priority topics are represented in the grey part of the materiality matrix. Their position in the matrix indicates the relevance of each topic from impact materiality (positive and negative impacts PwC LU has on the world) and financial materiality (Impacts of the world on PwC LU) point of view.

We describe in the following paragraphs the key themes associated with each material sustainability matters, as per the content of the impacts, risks and opportunities we identified together with our stakeholders.



Climate change (ESRS E1)

Climate change mitigation:

We endeavour to reduce our greenhouse gases emissions. Climate change mitigation also covers the transition plan to a climate neutral economy and internal carbon pricing.

Own operations environmental footprint	GHG emissions we generate through our business activity, mainly: Scope 1 and 2 from buildings (including energy consumption), events, training, business travel, procurement and waste management.
Employees commuting and car fleet	GHG emissions, scope 3, related to our employees commuting by car or public transport on which we have an influence through the car fleet policy, sustainable mobility solutions, teleworking and satellite offices.
Climate change mitigation strategy	Decarbonisation levers we identify to reduce our GHG emissions: greener IT policy, supplier selection based on environmental criteria, support suppliers to increase their environmental performance.

Energy consumption:

We consider the energy we consume to support our business and operations, with a dedicated focus on IT-related consumption.

Energy consumption	Energy we consume, considering our major sources: IT-related electricity, AI technology, data storages, clouds and our buildings.
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Own workforce (ESRS S1)

Working conditions:

We integrate various key topics related to the health, motivation and growth of our employees.

Talent attraction and growth	Attraction, retention, development and talent management of our talents.
Employees proximity management	Importance of leadership and management skills to guide and develop our people, by being as close as possible to their concerns.
Compensation, recognition and benefits	Relation between salary package and cost of living and competitiveness with neighbouring countries.
Mental, emotional and physical health	Our stance and progress on wellbeing, working flexibility, workload and healthy lifestyle.
Working culture and employee motivation	Importance of employee morale, working culture based on fairness and trust.

Diversity, Equity and Inclusion:

Our practices related to what extent everyone is fairly represented and treated in our workforce.

Diverse teams	Our approach towards the diversity of our population.
Equal opportunities and inclusive environment	Importance of integration of people with various backgrounds. Progress to be maintained to continue leading in terms of equity.



Consumers and end-users (ESRS S4)

Clients' data privacy & cybersecurity:

Management and protection of our client's data, including cybersecurity aspects.

Clients' data privacy & cybersecurity	Our efforts to protect client data and manage it correctly, as a key element for fostering trust.
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Business conduct (ESRS G1)

Ethical behaviour:

Our approach towards professional and ethical conduct standards, and how it contributes to the company corporate culture in general and more specifically to the business conduct culture. It covers the ethic policies and code of conduct, governance, culture, suppliers' assessment and payment delays practices.

Ethical corporate culture	Ethics integration in overall vision, culture, strategy, governance and operations.
Ethical business conduct	Business integrity as key element to foster trust, embedded in everything we do.

Compliance:

Our compliance policies and practices (i.e. Anti-corruption, bribery and money laundering, protection of whistleblowers, tax policies, GDPR, etc.) covering national and international legislations.

Internal and external compliance practices	As a foundation of trust, our compliance with national and international legislation, including those affecting clients. Focus on our efforts towards more transparency.
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PwC LU specific (ESRS Entity-Specific)

Quality of services:

Delivering quality services to our clients is our purpose and the heart of our business model. It covers all types of services we deliver but also walking-the-talk on what we recommend to our clients (ESG for example).

Quality of services	Trust in our quality of services. Our appetite for innovation and disruption, including emerging ESG services.
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Contribution to society:

Our participation in communities. It covers our participation in professional associations, our community engagement and the PwC Foundation activities.

Contribution to society	Connection with local communities, including professional associations, volunteering pro-bono services and knowledge sharing.
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People Firm Engagement Index*

Firm level 22	Firm level 23	Firm level 24	Target
75%	79%	76%	>81% (FY25) >85% (long term)

* Consolidated figure based on the following questions:

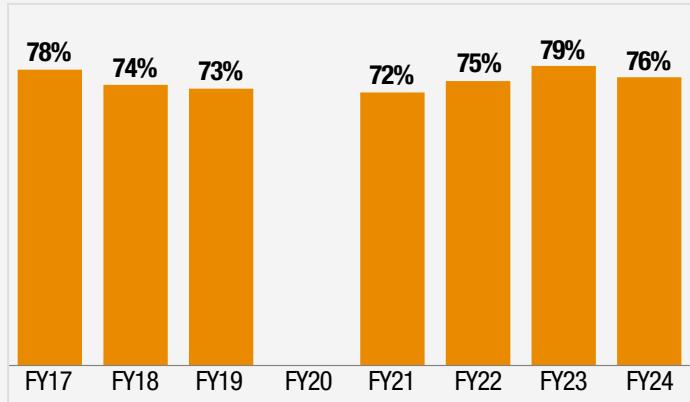
- I enjoy working at PwC
- My personal values align with the values demonstrated at PwC
- I would recommend PwC as a great place to work
- I am proud to work at PwC
- I feel like I belong at PwC.

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

As a professional services partnership, it is our People who make the direct impact on our clients, it is our People who execute our strategy, and it is our People who drive our values. Consequently, the People Engagement Index (PEI) is one of the most critical parameters that we see at leadership level. In line with our network guidelines, our aim is to improve the PEI each year by 2% until we reach a percentage above 85%.

The trend of our PEI is down this year, but still above three quarters of our People are fully engaged with us. We are proud of this result, even if it falls short of our long-term target which we know is very ambitious. As displayed on the chart, the results seem to be cyclic, with a regular trend down and up, in between 70% to 80%. These results are also consistent with what we see at PwC network level. The cyclical results are also correlated to our staff voluntary turnover, which is lower this year. As our People are working longer term with our Firm, it is natural that the alignment somewhat declines compared to when they were new joiners.

People Engagement Index



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



As shared in [our financial results](#), we also faced a slowdown of our Advisory business linked to the FY24 macroeconomic environment (tightened monetary policy leading to an economic cooling off). This more uncertain environment has led to lower scores in this line of service, especially for our younger population, and these lower scores explain almost all of the negative average variance for our Firm overall.

This is why in FY25, we want to be as transparent as possible with our People and involve them in the solution. We will put in place focus groups per grade and services, to understand the mindset in place, the root causes leading to these low engagement and co-build action plans dedicated to each service where the scores are the lowest.

Generally speaking, and at Firm level, we also believe that a further improved People Engagement Index will be the consequence of two major areas of improvement:

- Our Firm Cultural Evolution, as presented in our Governing Purpose section.
- Our non-financial strategy linked to CSRD as shared in this Annual Review and supported by our Corporate Sustainability journey: We must ensure a perfect alignment between our material topics – highlights of our people, clients and overall society expectations – and the concrete actions that we will take in FY25 to address what is key for our people and our clients and beyond.

WEF IBC KPIs transparently available*

	Firm level 22	Firm level 23	Firm level 24	Target FY25
WEF IBC Core Metrics	69%	80%	80% ↔	Move to CSRD
WEF IBC Expanded Metrics	N/A	83%	92% ▲	Move to CSRD

In FY24, we included new expanded metrics, such as our contribution to society through our [community engagement programme](#).

In FY25, we will move from WEF-IBC to CSRD and provide more qualitative and quantitative KPIs with related explanations and action plans. It should be noted that PwC Luxembourg's application of the full CSRD requirements is not legally required, but we see it as a must to be credible on our commitment towards transparency, long-term thinking and the intentions of our local and European public stakeholders.

Why we included transparency on WEF IBC KPIs availability

Following the 21 core WEF IBC metrics foster transparency, consistency and comparability and catalyses a systemic solution that integrates financial and ESG reporting for our stakeholders.

What we cover under this Annual Review

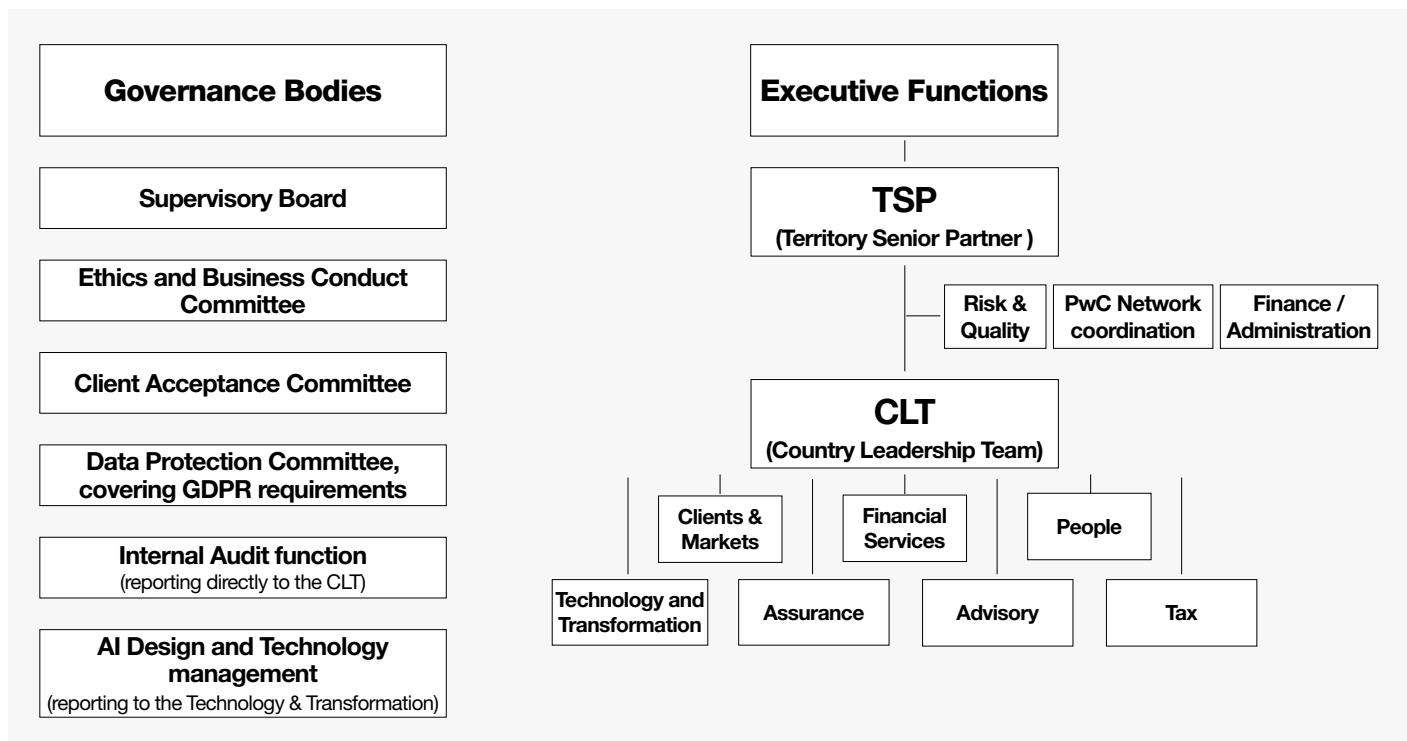
Like the previous year, our 2024 review is aligned with reporting disclosures and metrics proposed by the WEF and the IBC, "[Towards Common Metrics and Consistent Reporting of Sustainable Value Creation](#)". The layout of our report mirrors that of the four pillars suggested by the WEF IBC, Principles of Governance, People, Prosperity and Planet, and we have matched our corporate sustainability reporting with the metrics and disclosures proposed.

3. Quality of governing bodies

Our Firm is ultimately managed by the Country Leadership Team (CLT). Each member of the CLT is a “gérant” of PwC Société Coopérative and, as such, has specific rights to engage our Firm. Our Territory Senior Partner (TSP) is elected every four years by the partnership in accordance with a pre-defined election process proposed by our Supervisory Board and adopted by the partnership. Similarly, each CLT member is proposed by the TSP and then confirmed individually by a majority vote of the partnership.

Our governance structure as from 1 July 2023 can be summarised in the following organisation chart.

Our CLT (Country Leadership Team) has the overall responsibility for the policies, strategy, direction and management of the firm and has integrated the following functions since 1 July 2023:



To execute our strategy, each leadership function wrote a charter embedding sustainability principles. Further information on the composition and responsibilities of each of these bodies is provided in our [Transparency Report - section 6](#).



Sustainability governance

The [Country Leadership Team](#) is fully in charge of the sustainability strategy in order to “Walk-the-Talk” and demonstrate the appropriate “Tone-at-the-Top”. Our **Chief Sustainability Officer (CSO) is Francois Mousel, TSP.**

- Following the [WEF IBC](#), there are **four pillar leaders**, from top management:

Principles of Governance	Planet	People	Prosperity
François Mousel, TSP	Anne-Sophie Preud'homme, Chief Financial Officer and Chief Administration Officer	Roxane Haas, People Leader	Cécile Liégeois, Clients & Markets Leader

A **Corporate Sustainability Office**, led by Vivien Létang, is structured to be a catalyst to shape the Firm's Sustainability Strategy endorsed by the CLT by advising and supporting our leaders in the execution and proposing and coordinating sustainability transformation initiatives. The team measures the progression towards our ESG targets and ensures regulatory compliance, including CSRD, which will be a major FY25 priority.

PwC Luxembourg's sustainability transformation journey since 2016 is summarised in our [Sustainability Journey](#).

Certifications



- [Carbon Disclosure Project \(CDP\)](#)

PwC Luxembourg reports annually on CDP Climate Change through the PwC Network. The responses cover data and practices in line with the Annual Review and consider the previous year's performance data. The exercise is coordinated by the network, which gathers responses from each territory on an annual basis. Last year's grade: A-.

- [EcoVadis](#)

PwC Luxembourg is dedicated to becoming a sustainable entity and to showcasing this commitment to external stakeholders. The Firm renews regularly its EcoVadis assessment to manage ESG (Environmental, Social, and Governance) risks and compliance, aligning with the Firm sustainability objectives, and catalysing positive change throughout the company and its value chain.

FY24
Score:
64

This year we improved our score by 6 points, mainly in the ethics and procurement area. Next year, we expect to obtain the EcoVadis silver medal thanks to our compliance with the CSRD.

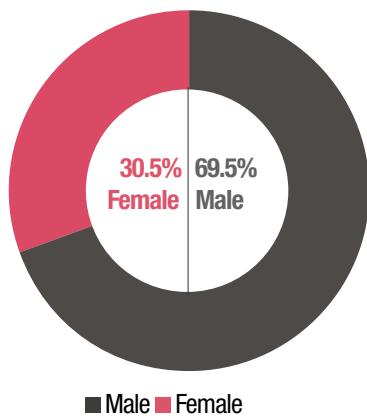
Bodies composition per gender*

Firm level 23	Firm level 24	Target
Female 31% Male 69%	Female 30.5% Male 69.5%	40%-60% (both ways in FY27)

* Based on the average composition of all the leadership teams supporting our key functions (cf. “Quality of governing bodies”).

Target 40/60% in both ways for FY27 after next TSP election.

Gender composition



We are currently not at our objective of a 40%/60% corridor with an insufficient percentage of female members on our main leadership teams. As the leadership team members are mainly partners, we are logically close to (in fact slightly better than) the overall gender repartition of the partners, which is 72% male and 28% female. We have set our target for FY27, since we normally review fundamentally our leadership teams after each TSP election, i.e., every 4 years. It is to be noted that when we look only at top management, meaning at the CLT and the 3 key functions reporting directly to the TSP, we are almost at parity, i.e. 5 of those 11 positions are today occupied by female partners.

It is important to note that gender is one parameter considered during the nomination process. The other ones are disclosed in the “Diversity in Bodies composition” section.



Diversity in bodies composition*

*Calculated based on a sample of a total of 81 committee members in 18 committees in FY24.

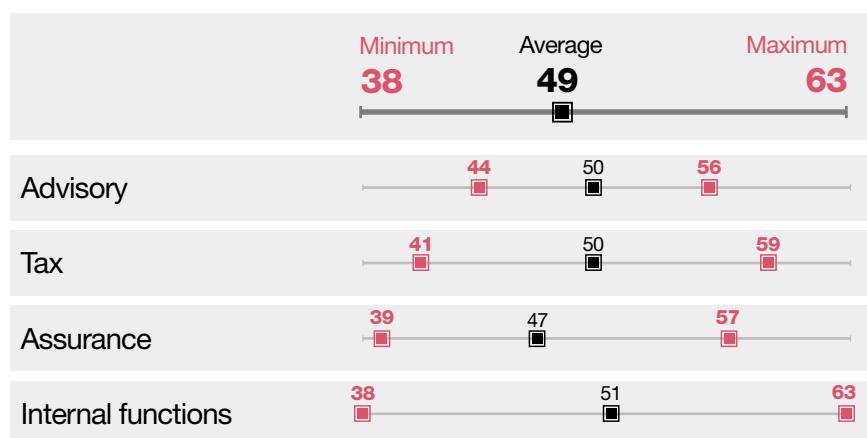
It is undisputed that diverse leadership teams lead to better decision making by incorporating a broader range of views, experiences, and backgrounds. Having our leadership team compositions more aligned with our diversity (all criteria considered) is a necessity to represent our population and make decisions based on the entire richness of viewpoints and cultures.

Age

We note that currently, the average age of our leadership team members is 49. Because our partners need to exit the partnership at the latest at 60, our ambition is to reduce that average by two years to 46 for the next TSP election in FY27.

One measure is to strengthen and accelerate the career development of our directors to be ready for partnership earlier as well as expose our young partners to opportunities in leadership teams sooner based on a closer and more proactive management of their early partner career. The young age of our newly elected partners for FY24 (40.25 years) clearly shows this initiative's implementation.

Age in the Firm (years)



Seniority in the Firm

We can note a different result depending on the Line of Service (LoS) considered. The smaller seniority for the Advisory LoS is explained by a larger number of direct entries among the Advisory partnership, i.e. partners joining us from outside. We want to keep overall a high seniority level for the members of our leadership teams as high seniority is reflective of the strong "PwC culture" that we want to foster.

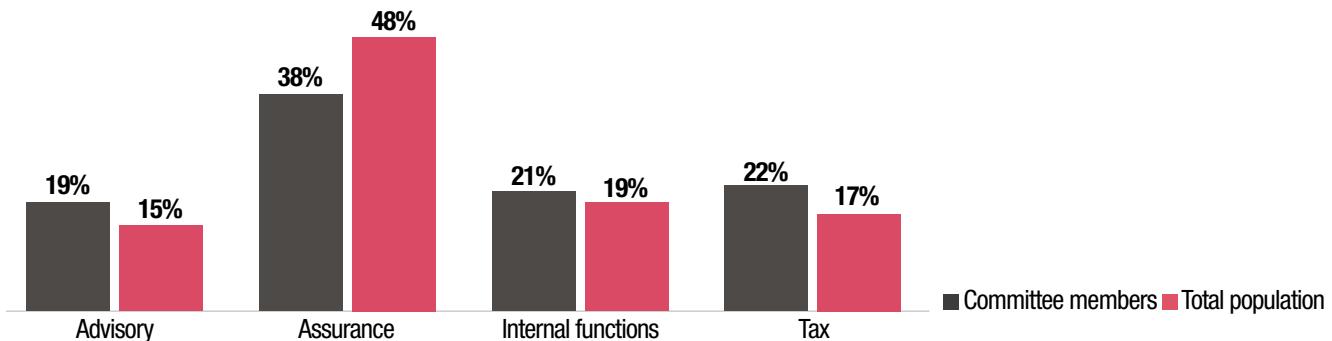
Seniority in the Firm (years)



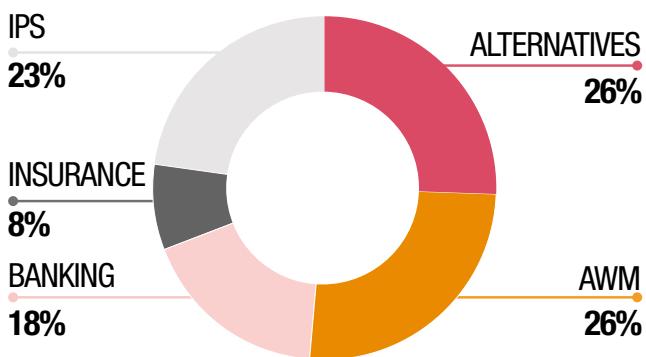
Line of Services and industries representation*

*Calculated based on a sample of more than 3,500 employees and 81 committee members in FY24.

LoS representation



Industry representation FY24



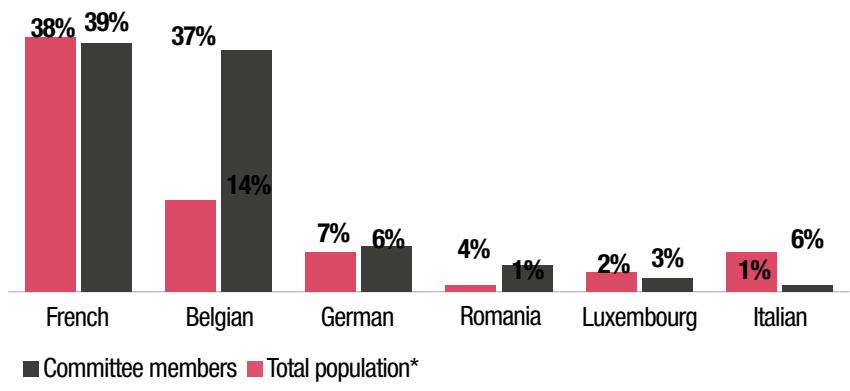
The overall ambition is to have a leadership team composition broadly aligned with our total population weights. In practice, we note a slight under-representation of Assurance, compared to Advisory and Tax. Industry representation is aligned with our ambition to be representative of our Firm population.

Nationality

The results of the nationality make-up of various committees show a representation of the Firm's population demographic.

The higher representation of Belgian nationals in our governing bodies is because typically, it takes about 10-15 years to access a leadership committee position, and the historical overweight of Belgian nationals in the earlier years of our Firm. Since then, our staff population has greatly diversified, as have the nationalities of candidates considered for leadership positions. This overweight problem should therefore be resolved over time.

Nationality representation





4. Ethical behaviour

Trust is built based on a culture of transparency, respect and Speak up culture. That's 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.

As a professional services firm much of our success depends on our ability to build and sustain trust, inside our Firm and outside. This is consistent with our [main purpose](#) to build trust in society and solve important problems.

The motto of our ethical culture can be summarised as:

Speak up. Listen up. Follow up.

Our values define who we are and how we behave. They set the expectations we have for the way we interact with each other, our clients, and in the communities in which we operate. These values, and the behaviours they require from us, are relevant to all of us. Having a [Speak up culture](#) encourages and empowers everyone to demonstrate each of our five values, and to call out when something is not aligned to our values, to help build an inclusive workplace.

Our internal Ethics and Business Conduct Committee (EBCC) is composed of the Ethics and Business Conduct Leader, the independent chair of Ethics and Business Conduct investigations, a college of Partners, and 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.

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.

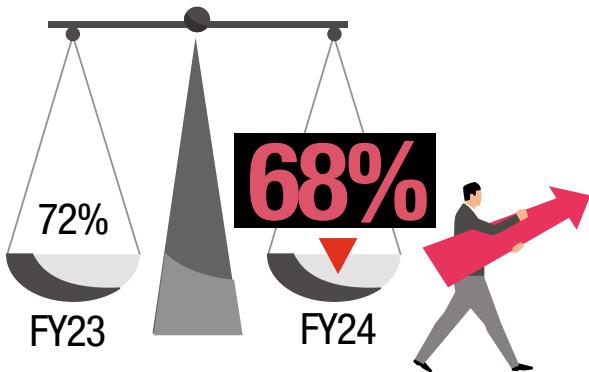
Beyond the [Ethics Helpline](#), a whistleblowing platform also provides our workforce with other supportive channels such as a team of confidential counsellors, known as Ethics Counsellors. The members of the EBCC and the Ethics advisors are selected with diverse backgrounds also considering their proximity to our People.

Our [Code of Conduct](#) is based on the [PwC purpose](#) and a core set of shared values. The code sets out a common framework around how we are expected to behave, do business and to do the right thing. The code is a living document to respond with agility to the ever-changing environment in which we operate.

We require the same high standard of ethical behaviour from third parties and their personnel that we require from our own people. Our third parties are also requested to apply our [Third Party PwC Code of Conduct](#).

Upholding these detailed policies and procedures is the foundation of ethical behaviour. Measuring our progress also helps to keep us on track. Within the reporting period, the Speak up policy has been reviewed notably highlighting our commitment to investigate promptly and in an independent manner, as well as the close personal relationship policy in terms of dedicated tool to support the declaration process.

The following data offer some key insights into how we are doing, and how we are perceived to be doing regarding our ethical behaviour.



Ethical Behaviour Index*

Firm level 22	Firm level 23	Firm level 24	Target
72%	72%	68% ▼	>75%

*Average of three questions related to ethics on the GPS (Global People Survey), calculated on a basis of 2,903 answers in FY24.

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

The Ethical Behaviour Index aims to help our Firm understand how ethics is perceived Firm-wide, tracking trends and then making a comparison with trends in our global network.

It is worth noting the decrease for questions “At PwC, I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences.” (61%), and “At PwC, I can speak openly, including voicing my opinions or raising any concerns, even when my views may be different from others.” (63%).

The trend observed (notably for the second question) must be put in the perspective of the following factors: Challenging market conditions, competitive external environment, and substantial workload. These factors vary significantly depending on the lines of services and industry.

In addition, while post-COVID measures in terms of well-being and work-life balance had a positive impact on the Ethical Behaviour Index (increase from 60% to 72%), it is challenging to assess the impact of remote working on the capacity and the comfort of employees in speaking up.

To reach our targets, our action plan is built around three pillars:

1

Speak up and People

Continue working on the speak up culture focusing on the people dimensions,

2

Case management

Benefit from the lessons learned notably in terms of consistency of remediation, management of sensitive and/or complex cases, and

3

Policies and processes

Reinforcing the transversality of ethics in the operational processes.

FY24 ethics annual operational plan has been successfully implemented, focusing on governance and strategy (e.g., Whistleblowing and harassment regulations embedded in the Speak up policy) and on awareness and preventive actions (e.g., reinforcement of the role of the ethics contact).

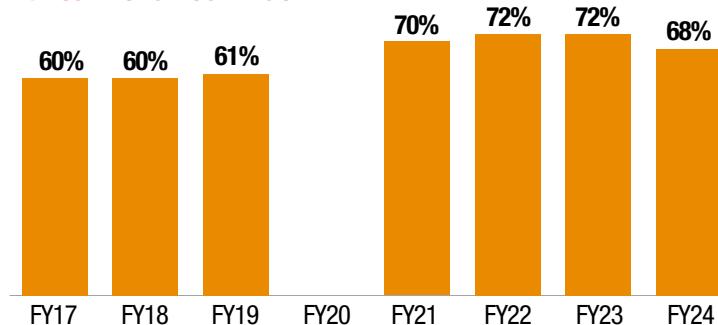
Ethics is about all of us, collectively and individually. Governance and strategy imply a close collaboration

between the PwC leaders and the Human Capital team. Our TSP is personally involved via our sustainability initiatives directly supervising the ethics dimension.

Our awareness and preventive actions are also reviewed on a regular basis, among other things to consider developments in the Luxembourg market.



Ethical Behaviour Index



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

Ethical culture perception*

Firm level 22	Firm level 23	Firm level 24	Target
66%	67%	63%	>70%

*Calculated based on 2,903 answers to the GPS (Global People Survey) in FY24.
Answers scale from 1 to 5, from very negative to very positive, 3 being neutral.

The ethical culture perception KPI (Key Performance Indicator) aims to help PwC understand if the Speak up culture is in place, notably through the question: "At PwC, I can speak openly, including voicing my opinions or raising any concerns, even when my views may be different from others."

The explanations above on the Ethical Behaviour Index are also relevant for the ethical culture perception.

Ethical training*

Firm level 22	Firm level 23	Firm level 24	Target
100%	100%	100%	100%

*Mandatory training is offered every year to our entire workforce. Our new joiners are requested to do this during the onboarding process, including short-term assignment People and trainees.

Ethical training modules are mandatory to all our PwC partners and employees on an annual basis. Our training content is reviewed ad-hoc to consider trends, our new needs, and what our People tell us. This training helps us to foster ethical behaviour, PwC values and Code of Conduct. It helps all of us to build trust in how we do business with each other, and in our communities.

In addition to this training session applicable for all partners and employees, specific and dedicated sessions are delivered to all newly promoted employees at every grade, to better highlight ethical expectations linked to the new roles.



5. Anti-corruption

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.

More insight into our anti-corruption practices in [our Transparency report](#).

Anti-corruption training*

Firm level 22	Firm level 23	Firm level 24	Target
100%	100%	100% ↔	100%

**Done through the compliance mandatory training, requested every year to all our workforce. Our new joiners are requested to do it during the onboarding process, including short terms and trainees.*

Our Firm has established guidance, procedures and controls to minimise the risk of corruption. PwC employees receive regular communication reminding them of the rules and the appropriate behaviour to be displayed in any circumstance.

Mandatory training is organised at the time of on-boarding, as well as once a year, to ensure active learning. It helps our employees to understand what corruption means and what forms it can take. It explains the risk indicators, what to screen for or how to determine the risk. It contains a specific focus on 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 each employee a protecting barrier against corruption.

6. Risk and opportunity oversight

Our Quality Management for Service Excellence (QMSE) framework requires the Firm to review the effectiveness of the Firm's internal processes annually. This covers all material processes such as financial, operational, compliance, and risk management.

Starting in FY23, we now publish our public risk register. The key risks faced by our business and management response are summarised in the FY24 [Risk Register](#).



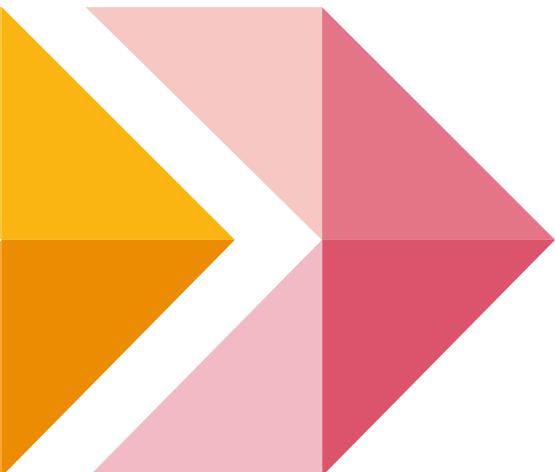


Planet

The long-term preservation of the planet is a common responsibility between Government, private businesses and citizens.

“ As we progress on our journey towards Net Zero, we recognise that the challenges are many and complex. We face real-world constraints, and the limitations imposed by people, technologies and practices. However, we believe that with improved data collection, we can better measure our progress, adapt our strategies, and comply with the EU Corporate Sustainability Reporting Directive. Together, we can make a tangible difference for our planet.”

Anne-Sophie Preud'homme, Chief Administrative Officer, PwC
Luxembourg





1. Net Zero

In FY20, we reached a significant milestone by making a worldwide commitment to achieve Net Zero greenhouse gas (GHG) emissions with near-term science-based targets for FY30, in line with a 1.5-degree scenario to prevent the worst impacts of climate change, as set out in the Paris Agreement. Our targets are validated by Science-Based Targets initiative:

- Reduce scope 1 and 2 absolute emissions by 50% from a FY19 base by FY30;
- Reduce absolute business travel emissions (scope 3) by 50% from a FY19 base by FY30;
- Commit that 50% of our purchased goods and services suppliers (by emissions) have set science-based targets to reduce their own climate impact by FY25;
- Transition to 100% renewable electricity by FY30; and
- Continue to counterbalance our emissions through high-quality carbon credits.

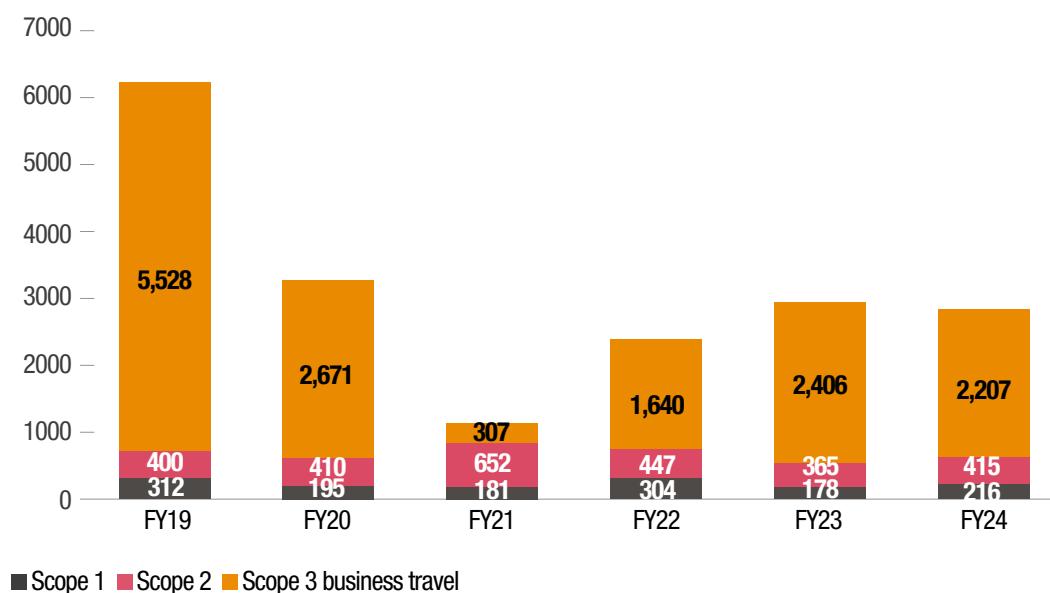
To strengthen the credibility of our reporting, this year, we began auditing our GHG emissions data through external, network-level assurance.

In FY20, we committed globally to achieving Net Zero GHG emissions by FY30, with specific targets for reducing absolute emissions across scopes 1, 2, and 3, transitioning to renewable energy, and ensuring our suppliers set science-based targets, while continuing to counterbalance emissions with high-quality carbon credits.

Total emissions: Scope 1, 2 and 3 (business travel)

KPIs	FY19	FY22	FY23	FY24	Target
Scope 1, 2 and scope 3 business travel emissions (tCO2e)	6,240	2,391	2,949	2,838	-50% by FY30

Business travel emissions (tCO2e)



Since we began measuring emissions in 2007, we have significantly reduced our total carbon footprint. A new baseline was set by the PwC Network in FY19, and our ambition to halve our carbon footprint by FY30, is measured against that. Most of our remaining emissions are from Scope 3 sources, the most significant of which relate to business travel related to client work and client-related events.

The COVID-19 pandemic has accelerated the shift to remote working and demonstrated the feasibility of new delivery models of our services, as part of a longer-term transformation. Then, since FY19, we succeeded in decreasing our emissions by 55%. This is a good start, but we need to keep that CO₂ consumption level up to FY30, while we expect a significant increase in our activity until then. This is quite a challenge.

- **Inspiring More Sustainability (IMS)**

To achieve our goal, we collaborate with PwC Network and local associations like IMS.

- **Green Business Events**

To uphold our commitment to reducing our environmental impact, we proudly obtained the Green Business Event logo for our two largest corporate events, namely our Christmas market and our Staff Day. As the first private employer to receive this logo, we are dedicated to adhering to the guidelines for all future events.



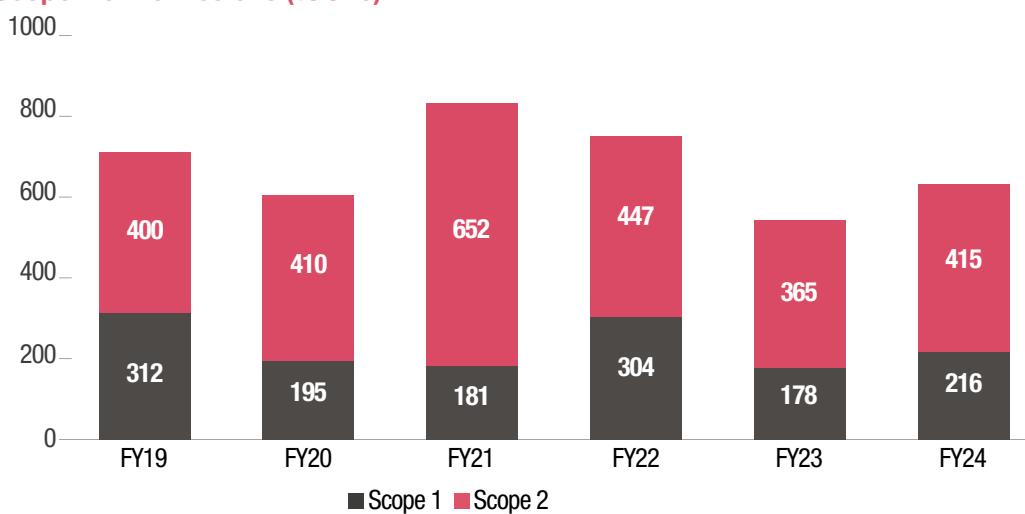


Scope 1 & 2 emissions*

Indicators	FY19	FY22	FY23	FY24	Target
Scope 1 emissions (tCO2e)	312	304	178	216	-50% by FY30 vs FY19
Scope 2 emissions (tCO2e)	400	447	365	415	

* See our Net Zero disclosures.

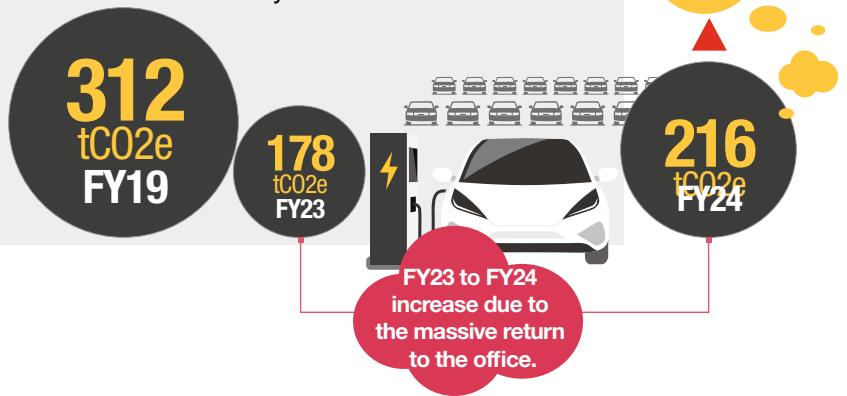
Scope 1 & 2 emissions (tCO2e)

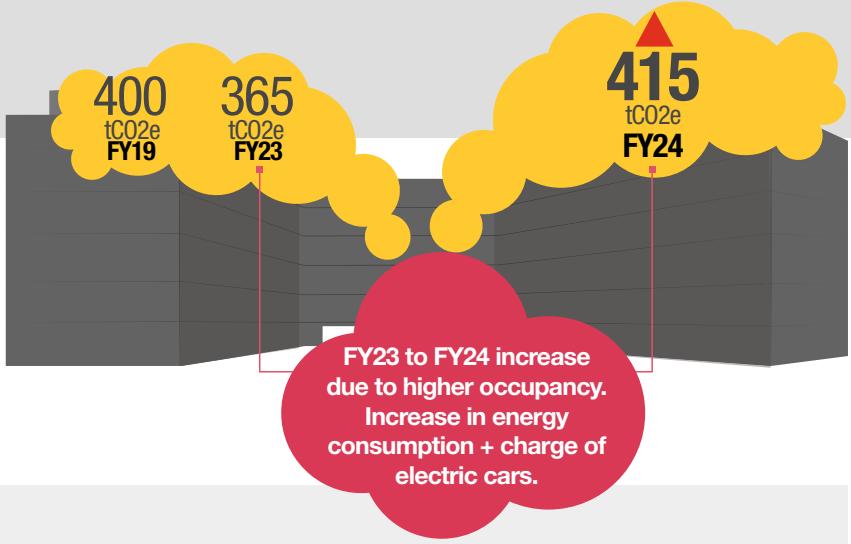


Scope 1

In FY24, our Scope 1 emissions have decreased by 31% as compared to FY19. Our focus has been on reducing emissions from our company car fleet as well as transitioning to rental cars that are exclusively hybrid or electric. We have also encouraged people to use alternative means of transportation with lower CO2 emissions, such as public transportation and sustainable mobility solutions. Despite a significant increase in the number of electrified vehicles during FY24, the end of fiscal measures allowing teleworking has led to a massive return to the office, with increased use of all types of vehicles, leading to a slight increase of our CO2 emissions compared to last year.

To further reduce our emissions, we have updated our car policy to focus on transitioning to 100% electric leased vehicles. Since 2023, all newly leased cars must meet a maximum emission limit of 50 g CO2/Km, opting for plug-in hybrid or electric vehicles and by January 2030, all newly leased cars will be fully electric.





Scope 2

Our current head office, Crystal Park, is an energy-efficient building, which achieved a rating “Excellent” from the Building Research Establishment Environmental Assessment Method (BREEAM). For this building, we have been purchasing 100% renewable electricity generated in Norway from hydropower from the Luxembourg Energy Office. The increase compared to last year is attributed to higher electricity consumption resulting from the higher level of occupation of our buildings, the expansion of our satellite offices and the increasing number of electric cars recharging their batteries in our premises (which accounted for about 9% of our total consumption since we have doubled the number of charging stations in January 2024).

In FY24, we implemented various energy-saving measures in our building, monitored by a centralised system. Regular energy reports are issued, and adjustments have been made to optimise lighting and temperature settings.

Moreover, several measures have been implemented to mitigate our IT-related emissions, including the purchase of energy-efficient screens, the reduction of the number of printers and the substitution of old printers with more energy-efficient models, and the configuration of energy-saving parameters on our employees' laptops. Additionally, we are working to enhance data optimisation, storage, and performance. Our IT team regularly takes part in community-driven calls (such as the PwC Europe green tech community), to exchange insights and solutions for more sustainable IT-related practices between PwC territories. Additionally, the atrium of our main building is partially heated by the heat produced by our data centres.

To further reduce our environmental impact, we plan to move to an even more energy-efficient headquarters (expected for completion in 2027). This new building will be fully [taxonomy-compliant](#) and carbon-neutral (in construction and operations). It will use 100% renewable electricity and will be [WELL](#) Platinum certified and [BREEAM](#) Outstanding Environmentally certified. Thanks to photovoltaic panels and more energy-efficient equipment, our future campus is expected to allow a reduction of our electricity consumption by 30% and our heat usage by 70% compared to the current headquarters.

Business travel emissions* (scope 3)

Business travel is an essential part of how we operate and service our clients. It is also our largest source of (controlled) emissions (about 80%). Our objective is to reduce by 50% our business travel emissions by FY30 compared to our FY19 emissions.

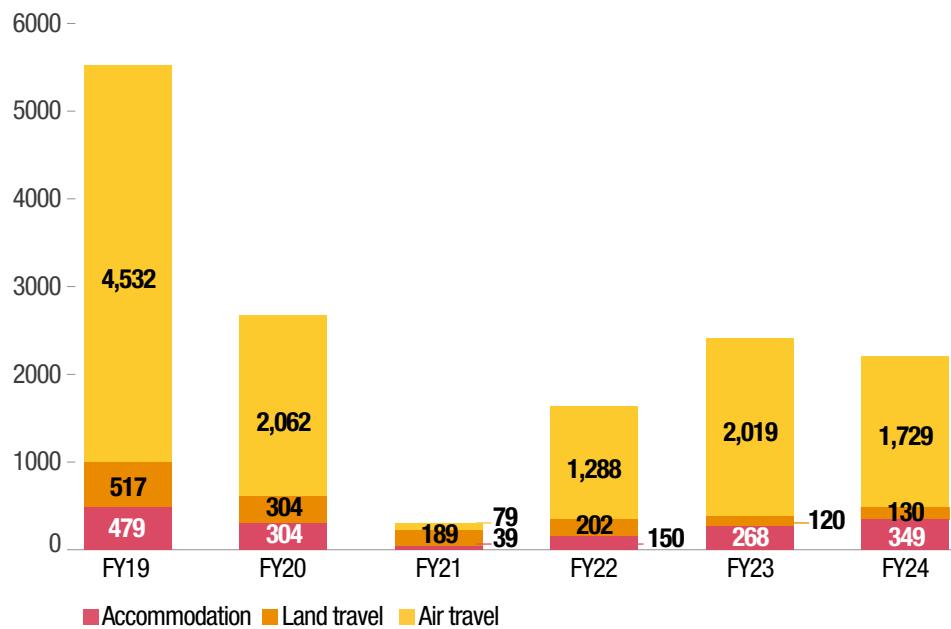
Indicators	FY19	FY22	FY23	FY24	Target
Scope 3 emissions (tCO2e)	5,528	1,640	2,406	2,207	-50% by FY30 vs FY19

* See our Net Zero disclosures.

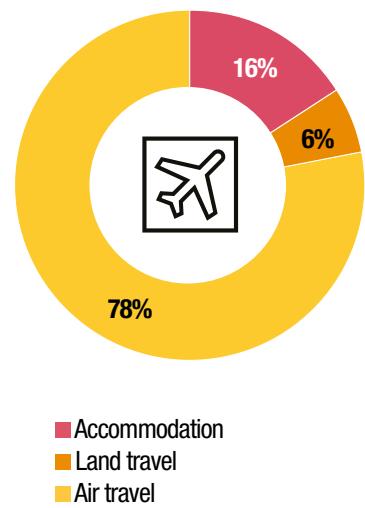




Business travel emissions (tCO2e)



Business travel emissions FY24



Our Scope 3 emissions for FY24 remain well below FY19. We will continue to work to reduce our emissions as part of our aim to halve our operational footprint by FY30 compared to the FY19 baseline. See our [PwC Luxembourg's sustainability transformation journey](#).

To manage our Scope 3 emissions target, we have implemented measures to reduce emissions and to decouple travel from the growth of our business by strengthening our travel policy. Our target is to limit our carbon emissions to half of our FY19 emissions while our business continues to grow.

To achieve this goal while continuing to keep a focus on building strong and personal client relationships, we are focusing on:

Travelling smarter

When travel is necessary, we prioritise cleaner transportation modes, such as travelling by train instead of flying whenever possible.

Travelling less

We engage with our clients from the outset of an assignment regarding trip planning to reduce the number of journeys, identify the key moments of a mission lifecycle to decide between remote or face-to-face meetings, use local or regional resources, review the international training and events planning, and encourage hybrid types of meetings for larger groups with some physically present and others via videoconference.

Monitoring

We endeavour to monitor travel CO₂ emissions closely. A CO₂ budget for business trips is allocated to each line of service and managed by the sustainability leaders, then monitored by our central Net Zero and travel teams.

In FY25, we will continue our strategy by reinforcing the following areas:

Strengthen our business travel policy

Before planning a trip, we think about whether it's necessary, if we can do it remotely, and how to reduce emissions if we need to travel. We will continue to enforce the new rules put in place in FY24 for travel, which are contributing to cutting down on trips and the number of travellers.

Further develop our travel dashboard

Monitoring our current emissions compared to the target and being able to detect trips that could be replaced by virtual meetings.

Promote the rental of electric or hybrid vehicles and the usage of electric or hybrid taxis

Encourage our travel organisers to promote train travel, when possible, instead of short flights and to sort flights

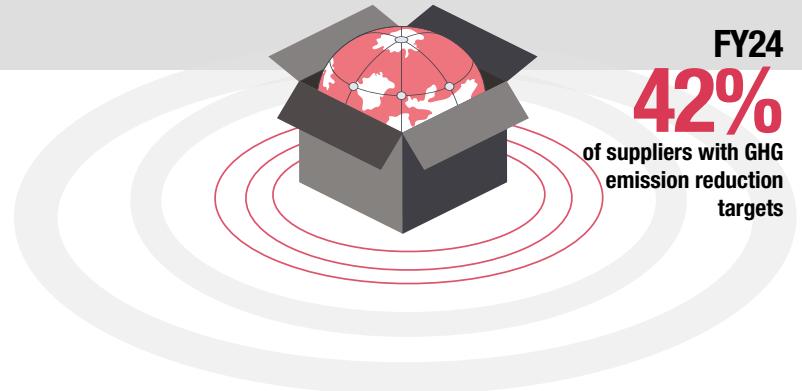
not only by cost but also by CO2 emissions and to select the flights with the lowest CO2 emissions.

Commuting

In addition to our actions to reduce our business travel emissions, we are implementing measures to reduce emissions from employee commuting, such as the development of our network of [satellite offices](#) located near the borders. We will continue to expand them as we are growing very quickly and are aiming to double the number of seats available in the next couple of years, as well as find innovative solutions to enable this expansion sustainably. In FY24, we opened our eighth satellite office in Windhof, close to the Belgian border.

We continue to develop our mobility strategy to take into account the significant increase in traffic forecast in the [National Mobility Plan 2035](#). To succeed, we are focussing on encouraging car-pooling and car-sharing, EVs/hybrid car leasing, soft mobility, and public transport.

Every year, a mobility survey is sent to all employees to understand their commuting habits, estimate the associated emissions and find solutions to lower their carbon footprint. The results are shared both internally and externally with mobility stakeholders (such as City of Luxembourg, Ministère de la Mobilité et des Travaux Publics...) to raise awareness and encourage the adoption of sustainable transportation options. PwC Luxembourg also participates in the "European Mobility Week" every year and coordinates initiatives (e.g., conferences) related to this topic.



Supplier emissions* (Scope 3)

Indicator	FY22	FY23	FY24	Target
% of suppliers with GHG reduction targets (by emissions)	N/A New measure	41%	42%	-50% by FY25 vs FY19

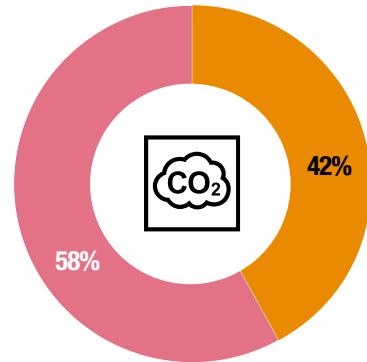
* See our Net Zero disclosures.

In July 2021, our emissions reduction targets were independently validated by the [Science Based Targets initiative \(SBTi\)](#).

We are encouraging our suppliers to get their emission reduction targets validated by the Science Based Targets initiative (SBTi). Our goal is to have at least 50% of CO2 emissions related to the supply chain with suppliers validated greenhouse gas reduction targets by FY25. In FY24, we assessed that 42% of our CO2 emissions were from suppliers with valid near-term Science-Based Targets, meaning we are one step away from reaching our target.

By encouraging our suppliers to decarbonise their operations and products, we will create a “ripple effect” in the market. This is where we can have a significant impact in accelerating the global transition to the Net Zero economy.

% of CO2 emissions of our suppliers



■ % of CO2 emissions of our suppliers with valid near-term SBTs.

■ % of CO2 emissions of our suppliers without valid near-term SBTs.

We assess potential GHG emissions and gather environmental information from new suppliers. If GHG emissions might be important, we inform them about our SBTi commitment and encourage their participation. We aim to work with SBTi-certified suppliers and support others in meeting these standards. To the extent possible, we prioritise local products to reduce our carbon footprint and support the local economy, with 70% of our purchases in value terms coming from local suppliers. This year, we onboarded key suppliers onto the SBTi and updated our procurement practices to align with Ecovadis certification and PwC's Net Zero commitment.

In FY24, we've been digitising our procurement processes to centralise purchasing. This enhances visibility into our purchases and ensures that the products we acquire align with our ESG standards.

From FY25 onward, we plan to strengthen our risk assessment by updating our supplier screening process to ensure it remains effective and current. This ongoing effort is crucial for maintaining the integrity and reliability of our supply chain and gathering data to measure our progression towards our challenging targets of 50% of suppliers with GHG reduction targets (by emissions).

Scope 3 supply chain emissions	
FY23	FY24
22,406 (tCO2e)	16,140 (tCO2e)



Renewable electricity*

Indicator	FY22	FY23	FY24	Target
% of electricity sourced from renewables	98%	98%	95%	100% by FY30

* See our Net Zero disclosures.

In our eight offices, 95% of our purchased electricity comes from renewable sources. Our main office, Crystal Park, has been 100% powered by renewable electricity since 2011. The slight decrease compared to last year is due to the expansion of our satellite offices with the opening of a new Windhof location, where we don't control the source of renewable emissions. Discussion with the landlords is planned to understand — and if needed, to influence — their choice of energy.

Emissions offset*

Indicator	FY22	FY23	FY24	Target
Carbon credits (tCO2e)	2,370	4,173	3,887	Transition to 100% carbon removals by FY30

* See our Net Zero disclosures.

We recognise the importance of actively reducing the climate impact of our own operational footprint now. That is why, to mitigate our impact today and in the future, we will continue to support high-quality independently verified carbon reduction and removal projects.

Since 2022, we have been purchasing credits through a centralised carbon credit procurement service provided by the PwC Network. Since this year, we have offset 100% of our emissions through our participation in the LEAF coalition (Lowering Emissions through Accelerating Forest finance).

In recent years we offset:

FY22	FY23	FY24
2,370 tonnes CO2	4,173 tonnes CO2	3,887 tonnes CO2
with Natural Capital Partners	with EcoAct	with LEAF

In both FY23 and FY24, we offset 1.4 times more than the emissions we produced, as the offsets were calculated based on initial estimates and we succeeded in issuing less tco2.



2. Land use and ecological sensitivity*

Indicator	FY24
Number of sites adjacent to protected areas	3

As an office-based business, our land use impact is minimal but still important for us to monitor.

Among our nine current offices and our future main campus, three offices (Wemperhard, Dudelange and Biwer Wecker) are adjacent to protected areas and/or [Key Biodiversity Area](#) respecting national rules.

* Includes all our sites owned, leased or managed in or adjacent (i.e., within 1km) to protected areas and/or key biodiversity areas (KBA).

Source: [Zones protégées d'intérêt national](#)
[Luxembourg Cadastre](#) - [Key Biodiversity Area](#) - [Nature and water analysis](#) - [IBAT alliance](#)

3. Water consumption*

Indicator	FY22	FY23	FY24	Target
Megalitres of water consumed (m3)	11,712	16,705	22,724 ▲	N/A

* Megalitres of water consumed for our operations.

Data is currently only available for our main building, Crystal Park.

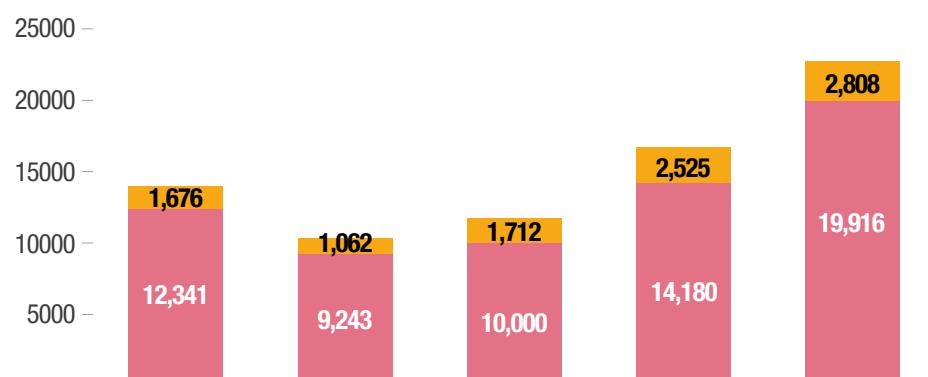
Data source: Gestion technique centralisée (GTC).

Given the office-based nature of our operations, we maintain a relatively small water footprint, and none of the water we use is sourced from regions with high-baseline water stress. To monitor and improve our environmental practices, a technical audit of PwC's catering supplier is conducted every three months, to raise awareness and enhance water conservation efforts. This ongoing evaluation ensures that our suppliers align with our sustainability goals.

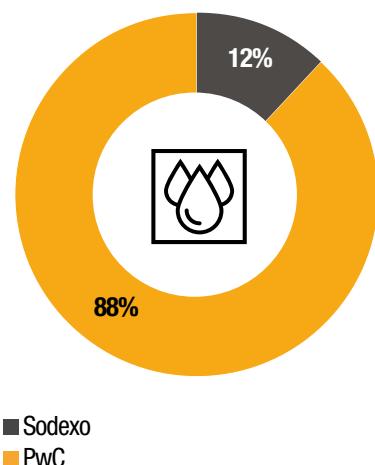
In FY24, we observed a 36% increase in water consumption, not only but mainly due to a technical issue in our water pressurisation system. This being solved, in FY25, we should be a bit higher than FY23 figures, as we face higher occupancy rates and increased usage of our building facilities, making it challenging to achieve further reductions. To mitigate, we will intensify our awareness campaigns to reduce our water consumption toward our employees and our suppliers working on our sites. We will also stop automatic irrigation in the outdoor park, as already done in FY24.

On the longer term, to strengthen our commitment to sustainability, we will introduce a water recovery system outdoors and indoors at our new headquarters. This system will enable us to capture, treat, and recycle water, effectively reducing our overall usage.

Water consumption (m3)



FY24 - Water consumption (m3)



■ Caterers' megalitres of water consumed (m3)
■ PwC's megalitres of water consumed (m3)

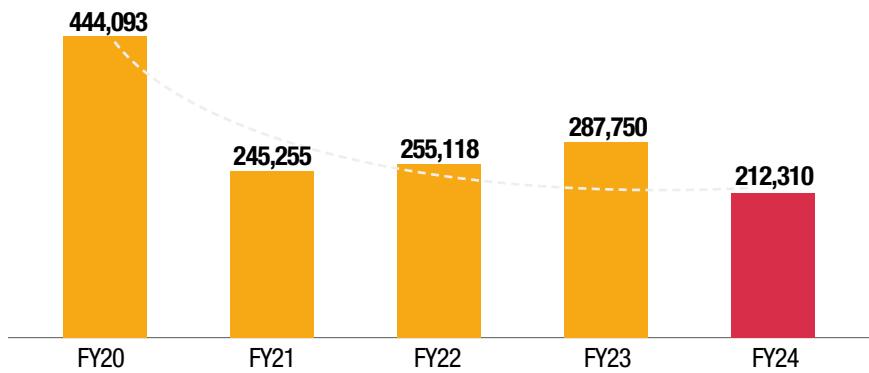
4. Waste management*

Indicator	FY22	FY23	FY24	Target
Total waste managed in kg	255,118	287,750	212,310	N/A

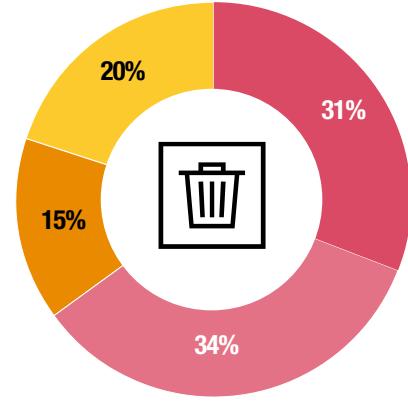
* Recycled waste (paper, electronical waste, commingled recyclables), incinerated waste, waste to landfill, composted waste.
Scope: Crystal Park

Indicators	FY22	FY23	FY24
Recycled waste (paper, electrical waste, commingled recyclables)	82,180	92,831	65,000
Incinerated waste	128,850	121,860	71,521
Waste to landfill	24,346	34,813	32,871
Composted waste	19,742	38,246	42,918
Total	255,118	287,750	212,310

Waste (kg)



Waste FY24



- Recycled waste
- Incinerated waste (Kg)
- Waste to landfill (Kg)
- Composted waste (Kg)



In our ongoing efforts to enhance waste management, we have achieved a 52% reduction in overall waste production since FY19. Paper waste has been reduced by 37% compared to FY22, and two cardboard presses were installed in 2023 to streamline waste collection and reduce city pickups, making our process both more cost-effective and sustainable. The reduction in paper waste also comes from a generational culture shift towards a paperless environment due to the digitalisation of documentation and internal processes. In addition to that, we observed a 45% reduction in incinerated waste, which is attributed to the improved accuracy of our figures done in collaboration with SuperDreckKëscht (SDK). Following this review, we adjusted the number of containers provided by the City of Luxembourg to better reflect our waste volume. Finally, composted waste has more than doubled compared to FY22, following the request of SuperDreckKëscht to install compostable bins on our premises, with plans for further expansion in all our offices. We are dedicated to the ongoing enhancement of our waste management practices and will continue to seek innovative ways to further achieve our sustainability goals.

At Crystal Park, waste risk assessments are conducted to ISO 14024 standards, and waste sorting is audited and certified by SuperDreckKëscht, an initiative of the Ministry of Environment in Luxembourg. We have also signed the [IMS's "Zero Single-Use Plastic" manifesto](#) in 2018 which led us to significantly reduce our plastic consumption.

To manage our waste responsibly, we follow the 5R waste management strategy:

- We Refuse (e.g., through a no-straw policy),
- Reduce (using energy-efficient printers),
- Reuse/Refurbish (donating and leasing furniture),
- Recycle (e.g., batteries, IT equipment, and coffee pods), and
- Repair (restoring equipment).

Our main type of waste production is IT waste and food waste. For IT waste, which includes screens, phones, and printers, we focus on repair, recycling, redistribution to employees, and donations to associations. In FY24, 13 tonnes of food waste were generated.

5. TCFD report

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.









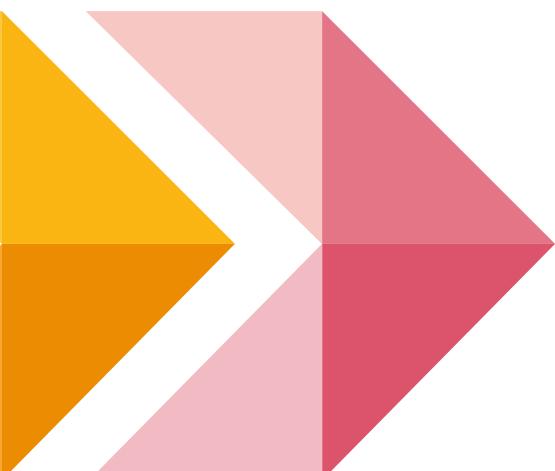
People

At PwC Luxembourg, our common vision is to be the most impactful, dynamic and trusted partnership for our clients and all our stakeholders, in Luxembourg and beyond its borders. To succeed, our strategy focuses on proximity with our People by fostering close interactions, talent management to unlock their potential, and ensuring their physical, emotional, and mental well-being. We are also committed to taking practical steps to promote diversity, equity, and inclusion in their lives.



Our People are at the heart of our business. Without them we cannot progress on our ambitions to build trust and deliver on sustained outcomes. This is why at PwC Luxembourg we create environments where people thrive, grow and find purpose. We cultivate a workplace where wellbeing and career growth go hand in hand, preparing our People to seize every business opportunity.”

Roxane Haas, People Leader, PwC Luxembourg





1. Diversity, Equity, Inclusion (DEI)

At PwC Luxembourg, we strive to have Diversity, Equity, Inclusion (DEI) in everything we do, for our People, our clients, and society. Our DEI strategy is centered on the full employee life cycle, from hiring, to onboarding, performance, evaluation and promotion stage. In all this, we take a data-driven coaching approach to build the right direction for our People. We have identified the following key drivers for change: Gender, LGBTQI+, Disability, Cultural Awareness and Generational Empathy.

We've set targets for ourselves and publicly report on our progress against them. You can find further information on our DEI actions and progress on this [dedicated page](#).

Diversity, Equity & Inclusion Index* from the Global People Survey (GPS)

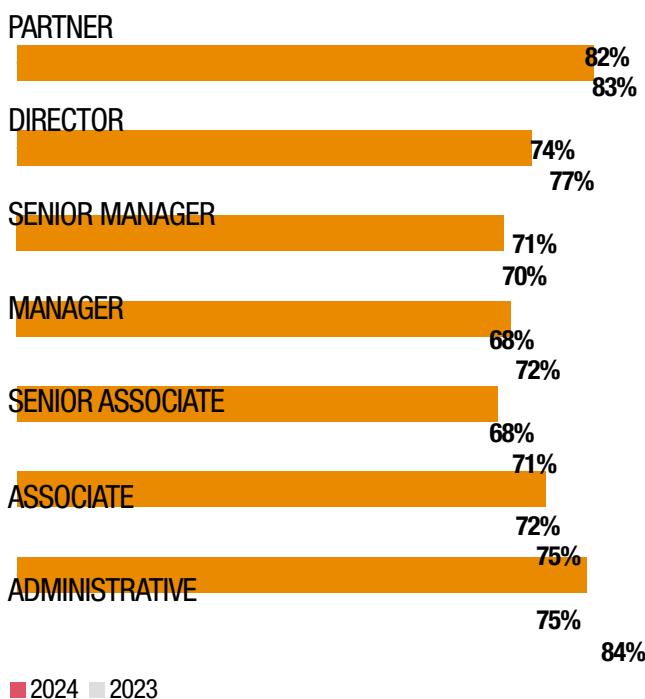
Firm Level 22	Firm Level 23	Firm Level 24	Target FY25
72%	74%	71% ▼	80%

* Derived from the GPS results on these following statements in FY23:

1. The people I work with make the effort to get to know me and what I uniquely bring to PwC.
2. The leaders I work with actively build a diverse and inclusive work environment.
3. I am satisfied with the actions Territory Leadership has taken to build a diverse and inclusive work environment.
4. I feel like I belong at PwC.

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

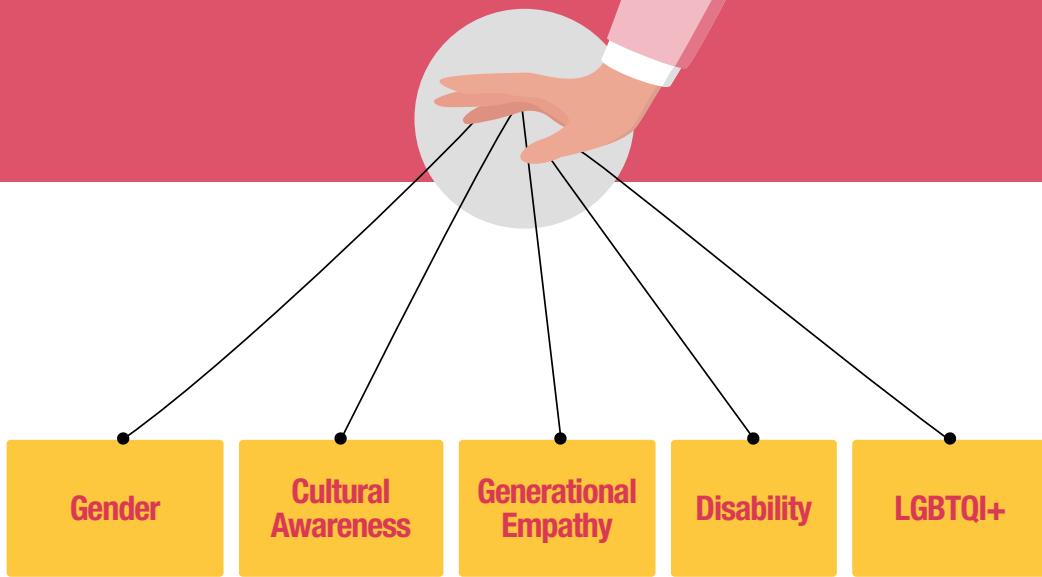
Inclusion & Diversity Index by grade



Our Diversity, Equity & Inclusion (DEI) Index reflects how satisfied our People are with our efforts to build a diverse and inclusive work environment. They are highlighting how, for more than 70% of them, they are proud of our diverse make-up, which is not only particular to individuals but also to the country we reside and work in. To reach our 80% ambition, we aim to find opportunities to strengthen and improve ourselves and have built a dedicated Diversity, Equity, Inclusion & Wellbeing team within the Human Resources department.

Our Firm is growing fast, so it is crucial for us to highlight our DEI focus in all our employees' life cycle process. Therefore, DEI is included in our onboarding programmes for both our new joiners as well as our newly promoted employees. It is also a key topic for our Team Leaders who are in charge of our People day-to-day and creating proximity with our employees. They remain the key drivers of our FY25 actions towards DEI and beyond.

In the coming year, we will continue to emphasise the importance of an inclusive working environment through dedicated initiatives, among which are our additional employee networks created this year: Lëtz Embrace (focusing cultural awareness), SAGE (working on generational empathy) and Ability Diversity (promoting disability inclusion). These networks are animated by skilful and passionate employees willing to voluntarily drive our People's inclusion at the Firm.



Here are some highlights of our activities on the key drivers for change on DEI:

Gender

Gender is considered throughout the full life cycle of our employees, including:

Recruitment: a crucial challenge in Luxembourg today. There, we ensure our gender diversity lens is embedded in our recruitment strategy. In FY25, we foresee specific attention to recruitment gender targets and gender sourcing tools and mechanisms. We provide more details in our ambition “Number and rate of employment”.

Performance review: already in FY24, we held sessions on unconscious bias during performance reviews for Team Leaders and put in place safeguard mechanisms to highlight potential biases during the discussions. In FY25, we will further embed inclusive and gender equity practices in performance and talent reviews.

Promotions: we monitor promotions, including a gender lens, to ensure a balanced pool of employees evolves to the top. In FY24, we promoted 276 women and 380 men, compared to 280 women and 329 men in FY23. In FY25, we will continue to strengthen our processes and monitor equity.

Employees support: with the **Back & Happy** programme, we support our returning parents after maternity and/or parental leave, an initiative key in terms of retention, specifically for our women population. In FY24, the opening of a dedicated Mother's room has been a key achievement. In FY25, we aim to widen the scope of this successful programme to other significant re-onboarding experiences after long leaves.

Network opportunities: our employee network “**Women and Men**” proposes actions to enhance our attractiveness and retention of female talent as well as raising gender awareness internally. In FY24, they have been at the origin of two events organised, participation in Women in Tech and to Women in Finance. In addition, they proposed a one-year mentoring programme pilot, focussed on female key talent mentored by senior employees to support their growth.

Cultural Awareness

We stand proud knowing that at PwC Luxembourg we have more than 90 nationalities working together. That is a particularity of our Firm and the location where we work. To build deeper connections between our People, we decided to focus on cultural competency during FY24 via training launched during our “Diversity Week” in collaboration with the Inspiring More Sustainability (IMS) association. Our objective is to include this training in our PwC Soft Skills catalogue and make it accessible to all. Moreover, in FY24, we create our “Lëtz Embrace” network to stimulate an ongoing celebration and awareness of our diverse cultures.

Generational Empathy

Globally and in Luxembourg we are witnessing four generations working together. This is something our People have expressed as a key matter for us to focus on – building understanding and empathy between generations. Thus, in FY24 we created the employee network "SAGE" (Seeking Age and Generational Empathy) to foster inter-generational collaboration, promote a positive workplace for senior employees, and nurture a culture of knowledge sharing and mentoring.



Disability

We launched in FY24 an employee network focusing on disability inclusion, "Ability Diversity." With awareness sessions about disability inclusion, we allowed our People to experience different disabilities during a (VR) virtual experience event. We also commenced collaborations with external associations in Luxembourg, the Ministry of Labour and ADEM. Finally, with the support of IMS, we launched a survey (Handi-diag) to assess our maturity and employee perception on disability inclusion.

LGBTQI+

"Shine" is our PwC Luxembourg employee network focussing on LGBTQI+ questions, which strives to strengthen our presence in this community internally and externally, to increase awareness on this topic among our People, and offer information, support, and networking opportunities. In addition, we are paving the way in our EMEA PwC network with the Shine movement. In FY24, we proudly report that the network including Luxembourg has been shortlisted for the European Diversity Awards.



Please have a look at our Diversity, Equity, Inclusion and Wellbeing website

Proportion of employees per gender*

Gender	FY22	FY23	FY24	Target
♀ Female	45.8%	44.6%	43.7% ↔	40%-60%
♂ Male	54.2%	55.4%	56.3% ↔	40%-60% in both ways
Not Declared*	Very small	Very small	Very small ↔	

*We point out the very small number of the "Not declared" which relates to people who do not recognise themselves in the current proposed gender categories or who do not wish to declare their gender.

Only people from PricewaterhouseCoopers Société coopérative, PricewaterhouseCoopers Academy Société à responsabilité limitée and PwC Tax Information Reporting Société à responsabilité limitée.

PwC Legal, Interns, Contingent Workers and Short-Term Assignments have been excluded from the calculation.



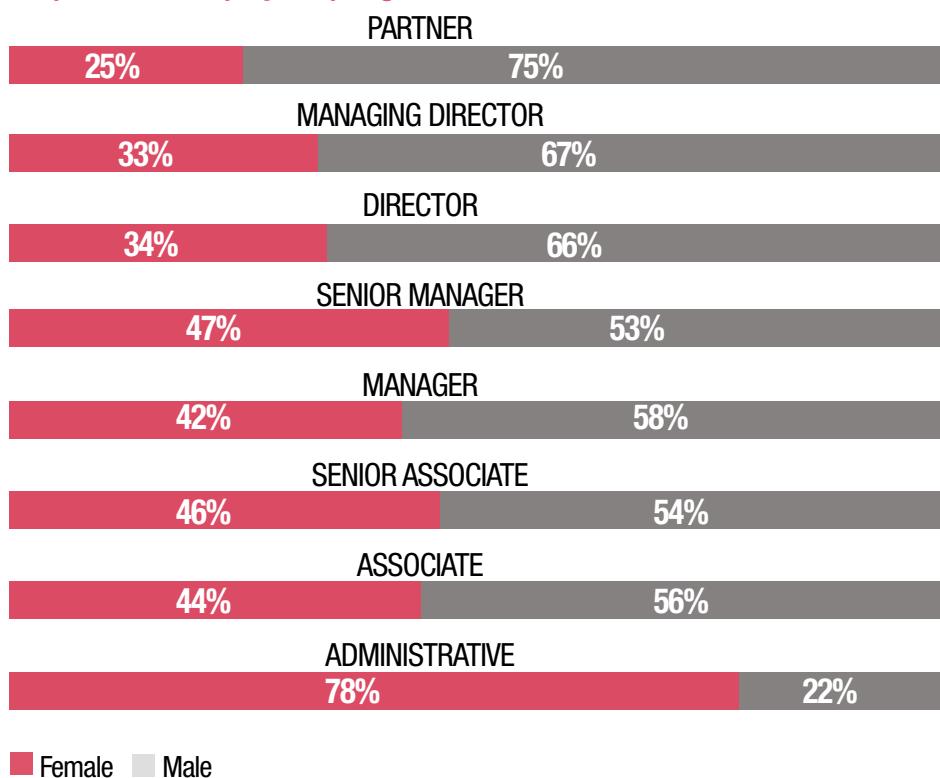
Our ambition is to improve our gender diversity at each grade and line of services to achieve a 40% - 60% gender balance no matter whether this is 40% women and 60% men or the opposite.

In FY24, our gender ratios are broadly comparable to last year. From associate to senior manager grade, representing in absolute numbers 85% of our population, the ratios reflect the Firm's target (40%-60%). Higher grades see a clear gap with 34% women at director level and 25% at partner level. However, we are improving the situation at Director level with an increase of 4.3 percentage points in FY24 as compared to FY23 of female representation at that grade.

Our administrative roles are still attracting more women, but the number of men grew from 17% in FY23 to 22% in FY24, showing our dedicated efforts for more gender balance in this position. We observe a slightly negative trend at associate level as women represented 44% of the entire population in FY24 vs 50% in FY23, illustrating the challenge to attract female graduates.

FY25's focus will be to work on clear actions towards a better balance at all levels by working on the recruitment process of the administrative population and promotion process at director level and above, while maintaining the balance existing in other levels.

Proportion of employees per gender



■ Female ■ Male



2. Pay Equality

Providing equal remuneration for the same jobs, irrespective of gender, adheres to our values and is simply what every company must do. It is also crucial to attract talent and drive long-term competitiveness. We aim 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, a commitment we began several years ago.

Gender pay gap of employees (excluding Partners)



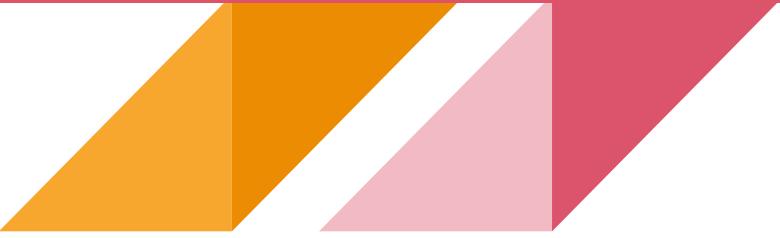
	Firm Level 22	Firm Level 23	Firm Level 24	Target
Former method*	< 1%	< 1%	N/A	< 1%
New method**	N/A	1.30%	0.8%	< 1%

*Based on gross salary data.

**Based on total remuneration package including the variable components of compensation, excluding certain outliers that were identified, justified, and explainable.

In FY24, we opted for a new approach to calculating the gender pay gap, based upon the employees' entire remuneration package (vs only base salary), hence aiming for greater accuracy and complete transparency. With this new method, our figures show a similar gender pay gap compared to last year. This is to put in perspective with the Luxembourg Gender Pay gap (-0.7%), the smallest in EU ([Eurostat 2022 Key Figures](#)).

Beyond the gender pay gap, our priority remains to achieve equal access opportunities for women and men to management and top positions.



3. Wellbeing, Health and Safety

We are primarily reliant on our People to deliver our services to clients. This is why we aim to provide our People with the opportunity to enhance their wellbeing and their physical, emotional and mental health, for their own prosperity and a sustainable future for our Firm. At PwC Luxembourg, we believe that working proactively in the areas of wellbeing, health and safety will help identify and mitigate potential risks to the wellbeing of our People.

Flexibility & Wellbeing Index from the GPS*

Firm Level 22	Firm Level 23	Firm Level 24	Target
52%*	54%	59% ▲	60%

Derived from the GPS results on these following statements in FY24:

1. I am able to find a balance between work and my personal life that works for me.
2. The people I work for make wellbeing a priority for our team(s).
3. My level of effort and productivity can be sustained over the next 12 months.



*FY22 Index has been restated to the FY23 methodology.

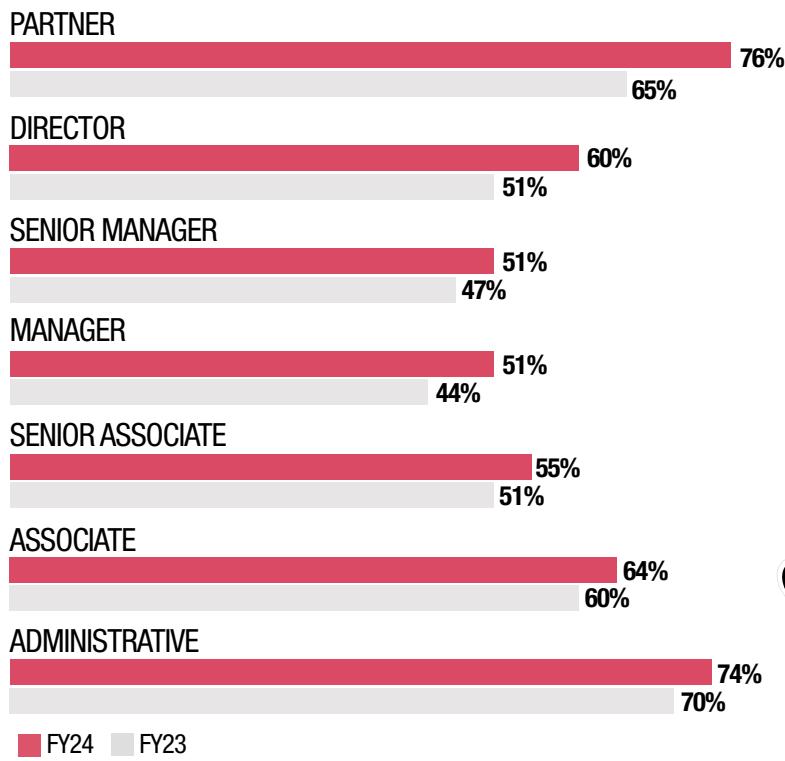
Answers scale from 1 to 5, from very negative to very positive, 3 being neutral.

Our Flexibility & Wellbeing Index demonstrates 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. Answers to the questions of our Flexibility & Wellbeing Index are the following:

Question	FY21	FY22	FY23	FY24
1. The people I work for make wellbeing a priority for our team(s)	45%	55%	58%	60%
2. It is possible to have a healthy lifestyle (physically, mentally, emotionally) and be successful at PwC	44%	48%	50%	50%
3. My level of effort and productivity can be sustained over the next 12 months	-	-	-	66%

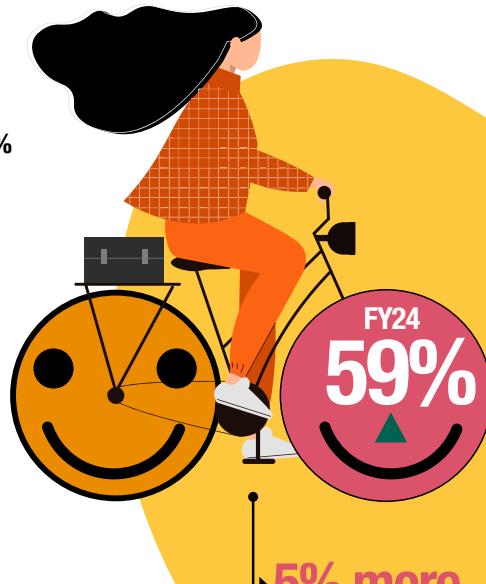


Flexibility & Wellbeing Index



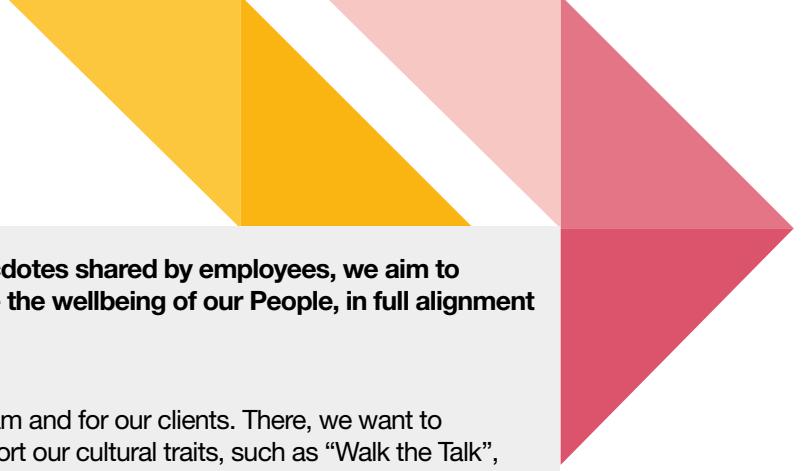
According to the results presented above, our employees are acknowledging the efforts made regarding flexibility, work life balance and, more generally, proposing a healthy lifestyle. In the future, our focus will remain on the proximity our leaders and managers create with their team members, a key topic to support our People in their sustainable growth and thus their wellbeing.

As in previous years, the results show some concern in the flexibility & wellbeing matter from our middle management. Looking at more granular data, this concerns especially the possibility of having a healthy lifestyle and success at PwC. To note that from a gender perspective, results do not point to a major discrepancy.



as compared to FY23 but we still need to improve through:

- 1 FIRM CULTURAL EVOLUTION
- 2 EMPLOYEE "PROXIMITY" MANAGEMENT
- 3 FLEXIBILITY
- 4 BE WELL, WORK WELL
- 5 PREVENTION OF BURNOUT



Considering these results, as well as the anecdotes shared by employees, we aim to invest in areas which can impact and improve the wellbeing of our People, in full alignment with our HR strategy for FY25:

- **Culture:**

Our culture is what makes us different as a team and for our clients. There, we want to exhibit and reinforce the behaviours that support our cultural traits, such as “Walk the Talk”, “Entrepreneurship” and “Excellence”. We expect our People and leaders to role model these behaviours in ways that are authentic to each of us and observable by others.

- **Employee management:**

Team Leaders play a crucial role in leading our People and building a healthy and diverse working environment. Being closer to our employees also leads to people feeling seen, heard, and valued, which leads to a better feeling of belonging. Our HR teams are devoted to supporting and guiding our Team Leaders through their journey to ensure that they become 'proximity' managers of excellence.

- **Flexibility:**

Our approach towards flexibility was presented last year in the [FY23 Annual Review](#) and we are still looking to improve this strategy which distinguishes us and is appreciated by our employees and find innovative solutions just like our satellite offices whose capacity continues to grow. Our Firm has paved the way when it comes to the setup of working solution closed to the borders of Luxembourg.

- **Be Well Work Well programme:**

We propose a wide range of solutions, tools and opportunities to improve our People's wellbeing at their own pace. Over the last year, we have established sport sessions onsite, special offers with personal trainers, kine@work and opened a nap room for our employees. These services are well used by our employees, and we see that we are investing in the right approach. More actions are being explored for FY25 to sustain the wellbeing of our employees, considering topics such as infobesity and the right to disconnect.

- **Burnout:**

Despite our efforts on Flexibility & Wellbeing, burnout still occurs. The Luxembourgish [Association pour la Santé au Travail du Secteur Financier \(ASTF\)](#) is our official source to report our number of cases. There may be cases not recorded by the ASTF, as the employee may prefer a purely private path or to be qualified differently. Additionally, as we report in fiscal years, running from July till June, the ASTF reports on full calendar years. Considering this, we potentially have more cases than are reported. Even with a decreasing number of cases reported, we will relentlessly continue our work-life balance initiatives to enhance our healthy working environment, physically and mentally.

In **FY24**, ASTF identified **19 cases** of burnout.

In **FY23**, ASTF identified **24 cases** of burnout.

In **FY22**, ASTF identified **20 cases** of burnout.



Absenteeism rate for illness-related absences*

As part of our Wellbeing, Health and Safety ambition, it is important to ensure we can identify people with mental and physical difficulties caused by stress, anxiety and significant workload. We are looking at several indicators in that field, including the absenteeism rate for illness-related absences and comparison of such with the local sector data.

Firm Level 22	Firm Level 23	Firm Level 24
2.9%	2.1%	2.4% ▲

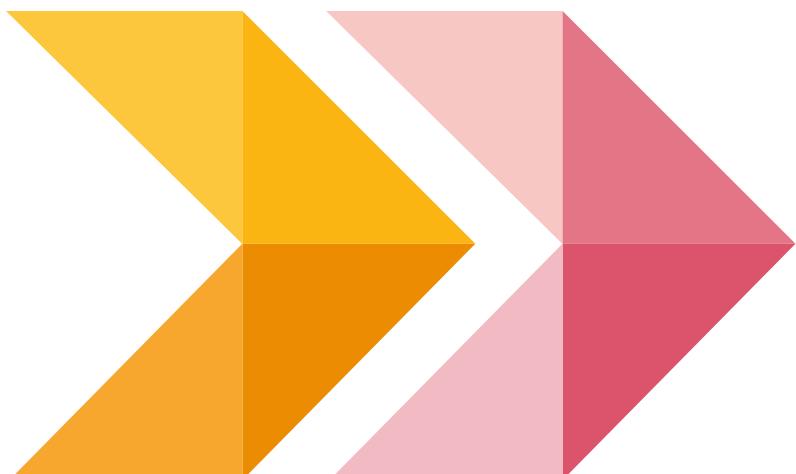
* Only people from PricewaterhouseCoopers Société coopérative, PricewaterhouseCoopers Academy Société à responsabilité limitée and PwC Tax Information Reporting Société à responsabilité limitée."

Interns, Contingent Workers and Short-Term Assignments have been excluded from the calculation.

The calculation follows the proposed methodology of the [Liser Report](#), where the total sickness days are divided with the total workable days (including weekends and public holidays).

	Assurance	Advisory	Tax	Internal functions
FY24	2.4%	2.3%	3.1%	2.9%
FY23	2.0%	1.8%	2.5%	2.5%
FY22	2.4%	2.5%	3.3%	2.6%

As per the latest available report of the [Observatoire de l'absentéisme](#), the indicators for our Firm are generally below the sector average. This encourages us to continue in our efforts for the wellbeing of our People.





4. Number and rate of employment

Employment and wealth generation are intrinsically linked. Our People are at the heart of our sustainability ambitions. This is why we aim to attract, develop, reward and retain the best talent by building a meaningful journey for them and creating a culture where our People want to stay and build a career.

Rate of employee voluntary turnover*

Firm Level 22	Firm Level 23	Firm Level 24	Target
18.0%	12.3%	11.1% 	10%-15% range

* **Cumulated voluntary turnover** = Number of voluntary terminations / Average headcount.

Voluntary terminations = Resignations and end of probation period initiated by the employee.

Average headcount = Sum Headcount each month divided by number of months as from beginning of a Financial Year.

With almost 3,600 employees in 2024, we have 400 more employees than last year, a comparable evolution as between FY22 and FY23. This increase illustrates that we keep our attractiveness in a competitive local employment market, despite difficulties attracting talents in Luxembourg, partly due to the combination of mobility issues and a tight and expensive real estate market, as shared by our recruits during interviews.

This year again, we report a low employee turnover at 11.1%. The turnover decrease, started in FY23, has continued this year, underlining that our recruitment processes and retention tools provide results. We still believe that a minimum turnover of 10% is a healthy rate for ensuring we remain innovative and diverse, as well as proposing opportunities for our employees to grow and develop their career.

	Assurance	Advisory	Tax	Internal functions
FY24	12.8%	14.3%	10.3%	6.4%
FY23	15.3%	14.0%	10.5%	6.0%

3,581
employees
in 2024

We have
400  more
employees than
last year.



The voluntary turnover has significantly reduced in Assurance while stabilising in Advisory, Tax and Internal functions. This evolution is to be considered from the perspective of our efforts in terms of retention practices in all lines of services. Over the year, we have deployed new tools and practices by being closer to our team members' concerns, having regular and meaningful conversations to assess their performance and growth. Moreover, our administrative population turnover drops to 7.4% reflects the transformation of the Secretary job that has been run over the past three years.

Voluntary turnover per grade

PARTNER

■ 0.50%
0.00%

DIRECTOR

■ 2.80%
6.20%

SENIOR MANAGER

■ 8.10%
9.00%

MANAGER

■ 8.70%
12.40%

SENIOR ASSOCIATE

■ 15.60%
17.60%

ASSOCIATE

■ 12.60%
11.30%

ADMINISTRATIVE

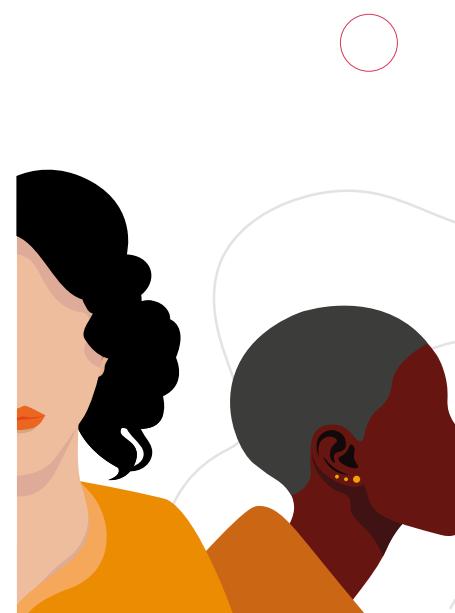
■ 7.40%
12.30%

■ FY24 ■ FY23

To achieve these positive results, we developed and deployed a strategy where:

We worked on creating an environment where our employees can benefit from individual follow-up by their Team Leader. We leveraged on the flexibility and the wellbeing initiatives we proposed to our People to facilitate their day-to-day life. We also continuously promoted development and learning opportunities for our employees to grow in their career. By analysing the voluntary turnover KPI split by team, we were able to target our actions where it was the most required and provide relevant retention tools and practices.

Overall, we believe that a person with purpose who feels safe, valued and who has room to develop and learn is significantly more likely to join — and stay with — us.



New hires by gender*



Gender	Firm Level 22	Firm Level 23	Firm Level 24	Target
Female	43.4%	39.4%	39.9%	40%-60% in both ways
Male	56.4%	60.5%	60.1%	
Not declared	0.1%	0.1%	0.0%	

*Only people from PricewaterhouseCoopers Société coopérative, PricewaterhouseCoopers Academy Société à responsabilité limitée and PwC Tax Information Reporting Société à responsabilité limitée.

PwC Legal, Interns, Contingent Workers and Short-Term Assignments have been excluded from the calculation.

For the calculation, the new hires' starting date has been considered.

	Firm Level 22	Firm Level 23	Firm Level 24
Women	304	352	362
Men	395	540	545
Not declared	1	1	N/A
Total	700	893	907

At PwC Luxembourg, we believe that job creation provides a basic indication of our capacity to attract diverse talents. This is why we are looking at how many new recruits we have during the year through a gender lens.

In FY24 we witnessed a slight uplift trend in our 40/60 gender ratio, but we know we can do better.

As in previous years, we observe a female talent shortage in schools and universities, which leads to an unbalanced proportion of men and women in our new joiners at junior level. In order to reverse this trend, and recruit a more gender-balanced workforce, we promote our opportunities to a gender-diverse student audience: we are present at early stages in students' lives, bringing gender-diverse PwC representatives to universities and schools to promote our careers and give testimonials of successful professional experiences.

In addition, we have restructured and reinforced our recruitment team, focusing on our Talent Attraction practices (collaboration with universities, recruitment events, employer branding initiatives...) that do generate interest for a diverse pipeline of talents.

In continuity with the above, our FY25 Talent Attraction and Acquisition strategy will focus on recruiting a diverse workforce, in Luxembourg and in our PwC Services Portugal office in Porto, which is an important lever to enhance our gender selectivity. We will further invest in training our recruitment teams on such topics as (and among others,) awareness about unconscious bias, inclusive language, and equitable hiring practices.





5. Training provided

Our aim is to guide and empower our employees with the leading skills that will enable them to face today and tomorrow's challenges.

We believe that investing in—and upskilling—our People, we 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. 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.

Average number of hours of training per employee*

Firm Level 22	Firm Level 23	Firm Level 24	Target
53.4	54.3	58.1	N/A

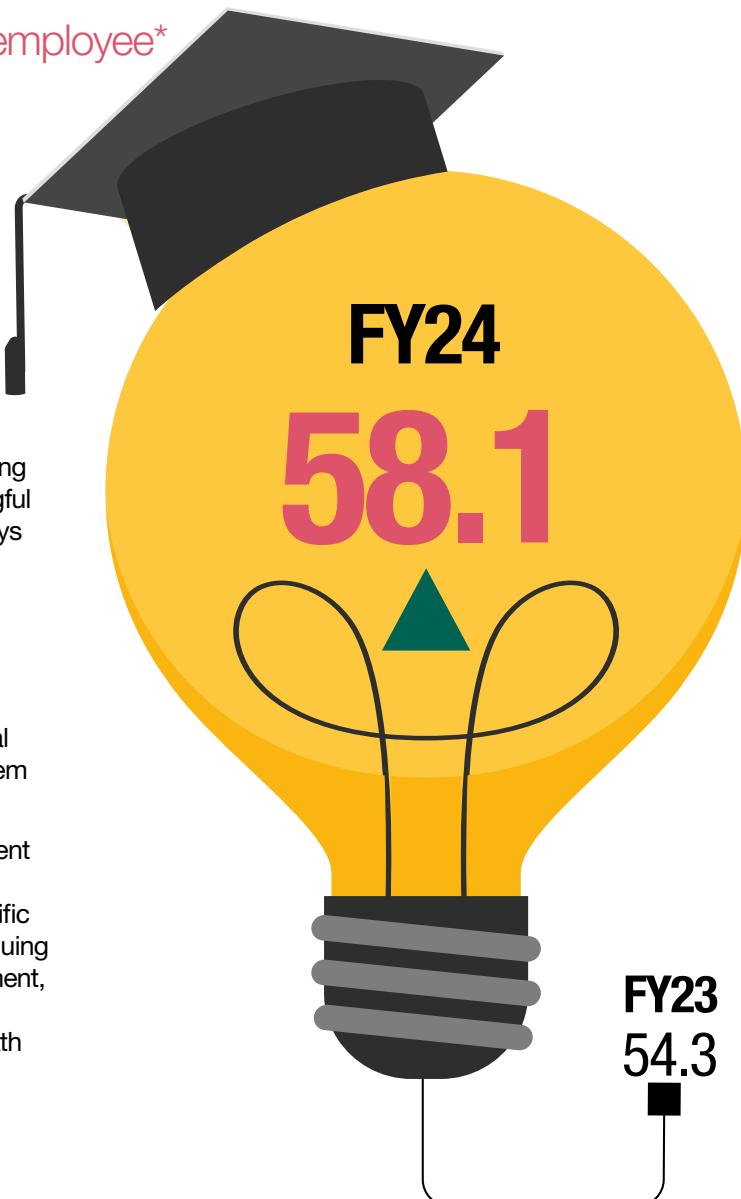
*Excluded: interns, contractors, fix terms, freelancers, short-term assignments, PwC Legal.

Learning & Development is paramount to our Firm and to building a sustainable future for PwC Luxembourg, as well as a meaningful and enriching journey for our People and for this, we have always offered a rich set of training opportunities.

In FY24, we have continued our efforts in proposing a large catalogue of learning journeys to our employees in numerous dimensions, including technical knowledge, soft skills and leadership & management competencies to name a few.

Specifically, we have significantly invested in developing internal Executive Development programs for our leaders to prepare them for their future business and management opportunities.

In FY25, we will continue to enhance our Learning & Development proposition to our employees and regularly revise our learning offerings content and format for an enhanced experience, specific and close to our People day-to-day needs. In addition to continuing our efforts on our Leadership programmes design and deployment, we will launch a women-focused leadership development programme with the aim to build a growth and development path specifically tailored to women at higher levels and support an equitable promotion process.



6. Wage level

The economic wellbeing of our People is directly 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.

Salary Level Ratios of standard entry level salary by gender compared to local minimum salary*

Gender	Firm Level 22	Firm Level 23	Firm Level 24
Female	1.09	1.20	1.15 ▼
Male	1.11	1.23	1.17 ▼

* **Standard entry level salary:** Full-time reference salary for our new hires who have joined at junior level (excluding experienced new hires) during the financial year.

Target population: Associate 1 for business LoS.

Administrative & Associates in Streams & Secretary where age at hire date is between 18y and 25y.

Ratio of entry level salary to local minimum: for each hire in the above defined target population, we have calculated:

FT reference salary / Luxembourg Qualified Minimum Social Salary applicable at hire date.

The average entry level salary we offer at PwC Luxembourg is above the local minimum salary. The salary level ratios increased significantly in FY23 to adapt to the cost of living and support our People to gain access to the real estate market. In FY24, the ratios decreased compared to FY23, a mechanical evolution caused by the increase in minimum social wage while our entry salary remained as is.

7. Risk for incidents of child labour

PwC asks 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.





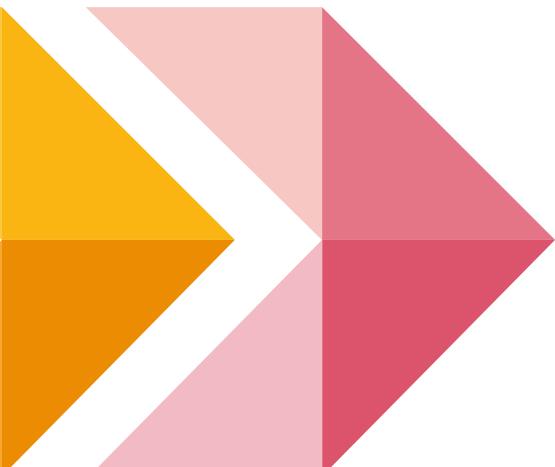
Prosperity

We have set a goal for ourselves to become the most impactful, dynamic and trusted professional services partnership in Luxembourg and beyond its borders. And we recognise that true prosperity has to be sustainable, underpinned by a diverse services and work environment that puts our People at the heart of everything we do.



Prosperity for us means not only financial success but also positive contributions to our ecosystem and stakeholders. We focus on quality investments, innovation, and community engagement, recognising that our people and their meaningful career journeys are key to our success.”

Cécile Liégeois, Clients & Markets Leader, PwC Luxembourg





1. Economic contribution

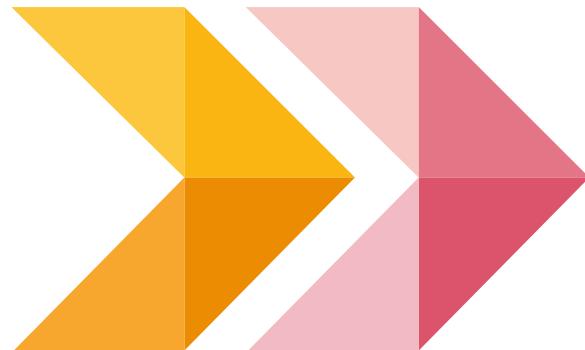
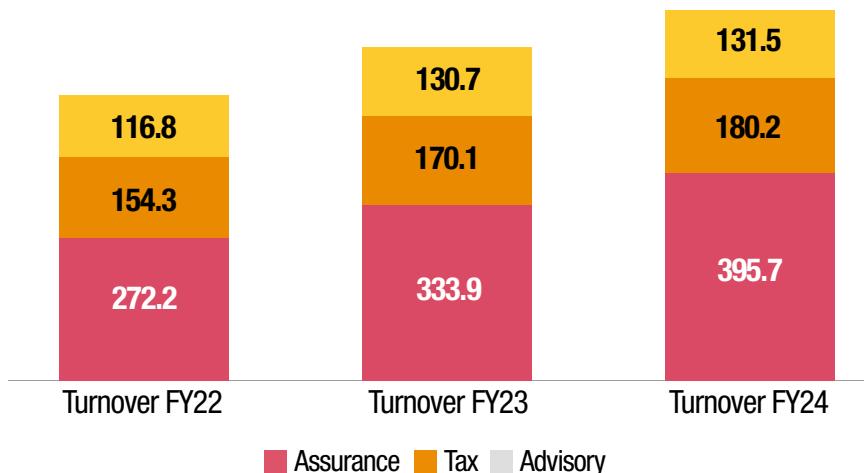
At PwC Luxembourg, we believe that economic contribution provides an indication of how a company is able to create prosperity for stakeholders, including our People, our clients and our Communities at large. To ensure we will be successful in this, we will:



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.

Business Review

Turnover FY22 VS FY24 (m€)





Financials and full-year results

TOURNOVER

707.3
(IN MILLION EUROS)

NET REVENUE

633.7
(IN MILLION EUROS)

GROWTH

+11.4 %

We are delighted to report that PwC Luxembourg managed to maintain a growth over the past fiscal year from 1 July 2023 to 30 June 2024, with an 11.4% increase in net turnover. We achieved this while investing in advanced technological and innovative capacities to meet our clients' needs.

Despite a challenging financial year influenced by subdued economic growth in Europe, with Germany and the United Kingdom experiencing two quarters of negative growth during this period and the euro area experiencing growth of only 0.1% in the second half of 2023, we achieved significant milestones. The EU economy has shown a minor improvement in 2024, and inflation is easing. However, businesses remain cautious, leading to reduced consumer confidence and investments, as well as a slowdown in deal activity.

Given this environment, we showed resilience, and we remain confident in our strategy and in our ability to continue developing our services as per our FY27 ambition plan.

We focussed on expanding Managed Services (MS) offering an extensive array of services and rethought our MS operating model with a reliance on an empowered Client Relationship Manager (CRM) to better satisfy market players. We also extended our Sustainability services, leveraging PwC's global network to benefit clients in key business areas. We also continue to invest in innovation, such as launching the GenAI Business Center in 2024, positioning us as leaders in operational efficiency and new revenue streams.

Regarding our lines of services, which we go into in more detail in this review, our Assurance practice grew by 18.5%, demonstrating our ongoing ability to deliver trusted solutions to our clients. Economic uncertainty impacted our Advisory practice, but it is an area that remains crucial to PwC's success. Our Tax practice grew by 6%, maintaining its position as Luxembourg's top provider.

Our performance in a difficult market underscores the trust clients place in us and our agility in adapting while building long-term resilience. We regularly survey them to gauge their experience, and we know from feedback that they appreciate our open discussions and that we listen to their agenda. Our most recent survey results show a significant increase in the Net Promoter Score*; and client satisfaction increased from 4.2 to 4.4 out of 5 - which is very high. We know that our market insights remain very appreciated, and our experts will keep the conversation going with our clients to deliver the solutions they need.

Looking ahead, Luxembourg's economy is projected to grow by 1.5% this year and 2.7% next year, supported by a financial sector rebound. However, external factors remain a risk, making resilience a vital part of any business strategy. By continuing to embrace change and by talking with our clients, we will continue to deliver relevant services and invest for the future to remain a dynamic, trusted partner for clients in Luxembourg and beyond.

*Net Promoter Score: NPS = % promoters - % detractors.

2024 in figures

707.3
TURNOVER
(IN MILLION EUROS)

633.7
NET REVENUE
(IN MILLION EUROS)

↗ 11.4%
GROWTH



Advisory

Percentage of turnover
18.6%
+0.6%

After last year's successful 12.2% growth, this year has been one of consolidation with a limited growth in turnover of 0.6%. In uncertain markets the dynamic of our business has varied between industries with a more challenging year in the financial sector where we have witnessed many clients postponing their deals, reducing the size of their projects or postponing some strategic investments.

Advisory continues to account for 18.6% of the Firm's total turnover, marking an important contribution to the firm. The consistent performance, mirroring last year's figures, underscores our alignment with client needs during uncertain times and our commitment to attracting and developing top talents. Key factors driving this year included the imperative to evolve and innovate through technology.

Looking ahead, we are confident that the markets are going to recover slowly, and we aim to support our clients in the needed reinvention of their business model. We will leverage on our unique expertise in industries, regulatory, sustainability and technology backed by the dedication of our People, as well as our deals and strategy experts to advise our clients solving their important problems. We anticipate our strategic alliances to strongly support our value proposition while integrating cloud and AI technologies into our clients' business reinvention.



Assurance

Percentage of turnover
39.5%
Statutory audit

Percentage of turnover

Percentage of turnover
55.9%
+18.5%

Percentage of turnover
16.5%
Other Assurance services

The 2023/2024 fiscal year has been remarkable for our Assurance practice, with an impressive 18.5% growth overall. This surge has propelled our total turnover to €396m, accounting for 55.9% of the Firm's total revenue for the year.

The Alternatives industry continues to be a primary growth driver, consistent with trends from previous years. However, all industries have made robust contributions to their top lines, highlighting the resilience of some sectors, as banking and operational companies.

Our growth has been significant across the board, with the audit practice seeing a 18% increase and other assurance services growing by 19.8%. The latter includes our Broader Assurance Services (BAS), which offer a diverse range of assurance-related solutions. These services, covering areas such as risk (including cyber, IT, data), actuarial, valuation, AML, controls, etc. are crucial for delivering proactive assurance to our clients and preparing them to tackle complex challenges.

Our Assurance services' strategic positioning and ongoing support has been particularly impactful, with several major assignments in ESG and sustainability reporting related to Sustainable Finance Disclosure Regulation (SFDR) and Corporate Sustainability Reporting Directive (CSRD).

The backbone of our Assurance practice growth is our continued investment in our People, with a significant increase in FY24 (+237FTE between 30 June 2023 and 2024). This investment is closely intertwined with our deepening commitment to assurance technology, where we are introducing new transformative tools to further our practice. This enhances not only the experience of our People in delivering our services, but also enriches our clients' experience with high-quality, efficient, bespoke, and business-focused audits.



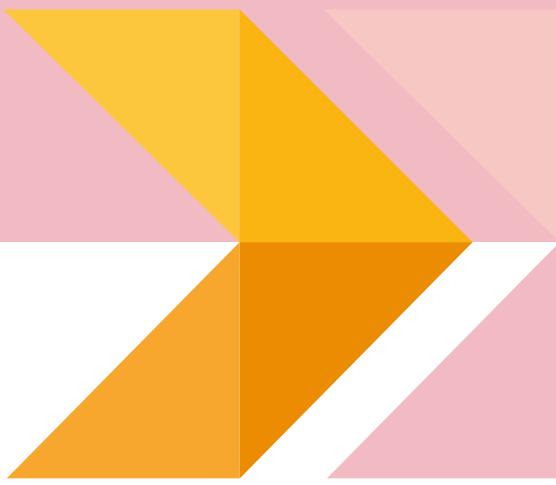
Tax

Percentage of turnover
25.5%
+5.9%

The global tax landscape continues to evolve as the world's tax authorities focus on efforts to increase transparency and combat tax avoidance. This results in much more complex rules that need to be considered when making investment decisions, as well as an increase in tax compliance obligations. Throughout FY24, we've helped organisations navigate through these challenges, turned risks into competitive advantages, supported several players across industries as they refreshed strategies and transformed operations.

With a growth of almost 6% in FY24, our Tax practice continues to be recognised as the **leading provider in Luxembourg** in terms of size, turnover and services scope. This growth has been mainly supported by the demand for our specific **Pillar 2 expertise and reporting** services as well as for our consulting services, especially for multinational companies, as the climate in the fund industry has been quite challenging with fewer deals and slower fund raising. But we believe in the expansion of our scope in Alternatives Investment sector with our **Managed Services** offering. Alternative fund managers often face significant resource constraints and the complexities of administration and regulatory compliance that impede their operational efficiency, and which requires end to end compliance solutions with efficient integrated technology. PwC offers support in overcoming these challenges throughout the entire investment lifecycle of the fund and related entities with a one-stop-shop approach across several main pillars such as, technical and industry expertise, scalable and flexible teams, proven best-in-class technology, and global coverage thanks to the PwC Network or a centralised coordination and oversight.

In a nutshell, **transparency, information sharing, technology, people** and **governance** are at the forefront of discussions. To be prepared for the future and help our clients, we continue to invest in talents and technology to ensure providing the best service experience.



Community investment*

	Firm Level 22**	Firm Level 23**	Firm Level 24	Target
	€143k	€236k	€1.3m	€1.5m

*Donations reflect the gross monetary amounts paid by the Firm and the time valued at cost rate depending on grade and line of business, in support of a community organisation or project.

**FY22 and FY23 only consider cash donation, without time donation.

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.

As one of the main employers in the country, we want to create long-term value through our core business while having a positive social, environmental and economic impact. We are convinced that we have a role to play in this

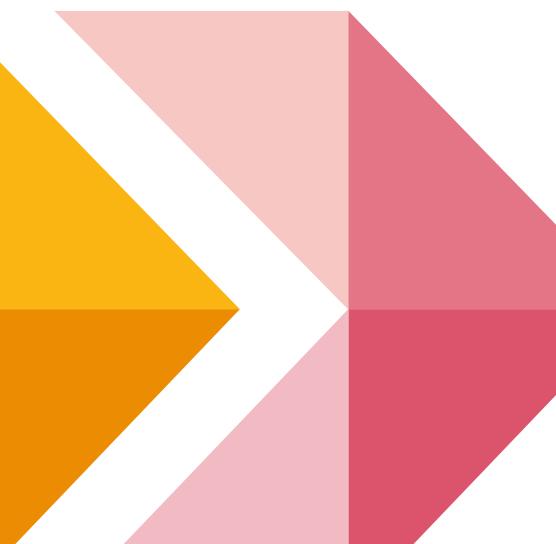
field and we are also happy to see that our highly skilled workforce is eager to contribute their time and talents to causes that matter to them.

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 mostly in the Greater Region. In FY24, we have focused our actions (financial support and volunteering) into three topics:

- 1 EDUCATION & INCLUSION** - access to education and contribution to a more inclusive world
- 2 CULTURE** - access and participation to culture
- 3 HUMANITARIAN AID & HEALTH** - social emergency



In FY24, we strengthened our Corporate Sustainability Office with a focus on corporate social responsibility, enabling us to better **structure and streamline our community investment activities**. By optimising our efforts in both time and cash donations, we have significantly enhanced our social impact within the communities we serve.



PwC Luxembourg time and cash community investment for FY24 in €

Cash donations		419,461
	<i>Education and Inclusion</i>	158,762
	<i>Culture</i>	115,000
	<i>Humanitarian aid and Health</i>	145,699
Time donations*		172,300
In-kind donations		48,116
Management costs*		154,197
PwC Foundation Luxembourg contribution		500,000
TOTAL value of Community Investment		1,294,074

*Time valued at cost rate depending on grade and line of business

- **Cash donations:** Gross monetary amounts paid by the Firm in support of a community organisation or project.
- **Time donations:** Number of hours spent on volunteering actions during working hours (including pro bono services) valued at an hourly rate per employee grade.
- **In-kind donations:** Monetary value of in-kind contributions e.g. IT equipment and incurred costs related to hosting events or association activities etc.
- **Management costs:** Number of hours valued at an hourly rate per employee grade and expenses spent on coordinating the Community Engagement activities
- **PwC Foundation Luxembourg contribution:** Financial value of time contributed to PwC Foundation Luxembourg and set-up costs.

Our **community investment totalled €1,294k this year** including management costs, time and in-kind donations in addition to our financial support to associations.

As an instrumental part of our strategy is to encourage our People to support community organisations using their

time, energy and skills, we plan to see our total **time and cash community investment exceed €1.5m in FY25**, including management costs. We will continue to develop and strengthen our long-term partnerships with non-profit organisations, requiring support for their activities, both skilled and general volunteering.

Beyond volunteering, we continue to support the social sector in Luxembourg through our **core business** activities. We provide audit and assurance services to numerous local associations and foundations, helping to build trust within the philanthropic community.

Our cash donations

In FY24, our commitment to community investment saw significant growth. Building on last year's contribution of €236k through cash donations, we increased our support to local associations, donating €419k through PricewaterhouseCoopers S.C (excluding €500k contributed to PwC Foundation Luxembourg covering the first half of 2024).

However, the most notable development this year was the establishment of the PwC Foundation Luxembourg as a separate entity. Launched in January 2024 under the aegis of Fondation de Luxembourg, the PwC Foundation aligns its mission with the United Nations Agenda 2030. The PwC Foundation Luxembourg is primarily focused on promoting education and access to culture within Luxembourg and the

entire countries of the Greater Region, (France, Germany, and Belgium). Additionally, it is positioned with the possibility to provide emergency support in response to humanitarian and environmental crises on a global scale. The PwC Foundation Luxembourg will dedicate €1m per year to support these causes while PricewaterhouseCoopers S.C. will continue to support associations with offering time to its employees for volunteering.

In FY25, we will select the associations and projects to be supported through the PwC Foundation Luxembourg and will closely monitor the impact of our contributions. Our people are actively engaged in this process, participating in working groups dedicated to education and inclusion or culture.

Our Time to Engage programme

In October 2023, we launched our new corporate volunteering programme, "Time to Engage." This initiative allows our people to dedicate 40 hours per year to volunteering during work hours. In its inaugural year, approximately 150 employees contributed over 1,000 hours to various volunteer activities in FY24.

The programme is supported by a digital platform where selected associations can post their volunteering needs, and our people can sign up to help. "Time to Engage" empowers our employees to contribute to meaningful causes by leveraging their energy and skills, fostering deeper connections with local communities, and broadening their experiences. For our partner associations, the platform offers significant benefits, including increased visibility within one of Luxembourg's largest firms and access to a wide pool of volunteers through an intuitive registration process.

The volunteering opportunities available through "Time to Engage" are diverse, ranging from translation work, event setup, and goods sales, to coaching and mentoring refugees, and language practice.

Looking ahead to FY25, we plan to further encourage employee participation in the "Time to Engage" programme by organising large-scale volunteer events, such as the Bazar International de Luxembourg and International Volunteer Day. Our Corporate Sustainability Office will also work to develop more skilled volunteering opportunities, aligning our efforts with the specific needs of the associations we support.

Banque Alimentaire de Luxembourg

This association provides those in need access to a sufficient and balanced diet while actively combatting food waste. It primarily works with volunteers for the sorting of goods and preparation of parcels. To support their efforts, we mobilised our employees to give a helping hand in their depot where our people can contribute regularly. Additionally, we contributed € 33k to help this association finance its new projects to cope with the increasing needs of a wider vulnerable population in Luxembourg.

"I can say that the experience at Banque Alimentaire de Luxembourg was amazing. Doing something very concrete with so much value and a great purpose really felt like a breath of fresh air and a cup of coffee to me. After that I felt energised and full of positivity for the rest of the day. I didn't expect that this experience would have such an effect on me. It was also like a kind reconnection to the simple things of life and a reminder of how lucky we are. I also spent a wonderful time with the other volunteers there and really created genuine bonds. I'm looking forward to renewing this experience again." - Vanessa Kimputu Nzau

"My experience at the Banque Alimentaire du Luxembourg was very rewarding, it enabled me to meet some wonderful people that I wouldn't have been able to meet elsewhere (most of them are retired) and to feel useful. Even if my professional skills weren't interesting for the tasks I was assigned, I could spend some of my time in this environment of generosity and human warmth. As I was preparing the food batches in the bank's warehouse, I unfortunately didn't have any contact with the beneficiaries of the aid. In any case, I'll be taking part in the Time to Engage initiative again." - Cédric Nédélec

Bazar International de Luxembourg

Bazar is an international and annual fundraising event in Luxembourg where all profits are donated to humanitarian projects around the world. This three-day event attracts thousands of visitors and features about 60 decorated stands, each representing a different country and offering traditional food, drinks and other items.

Leveraging our multicultural environment, we mobilised 124 of our employees to support the event, helping with everything from setting up the stands before the opening, staffing them during the event, and dismantling them afterward.

"It was my second year as a volunteer at Bazar International and I enjoyed every moment of it. For me, this volunteering weekend was a beautiful one, seeing all the visitors enjoying the good food and drinks, the curiosity towards other cultures, it gave me a very good energy until next year's event." - Mihaela Horhocea

"This is a remarkable annual event that unites people from diverse backgrounds for a common cause. It's not just about fundraising, it's a heartfelt initiative that supports humanitarian projects worldwide. Reflecting on my experience last year, supporting the Thailand and Mexican stands made me feel like more than just a volunteer; it's an avenue to become a part of something bigger. Volunteering at the Bazar connects you with extraordinary individuals, brings joy, and makes a significant impact. Looking ahead, my enthusiasm remains unwavering, and I'm committed to volunteering again next year." - Iga Guillemin



2. Financial investments

In line with our global ambition to help organisations build trust and deliver sustained outcomes, as well as our own mission to be the most impactful, dynamic and trusted professional services partnership in Luxembourg and beyond – we have to be absolutely relevant, and that takes investment.

This is how we are **transforming** towards the future:

- By, investing in our existing services transformation as well as in the development/innovation of new services;
- Investing in sustainability, for our clients and for ourselves;
- Investing in R&D allocated to projects related to ESG topics, Managed Services, and our Alternatives and AWM industries, with a focus on forging tech alliances, data, and artificial intelligence.

Investments as a % of turnover

FY22	FY23	FY24	Target FY25	Long term target
4.6%* €25m	4.7%* €29.6m	4.0% €28.4m <small>↔ Trend stable</small>	4.8%** €35.9m	>4%**

% = Investment / turnover

Figures include expenses and internal people time dedicated to investment projects.

* Past years figures are realised investments.

** Following years are the budget investment projects.

R&D is a dedicated budget for FY24 (See below).

PwC is a professional services firm with a long-standing and profound focus on core competencies in audit and assurance, tax advisory and compliance, business advisory and managed services. We invest in a unique set of methodologies, business know-how, quality standards and tools to support our clients in the achievement of sustained outcomes and trusted business models.

Our investment strategy

The local business environment and markets of our clients are constantly subject to change and transformation. We as a Firm fully endorse such change and have since many years conducted a multi-layer innovation and transformation strategy. This strategy is based on innovation and technology provided by the PwC Network and global member firms and local innovation and transformation initiatives.

Our strategy is structured around five priorities:

1	2	3	4	5
Line 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 clients' sustainability agenda,	IT & data transformation to enhance our capabilities, support transformation and allow for efficient ICT and data management.

Based on this strategy, we have stabilised our investment budgets for FY24 with a focus on existing service enhancements and relevant updates of our delivery model. Just like in FY23, Managed Services remains a key focus for development. For FY25, we aim to maintain our investment rate at around 4% of turnover, with a notable emphasis on transforming our delivery model through Artificial Intelligence.

Dedicated investments in sustainability*

FY22	FY23	FY24	Target FY25	Long term target
12% €3m	16% €4.8m	12% €4.2m ▼	12% €4.5m	20%

* % = investment in sustainability / total investment.

FOR OUR CLIENTS

We support the newly created PwC Network ESG Center of Excellence for both Assurance and Advisory services, providing access to cutting-edge sustainability expertise as well as mutualising investments world-wide to maximise our impact and deliver excellence.

We also continue to develop our Sustainable Finance Disclosure Regulation (SFDR) Assurance Digital Solution supporting our ESG assurance services for SFDR Disclosures.

Following FY23 commitments, we accelerated the sustainability upskilling of our Assurance, Advisory and Tax population, with a focus this year on CSRD, to support our clients on this mandatory compliance exercise.

FOR OURSELVES

Our corporate sustainability strategy is deeply integrated into our operations, through our accountability framework and coordination by the Corporate Sustainability Office. The team oversees our Business as Usual and transformation towards sustainability, including our corporate social responsibility, and reporting and monitoring of our progress. We also invested in our dedicated Net Zero team and Diversity Equity and Inclusion team to advance our key goals in their respective area. Furthermore, the Corporate Sustainability Reporting Directive represents a significant opportunity for us. We view it not merely as a compliance requirement but as a catalyst for accelerating our efforts, creating value through stakeholder engagement, and refining our sustainability strategy.



3. R&D expenses*

FY23	FY24	Target FY25
€1.64m	€2.11m	€2.10m

* Figures include expenses and internal People time dedicated to R&D team and projects.

Past years' figures are realised investments as the following years are the budget dedicated to R&D team and projects.

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 actively promote innovation through regular events and initiatives, encouraging our staff to propose innovative solutions for our clients. These solutions are incubated, and the collaboration between this team and our internal and business units transforms these solutions into tangible services and products that meet our clients' needs.

Aligned with our investment and transformation strategy, our R&D expenses are primarily focused on projects related to ESG topics, Managed Services, and our Alternatives and AWM (Asset & Wealth Management) industries. Artificial Intelligence (AI), GenAI (generative AI) and Data are key drivers of those projects.

In FY24, through our Idea Lab platform and other initiatives, we generated more than 50 new business cases. Among them, we incubated six solutions, including Climate Action Advisor, aimed at facilitating ESG reporting for our clients. Moreover, our innovation community continues to expand both internally and externally. Together with other territories, we launched a global community of practice, with the goal of leveraging PwC's global efforts in developing new products and services, ultimately creating more value for our clients. In parallel, forging alliances with local and international tech players was a key focus for the year and will remain so for FY25.

Our GenAI Mastery Programme and hackathons have sparked new, AI-driven ideas for enhancing client services. We plan to further strengthen the collaboration between innovation, technology, and transformation, with a particular focus on GenAI, which we predict will be transformative for both our clients and PwC.

Looking ahead to FY25, we want to leverage the insights and knowledge we gathered through the recently launched GenAI Business Centre to support our clients in their transformation journey, by providing a sandbox for them to explore and learn about GenAI and test use cases. We will continue organising workshops and activities for businesses in Luxembourg to remain at the forefront of technological development and continue innovating. Our approach encompasses technology and business model reinvention, ensuring that the implementation of generative AI is not merely adding a new shiny tool on the shelf but leads to sustained growth.

Our approach extends beyond mere technological implementation; it involves reimagining business models to ensure that generative AI drives sustained growth. By engaging with Chief Innovation and Transformation Officers, PwC is committed to sharing knowledge and best practices, fostering meaningful conversations, and ultimately contributing to the broader economy.

INNOVATION IN

Managed Services

ESG

Data

AWM

Alternatives

Artificial Intelligence (GenAI)

GenAI Mastery Programme:

AI-driven ideas for enhancing client services.

IDEA LAB



+50 BUSINESS CASES
6 INCUBATED SOLUTIONS

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

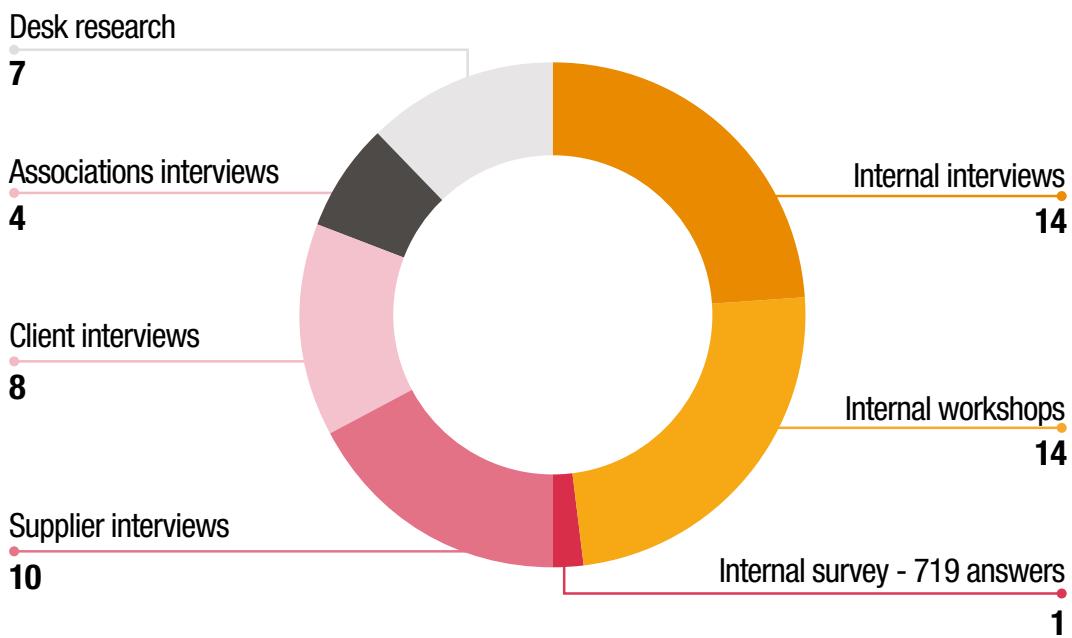
We developed the four-step methodology below, aligned with the specifications of ESRS, to conduct our Double Materiality Assessment:

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.

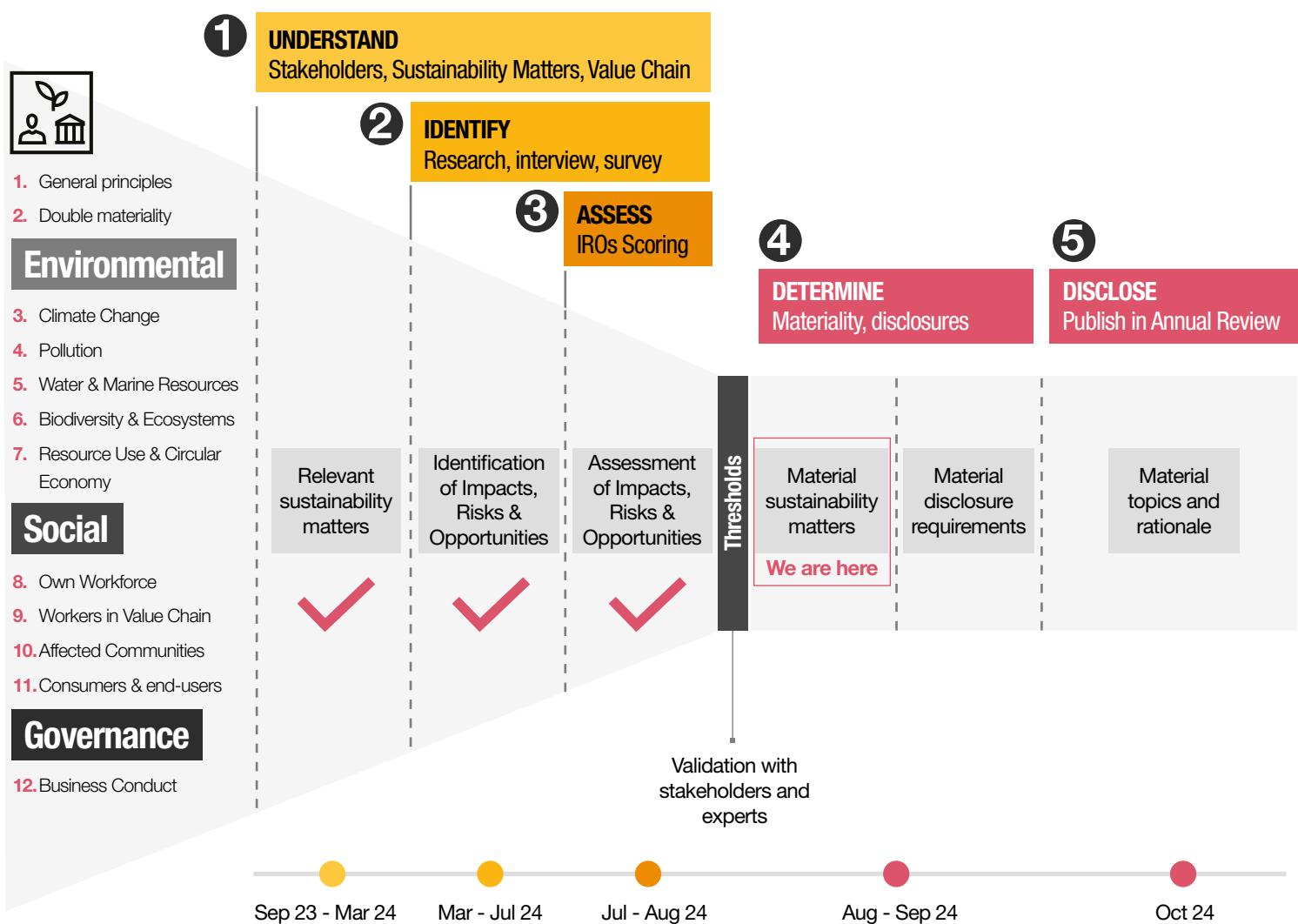


STEP 3

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.



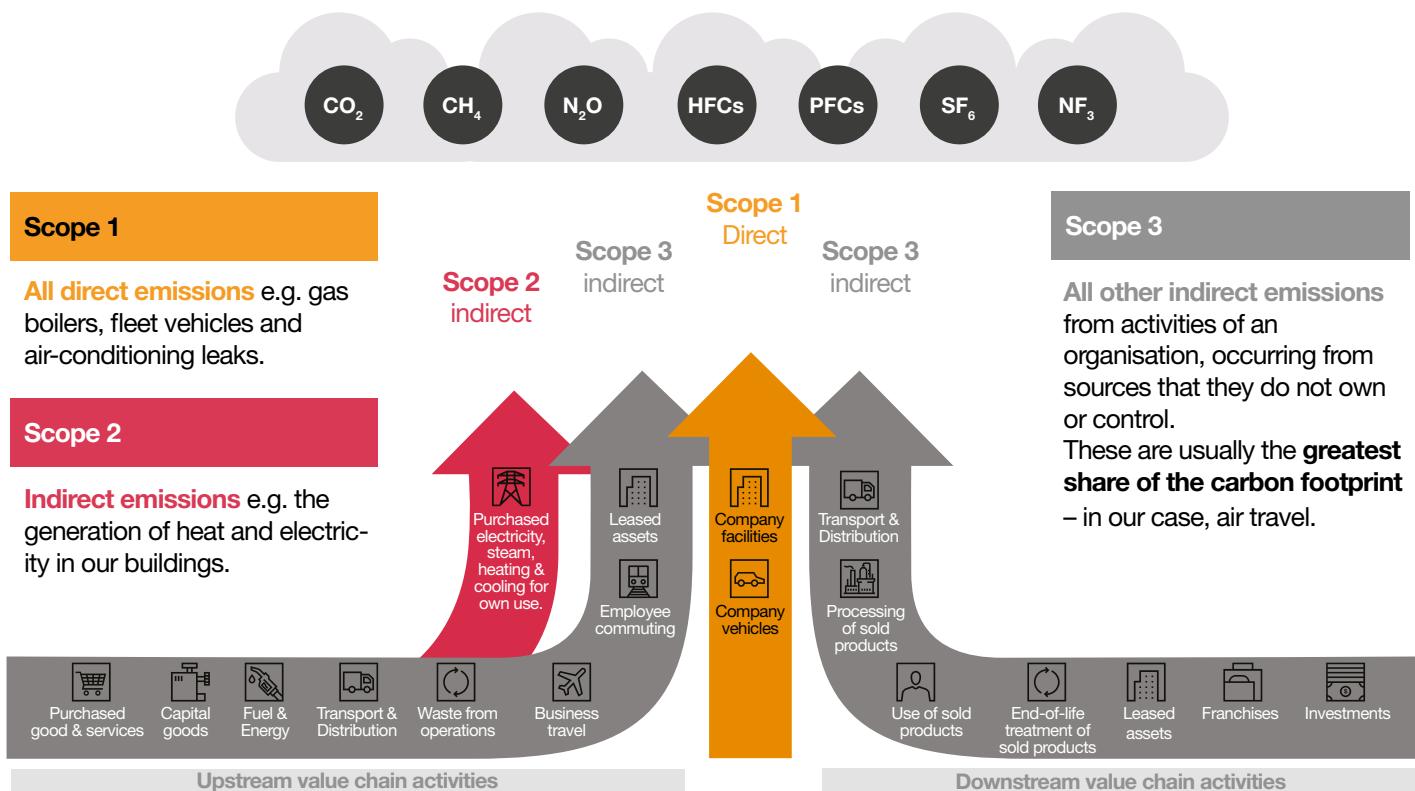
Net Zero - PwC Luxembourg's carbon emissions and environmental statistics

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:

Activity data x emissions conversion factor (kg CO₂e / kWh) = kg CO₂ 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 ensure 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 compromission 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; Europivacy 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

- 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"> - Tenure on the governance body; - Number of everyone's other significant positions and commitments, and the nature of the commitments; - Membership of under-represented social groups.

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 <ol style="list-style-type: none"> 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"> - Decide to report on total number and nature of incidents of corruption confirmed during the current year.
Ethical behaviour	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: <ol style="list-style-type: none"> 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	<p>Integrating risk and opportunity into business process</p> <p>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.</p>	Full	<p>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.</p> <p>Since FY23, we publish our Risk Register externally. This enables our stakeholders to have a look at how we deal with them.</p>

Planet

Theme	Metric and disclosure	Adoption status	Additional details
Climate change	<p>Greenhouse gas (GHG) emissions</p> <p>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.</p>	Full	<p>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.</p> <p>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.</p> <p>On top of this, we also provide insight on our strategy to reach 100% of purchased electricity coming from renewable sources.</p> <p>We continue to offset our emissions. To mitigate, we will continue to support high-quality independently verified carbon reduction and removal projects.</p> <p>However, we want to emphasise that we are more focused on reducing emissions than offsetting.</p>
Climate change	<p>TCFD implementation</p> <p>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.</p>	Partial	<p>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.</p> <p>Missing disclosures for a full coverage:</p> <ul style="list-style-type: none"> - CSRD report
Nature loss	<p>Land use and ecological sensitivity</p> <p>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).</p>	Full	<p>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.</p>

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	<p>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.</p> <p>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.</p> <p>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.</p> <p>Missing disclosures for a full coverage:</p> <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	<p>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.</p> <p>We use Logib, the Minister of Equality between Men and Women's standard analysis tool, enabling employers to conduct their own equal-pay analysis.</p> <p>Beyond the gender pay gap, we are looking at how women and men have equal chances to access management roles and promotions.</p>
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	<p>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.</p> <p>Missing disclosures for a full coverage:</p> <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	<p>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.</p> <p>PwC publications: Human Rights Policy and Human Rights Statement.</p> <p>Missing disclosures for a full coverage:</p> <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	<p>Health and safety (%)</p> <p>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.</p>	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	<p>Training provided (#, \$)</p> <p>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).</p>	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	<p>Absolute number and rate of employment</p> <ol style="list-style-type: none"> 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	<p>Economic contribution</p> <p>1. 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:</p> <ul style="list-style-type: none"> - Revenues - Operating costs - Employee wages and benefits - Payments to providers of capital - Payments to government - Community investment <p>2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.</p>	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	<p>Financial investment contribution</p> <p>1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</p> <p>2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</p>	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	<p>Total R&D expenses (\$)</p> <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	<p>Total tax paid</p> <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	We do not disclose this information.

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