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Annual Report

2021/2022

A personal note from our chair

When I reflect on this past year, I do so with mixed emotions. The fact that we seem to finally be leaving the COVID-19 pandemic behind and returning to our 'normal' lives is very positive. The ability to have genuine face-to-face contacts, live meetings and in-person events without having to wear a face mask or worry about becoming seriously ill is something none of us will easily take for granted again.

On the other hand, we now find ourselves facing unsettling times in other ways. There is a number of global developments currently, most of which are interconnected and even reinforcing each other: the climate and energy crisis, the war in Ukraine, inflation, the increasing levels of inequality, the war for talent and the lack of trust in government and institutions.

All these and more are placing significant demands on the resilience of our society. Perhaps we have to accept and even embrace the fact that uncertainties are a part of life. And work even harder at joining forces to discover new ways to solve the many challenges of our time.

Finding solutions together is certainly at the heart of PwC's new strategy, which we have called The New Equation. In essence, The New Equation is a formula to create value for PwC's clients, other stakeholders and the wider society by helping them build trust and deliver sustained outcomes.

This is not something one individual can do, nor a group of people – and it is not something that PwC can do in isolation. Building trust and delivering sustained outcomes require a passionate community of solvers – across PwC, and including our clients, alliance partners and other stakeholders – to closely cooperate with the latest technologies to find new solutions for a new day.

This approach requires us to really listen and engage with our clients, stakeholders and each other, to be innovative and to have confidence in our shared competences and approaches. I am proud of the examples in this Annual Report that illustrate our way of working. Given the challenges the world and our clients face, we must be prepared to step up where we can. To deliver on our purpose and promise to clients and society.

The diverse nature of the challenges means that society is no longer focused on financial figures alone. Using soft interventions (the rapidly changing social dialogue) and hard interventions (regulations, ratings and investments), companies and organisations are increasingly putting ESG (Environmental, Social and Governance) on their board agenda. That is why we introduced this year the concept of 'green figures' in order to emphasise the social value of organisations. Foreseeing a growing demand for our services when it comes to helping clients on their ESG journey, we are investing in both the number of dedicated ESG colleagues and in upskilling ourselves on this vital subject.

In PwC's line of work, our colleagues make all the difference. From young to old, from just starting out to highly experienced, our impact as a firm depends on them. There has been an increase in employee turnover over the past year with PwC professionals being much in demand in the labour market and feeling less connected to our firm due to working from home. We also saw a rise in absenteeism, partly caused by COVID-19. These developments gave us cause for concern and prompted some of the actions explained in this Annual Report.

At the same time and despite the tight labour market, we were able to attract lots of new talent. Talent that chose PwC because of our focus on personal development, our culture of inclusiveness, and work that is meaningful and adds value for our clients and society. With the disinvestment of Global Mobility we said goodbye to some of our colleagues, but we trust this will create the opportunity to accelerate the people business. We will continue to focus on ensuring attractiveness and further develop the value proposition for our colleagues.

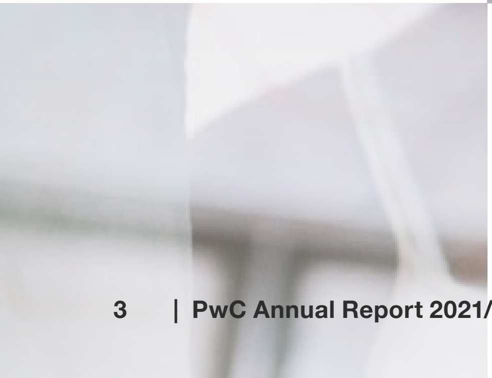
It has also been a time of change for us as the PwC Netherlands Board of Management. On 1 July this year, I took over the role of Chair from my predecessor Ad van Gils. I would like to thank Ad for the way he led this company in recent years, always putting the 'how' first. I am also very grateful to Jolanda Lamse-Minderhoud, Renate de Lange-Snijders, Marc Borggreven and Marc Diepstraten for their dedication and commitment to the Board of Management over recent years.

I am looking forward to working with Janet Visbeen, Maarten van de Pol, Veronique Roos-Emonds and Wytse van der Molen to further shape our strategy in the Netherlands. We are proud to build on the solid foundations laid out by our predecessors. And we do not do this alone, but together with all our colleagues within PwC. I would like to express my appreciation to them in particular for all their hard work over the past year. The resilience and agility they demonstrate each and every day is very impressive and gives us great confidence in the future.

I trust you will enjoy reading our Annual Report. Please contact me/us if you have any observations or questions or would like more information on matters addressed in this report.

On behalf of the Board of Management,

Agnes Koops-Aukes,
Chair



PwC in the Netherlands

Who we are

PwC the Netherlands has more than 5,300 people operating from three different Lines of Service: Assurance, Tax & Legal and Advisory supported by Firm Services. We deliver sector-specific services and we seek innovative solutions, not only for national and international companies but also for public sector and civil society organisations (click on the Lines of Service to see our services in more detail).

At PwC, we aim to contribute to building trust in society and solving important problems. That is our purpose, our reason for being. Our strategy is designed to fulfil that purpose by helping our clients to deliver trust and sustained outcomes, by bringing together a great diversity of people in unexpected combinations, and combining their skills, expertises, perspectives, ingenuity, and passion with the latest technology. Because we believe that challenges are best solved together. In our value chain, we work together with suppliers, clients, society, partnerships and our colleagues, oversight bodies and regulators, and trust is a key component of successful collaboration in this ecosystem.

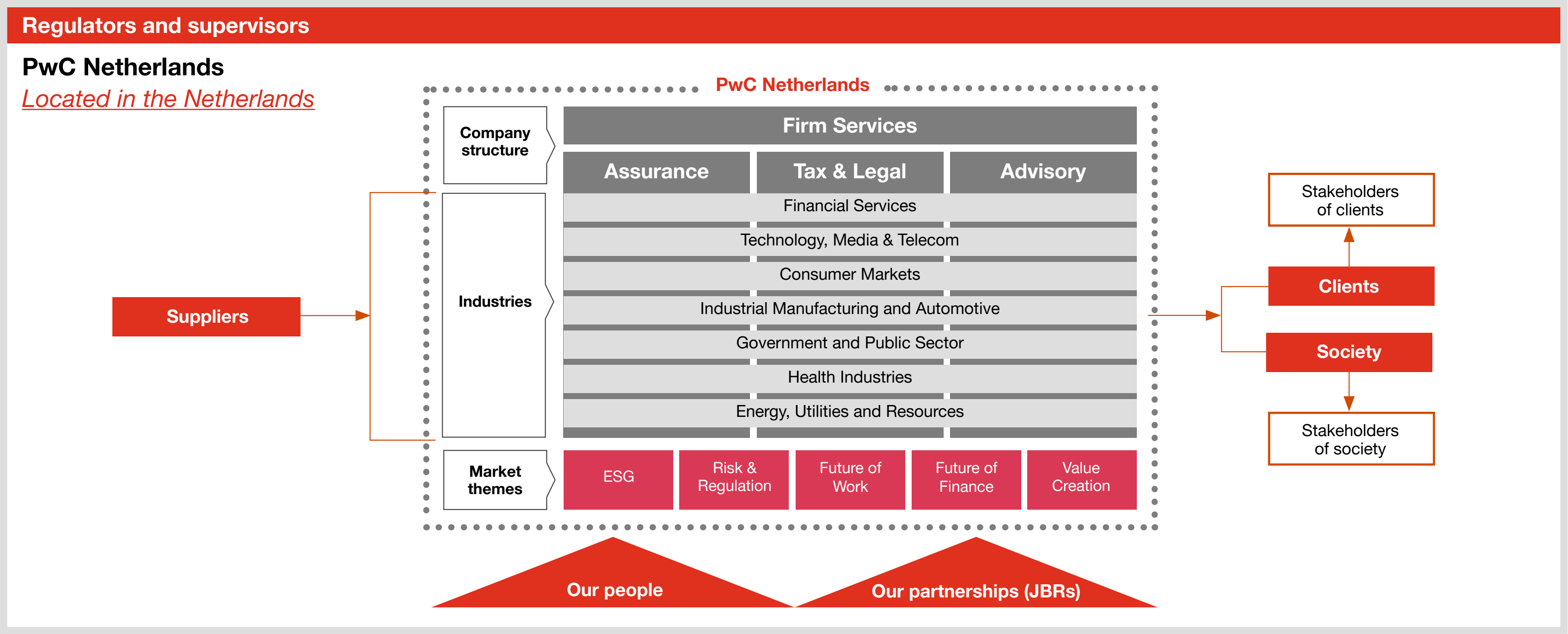
The issue of value chain responsibility increasingly involves what one can contribute to that chain as well as the impact of its operations. The expectations of stakeholders and the sustainability ambitions we set ourselves keep growing. The dilemma is how best to identify and understand all one's impact across the value chain. To gain these and other insights we actively engage in dialogue with people across our value chain – with suppliers, our own colleagues and our clients. We also take concrete action, including setting a CO_2 reduction target for our suppliers and integrating sustainability into our procurement process. Behavioural change and the integration of ESG in everything we do are critical elements.

Furthermore, we collaborate with social enterprises through pro-bono work and by appointing social enterprises as suppliers. We believe that we and our clients can learn a lot from social enterprises when it comes to long-term value creation. This is why we are a partner of, for example, the Buy Social Network.

By what we do and how we do it, we aim to inspire our clients and society to see and act on the possibilities and opportunities in sustainable progress. Our company structure enables us to serve different industries and add value in our service delivery.

We regularly interact with our stakeholders in society and our partnerships to continue to learn, build trust and meet client expectations. In that, we are expected to be transparent. Current EU directives require non-financial information to inform our stakeholders about environmental, social and employee-related matters, human rights, anti-corruption, bribery and diversity. The Corporate Sustainability Reporting Directive (CSRD) means we will need to report more and more on the impact we have on society and the environment. Our SDG Impact Measurement framework has already guided us to prepare for these future obligations (see pages 39-41).

Value chain



How we work together in our 'PwC Europe' collaborative association

We are a member of a network of independent member firms (global network) that, among other things, ensures the quality of the service delivery of all PwC member firms. This network coordinates, reinforces and supports the network in areas such as strategy and the expertise of our professionals. Because of the increasing cross-border nature of our clients and the services we provide, we see collaboration within the PwC Network at a regional and global level. This collaboration is also driven by the need for substantial investments, especially in technology. We have much greater investment and innovative power as a network.

We work closely with the PwC member firms in Austria, Belgium, Germany, Switzerland and Turkey within our collaborative association 'PwC Europe' (see pages 147 and 150). One of our focus areas in the next few years is to bring our unique business knowledge and technology together and to build digital products to solve client issues. In all of our territories, we have installed processes to collect the best ideas for digital assets from our colleagues (citizen-led innovation), our network and our ecosystem (business-led innovation). We plan to align these processes within PwC Europe to identify and decide on the best ideas and to use them to build digital products in a coordinated way. We are also coordinating business and investments at EMEA (Europe, Middle East and Africa) level and, of course, at a global network level.

Strategic performance indicators

The progress we make on our strategy is measured by strategic performance indicators. For target setting, refer to pages 44-45 and for the explanation of strategy execution based on target setting, see the different paragraphs in 'Executing our strategy and adding value'. For the definitions of our other integrated information we refer to *Definitions*.

Quality

% Engagement Compliance Reviews per LoS compliant/meeting our standards

2021/2022	2020/2021
3 AFM reviews (1 non-compliant)/3 PCAOB reviews (1 non-compliant)/other reviews 19 (all compliant)	No AFM reviews/no PCAOB reviews/ other reviews 28 (all compliant)
100.0% compliant Audit	97.0% compliant Audit
100.0% compliant CMAAS and RAS	87.5% compliant CMAAS and RAS
94.4% meeting standards Tax & Legal	96.6% meeting standards Tax & Legal
98.9% meeting standards Advisory	96.3% meeting standards Advisory

Training hours per FTE

2021/2022	2020/2021
107	108

Financial results

Net revenue Lines of Service

2021/2022	2020/2021
€ 931m	€ 936m

Operating profit

2021/2022	2020/2021
€ 234m	€ 203m

Digital

Number of Digital Accelerators*	2021/2022	2020/2021
	176	134

Number of Digital Acumen badges**	2021/2022	2020/2021
	1,102	1,095

Sustainable

Environmental impact (tCO_2e)	2021/2022	2020/2021
	7,622	2,778

Reduction GHG emissions (% compared to 2018/2019)	2021/2022	2020/2021
	62%	86%

People

People Engagement Index	2021/2022	2020/2021
	86%	83%

Intake STEM	2021/2022	2020/2021
	8%	12%

Women in new partner & director appointments	2021/2022	2020/2021
	34.8/37.0%	30.4/32.1%

Non-western origin in new partner & director appointments	2021/2022	2020/2021
	10.0/8.3%	11.8/14.3%

Headcount at 30 June	2021/2022	2020/2021
	5,324	5,298

* Digital Accelerators are our people who work with teams and departments across all Lines of Service to accelerate the adoption and impact of new technology tools, enabling us to innovate as an organisation.

** Badges at PwC are visible, shareable certificates of the new knowledge and skills you gain as you grow and develop at PwC. The digital acumen badge is earned after completing the final test, consisting of four Digital Quests, of our Digital Acumen programme.

How we make a difference

We are in an unprecedented landscape characterised by major incidents that occur: like the pandemic, the invasion of Ukraine by Russia and threats like climate change, cyberattacks and societal uncertainties. In order to be future-proof, organisations and society need to transform. Borders between traditional industries are blurring as a result of digitisation. New types of companies are emerging, entering apparently unrelated industries and challenging industrial conventions that have existed for decades. Companies acquire the characteristics of technology companies. At the same time, we see an acceleration of societal themes, such as deglobalisation, cyber risk, privacy, sustainability and inequality.

This requires responsiveness, resilience and transformation. The challenges our clients face demand solutions that ensure them to remain relevant and resilient for the future. The strength of our organisation lies in the combined expertise and competencies of all our professionals.

To make a difference, we need to apply a variety of ideas, lenses and perspectives aimed at our purpose: building trust in society and solving important problems.

We focus on a number of themes that are widely relevant:

- ESG
- Risk & Regulation
- Future of Work
- Future of Finance
- Value Creation

> *Click on one of the market themes to view the themes.*

Themes that are on every client's agenda and represent important social problems. We expect these themes to remain relevant in the coming years and we are also working on them ourselves.

How we feel responsible towards our stakeholders

We aim to create long-term value for our employees, our clients and society. We assist clients and other stakeholders in achieving ecological, social and economic value as an integrated part of their strategy. We do this amongst others by sharing knowledge and creating awareness.

In doing so, we stimulate sustainable economic growth. Furthermore, society's expectations relating to building trust are increasing. Especially in these unprecedented times, societal stakeholders expect us to play a role that goes beyond our traditional remit of providing assurance and advice. For PwC, building trust in society and solving important problems has evolved towards living up to rising societal expectations on trust and deliberately including a more societal view when considering the challenges of our clients. We actively encourage our clients to consider societal consequences like sustainability and provide them with examples by walking the talk ourselves as well.

Report of the Board of Management

What’s happening around us

Uncertainties abound

PwC conducts an annual survey among CEOs globally to discover their views and expectations. The latest PwC CEO Survey was published in January 2022, and at that time geopolitical conflicts took only a fifth spot in a ranking of threats after cyberattacks, climate change and health risks. About a month later, the threat of geopolitical conflict came to reality with the invasion of Ukraine by Russia. Just as with the outbreak of the COVID-19 pandemic, it was very challenging to foresee how developments would unfold due to an almost daily rhythm of major incidents.

Events like the pandemic and the war in Ukraine and the more structural challenge of climate change have a wide range of impacts. They have clearly demonstrated that adhering to the status quo is not an option and shifting to more agile ways of working is a must. As the world rapidly continues to change, transformation becomes a constant, highlighting the importance of being flexible as an organisation and considering different outcomes that may ask for creative solutions.

- **War on the European Union’s borders**

The world was shocked in February when a full-scale war erupted in Ukraine, a country on the European Union’s borders. Shared indignation and a perceived threat quickly led people to come together to help and sanction the aggressor. At PwC, we were very much concerned about our people and our clients in the Ukraine and in Russia. We are proud of how our people came together to help. Many of our people donated through their well-being budget, a number of colleagues volunteered as interpreters and several fundraisers were initiated by colleagues. In response to the Russian sanctions developments we set up a process to identify sanction exposure in PwC NL (for all actions see page 69) and assessed the engagement continuance on a case-by-case basis (see page 25).

As a result of the invasion, PwC Global decided to discontinue having a member firm in Russia. All aspects of the departure of the former PwC firm in Russia have been completed and as of 4 July 2022, PwC no longer has a firm in Russia.

While the outcomes of the war are still unclear at the time of writing, a number of potential long-term impacts can be distinguished:
- Organisations may become more cautious when it comes to establishing and maintaining relations with countries that face a higher risk of being drawn into a conflict and/or potentially become the target of sanctions. Risk perceptions have changed, and more attention will probably be given to having a greater spread of exposures going forward.
- The role of Russia as a dominant energy provider to Europe has likely surpassed its peak. Many countries are seeking to considerably diminish their dependence on oil, gas and other commodities from the country. This will create opportunities for alternative energy sources as well as the recycling of materials; sustainable sources may benefit from this drive longer term, which will have the additional effect of reducing harmful emissions.
- Related to these risk perceptions, there will also be a new focus on alliances and defence expenditure.

- **Safe working environment**

Following societal events such as the public debate around *The Voice of Holland*, we started an in-depth cultural study by an external organisation in order to gain more insight into the extent to which our culture is experienced as safe. The results are currently being analysed. This way, we can identify what goes well, what can be improved and where additional actions are necessary. This survey is a useful addition to the results we get from the Global People Survey and the Values Survey. We also introduced an external counsellor to complement our network of internal confidential counsellors (see page 132).

- **A new balance in the way we work**

This is our third Annual Report in which COVID-19 is mentioned. We have come a long way since the pandemic began, and may finally have seen an end to the more severe aspects thanks to vaccinations, boosters and a natural build-up of immunity. The virus is still among us, however, and as has happened before may reappear in another form. That said, we are now better equipped to deal with any recurrence.

The pandemic is having some lasting effects, including on the way we work. It has become the norm at many organisations to work from home several days a week, and to use video calling to be in contact with one another. Although many people and organisations have adapted to this hybrid way of working – alternating between working in the office and at home – its influence on collaboration, innovation and the use of space remains unclear. A new balance still needs to be found in many cases.

A personal note from our chair

PwC in the Netherlands

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Appendices

- **Talent scarcity**

Finding the right skill sets for work is another theme that is by no means new. A broader development driving the scarcity of talent is ageing. Matters are further aggravated by the mismatches between the skills offered in the labour market and those in need at many organisations. The pandemic has led to shifts in employment from activities affected by lockdowns and reduced work at hand to opportunities elsewhere. Despite a normalisation of conditions, we do not see a return to the original state of employment at this time.

Organisations in great need of talent are often willing and able to pay attractive wages to new joiners. But remuneration alone is not always a successful incentive. Employees are increasingly looking for employers who can offer them more than generous pay. For example, they want to work for an organisation that plays a beneficial role in society, offers plenty of opportunities for self-development, and has a flexible and pleasant working environment for different kinds of people. At PwC we call this the 'employee experience' and it has become a distinguishing factor between organisations that can strongly impact the ability to attract the talent needed and, above all, retain it… and those who cannot.

- **Highlighting ESG**

Making clear which role an organisation is playing in society has not only become a differentiator for employers and employees; other stakeholders, including investors, are also increasingly taking into consideration environmental, social and governance (ESG) aspects. In making their assessments and decisions, these stakeholders expect to gain insights into what an organisation is doing to improve the environment in which it operates and how it deals with matters such as labour conditions, diversity and transparency.

Assessing the impact on ESG-related aspects remains challenging, there is still no universally accepted framework to facilitate this, and the abundance of ESG rating providers does not help. It will take more time and effort to come to acknowledged standards and best practices that provide useful guidance. Fundamentally, organisations need to assess the impact they are having on their surroundings, set strategic goals and report these in a transparent manner. By being consistent in communicating ambitions and reporting on progress, organisations can both gain and retain trust. And societal expectations are increasing when it comes to the contribution of organisations on ESG-related aspects.

- **Inflation and the increase of interest rates impact markets significantly**

Mismatches in supply and demand, mainly because of the COVID-19 pandemic, the war in Ukraine and a shortage of required skills are leading to higher price levels as expressed by the rate of inflation. As some of the origins of these disparities can be addressed in the short-term, many thought that this higher inflation would be a temporary phenomenon. It has already proven to be more persistent than was foreseen. Furthermore, increasing interest rates impact markets at a macroeconomic level significantly.

When inflation is persistent, employees start demanding higher wages in order to maintain their purchasing power. This is happening at a time of labour scarcity, putting even more pressure on organisations to increase remuneration. When revenues and productivity do not keep pace, these higher wage costs may affect profit margins and the financial performance of organisations. This again will influence investments, both in volume and direction. The latter refers to increased investment in replacing labour in order to save costs.

Inflation disproportionately hits people on lower incomes as they spend comparatively more of their total income on those items that are becoming more expensive, such as energy and food. This can lead to social unrest and greater support for populist movements. People from poorer countries may feel inclined to migrate to countries that seem to offer better prospects. Migration may in turn fuel competition for jobs and populism.

- **Digital enablers**

Organisations increasingly seek ways to deploy technology to improve collaboration, quality and the use of data for improved business insights. Cloud computing can be a solution, as it facilitates real-time collaboration from any location and enables the ability to combine processes with data flows that used to run on separate platforms. This allows organisations to focus on bringing together talent, respond better to developments and gain improved insights into client needs as distinguishing aspects in their operations.

An increased dependency on technology, data and connectivity can lead to concerns about safety. Cyber risks were the top threat perceived by the CEOs who responded to PwC's latest CEO Survey. These concerns are fuelled by cyber incidents frequently being reported in the media. As hackers find new and sophisticated ways to intrude, the technology to protect and the human factors behind it need to be continuously developed as well.

- **Ecosystems**

Just as collaboration among people with different backgrounds is increasingly important to finding innovative solutions and improving outcomes, collaboration among organisations is gaining relevance in order to accomplish the same. Developing solutions together with partnerships or clients can lead to substantially better results via interactions that create a better understanding of needs and ways to meet them. For organisations it can be beneficial to bring in different expertise, for example subject matter experts on human rights, digital tooling, etc. by means of a partnership that can benefit all involved, including the end customer.

Inflation disproportionately hits people on lower incomes as they spend comparatively more of their total income on those items that are becoming more expensive, such as energy and food.

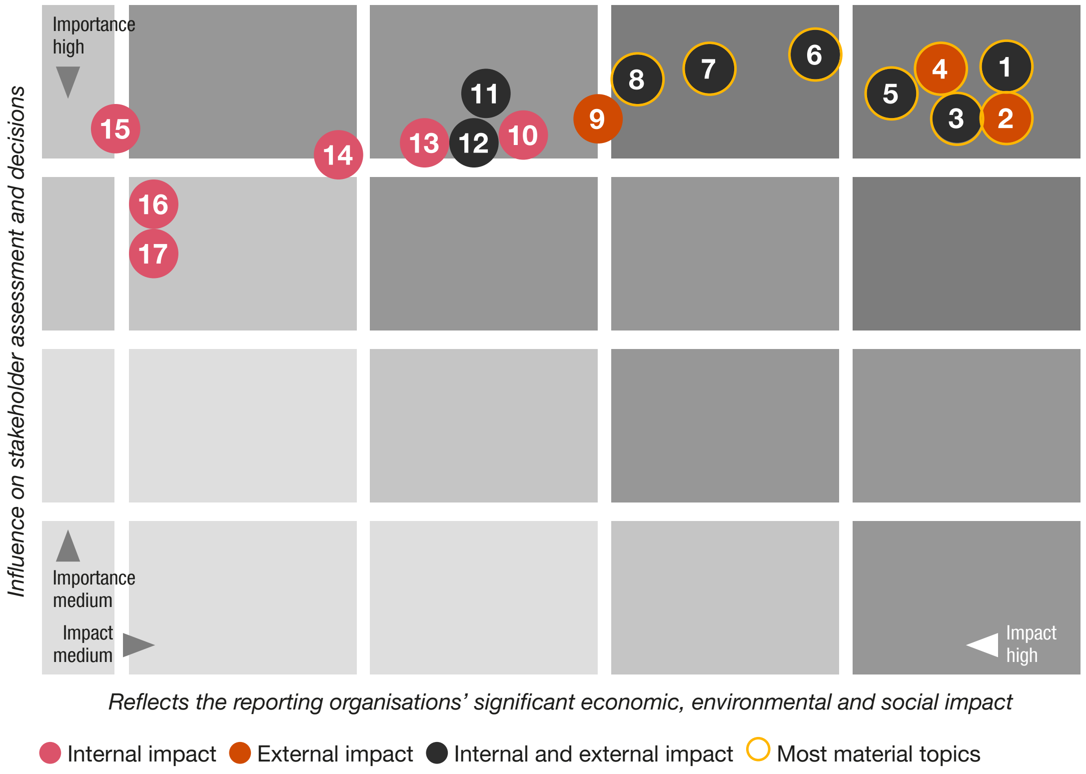
What stakeholders expect from us

Throughout the year, PwC is in constant dialogue with our stakeholders: our colleagues, clients and representatives of society at large, such as regulatory authorities, government, NGOs, investor associations, politicians and academics. These conversations help us understand what stakeholders expect from us, what and how we can improve, and how we can build trust and deliver sustained outcomes.

The themes that stakeholders consider most important ('material') for our organisation are reflected in our materiality matrix (see pages 133-138 for more information about the process of creating the materiality matrix and how to interpret the outcome). Our Board of Management sets goals for these themes, examines our developments (including through an Integrated Dashboard) and discusses progress and dilemmas in one-on-one conversations with stakeholders (which have provided us with three key messages). The main common denominators from almost fifty stakeholder dialogues over the past year are as follows:

This materiality matrix has been put together on the basis of input from stakeholders and an internal assessment as to how much impact PwC makes per theme on the economy, environment and/or society. Please note this does not mean PwC finds topics on the left hand side non-important (if so they would not be part of this matrix at all), but that the impact we make with these themes is lower than with themes on the right hand side. We also visualised the differences by indicating per theme whether the impact PwC makes is internal, external or both.

Materiality matrix



1. Quality, 2. Long-term value creation for clients, 3. Knowledge development and sharing, 4. Impact on society, 5. Acting values driven, 6. Integrity, 7. Independence, 8. Transparency, 9. Fraud, 10. Inclusion and diversity, 11. (Data) security and privacy, 12. Innovation and digitalisation, 13. Recruiting, developing and retaining PwC employees, 14. Environmental sustainability, 15. Governance, 16. Well-being, 17. Financial results.

Key stakeholder expectations

Theme	Take a leading role in developing and sharing knowledge on non-financial information	Demonstrate what you do differently because of The New Equation	Look ahead to maintain relevance
Stakeholder expectations	Stakeholders are keen to point out the growing importance of non-financial information, such as on environmental, social and governance (ESG) aspects of organisations. They encourage PwC to challenge clients on setting ESG-related goals – such as carbon footprints, inclusion & diversity and tax governance – help them measure and report publicly on their progress, and verify whether the information provided is accurate. In other words, to be a driving force for the sustainable progress of our clients. To achieve this, PwC needs to take a leading role in developing and sharing knowledge on non-financial information, stakeholders argue. To do so credibly, stakeholders find it important that we emphasise how developing and verifying non-financial information is still in its infancy and hence a learning journey for all of us, and that we walk the talk ourselves. Examples of how we can take a leading role include contributing to setting standards for non-financial information and integrated reporting, and developing tools to measure organisations' impact on ESG- related topics and progress on the SDGs, including our own.	Stakeholders are interested in our (cultural) transformation and new global strategy: The New Equation. To transform successfully, they encourage us to be transparent about our journey, which also means being open about matters that are not as yet going well. Stakeholders are keen to know what we will do differently because of our new strategy. They expect progress, not perfection. Stakeholders request us to speak up in the public debate, sharing not only our knowledge but also our views, and to communicate on what our transformation entails in practice: what type of organisation do we aim to be in the long-term? And what does that mean for our service offering, delivery and business operations in the short-term? According to stakeholders, making clear (and sometimes tough) choices is a prerequisite to delivering on our new strategy. To decide what is the right thing to do, stakeholders advise us to not only use a legal compass when facing dilemmas, which they consider well-known to PwC, but a societal compass as well.	To live up to our ambition, build trust and deliver sustained outcomes, stakeholders encourage us to look ahead. By discussing what the future of our business looks like and how we can ensure relevance for our (future) employees, clients and society in the long-term. By encouraging our colleagues to reimagine the possible, amongst others by stimulating innovation, creativity and the use of technology in daily work. And by thinking about pressing societal issues such as climate change, biodiversity loss and social inequality, and how PwC can contribute to mitigating those. Stakeholders encourage us to include the next generation – the voices of the future – in these discussions and strategy decisions, both young professionals within our own organisation and youth outside of PwC. Their fresh perspectives can help us to see things differently and can further boost sustainable progress, stakeholders argue.
Quotes	'Non-financial information is increasingly at the heart of decision-making, it is no longer an add-on.' (A stakeholder from a government advisory body) 'Auditors must also fulfil their core responsibility of auditing annual statements in areas that are non-financial in nature.' (A stakeholder from a university) 'Many organisations need to dare to go a step further within the field of sustainability. Organisations need the confidence to do so and PwC can provide just that.' (A stakeholder from an umbrella organisation in the field of sustainability) 'An organisation such as PwC should also be honest about the current limitations of ESG.' (A stakeholder from an NGO) 'The quality level of non-financial indicators lags behind those of a financial nature. It is therefore not only important that organisations show ambition, but also have their data challenged and verified.' (A stakeholder from our client portfolio)	'Dare to ask at the core of your business: what are we going to do differently and what will we stop doing?' (A stakeholder from an NGO) 'Speaking up is not a legal duty. Yet, if you aim to make an impact, you have to take a (moral) stand. Organisations that remain silent will never lead in their sector.' (A stakeholder from the private equity sector) 'What does the world look like according to PwC in 2050? You need to translate that vision into everything you do, from client engagements to recruitment.' (A stakeholder from a youth organisation) 'I do not expect organisations to live up to their purpose perfectly. It is about demonstrating progress: adjusting and improving each year, step-by-step.' (A stakeholder from a university) 'How you transform has to fit in with your organisation and long-term goals. In this dynamic world you also need to think: what is my core business? And on which core values do I wish to be judged?' (A stakeholder from a government advisory body)	'People who think from a future perspective instead of the current one are often more ambitious and progressive in their decision-making.' (A stakeholder from a youth organisation) 'Technology will evolve constantly, that is a given. How people respond to these changes is a skill, and one we need to improve.' (A stakeholder from a research organisation) 'Loss of biodiversity is a pressing issue. Many people want to contribute to mitigating that problem, but do not know how. PwC can help, for example by mapping the financial impact of biodiversity loss.' (A stakeholder from our client portfolio) 'Involve young people more often, they are the future.' (A stakeholder who is a supervisory board member) 'Innovation does not have to be radical. It is often about small and/or continuous improvements of processes within your daily work.' (A stakeholder from a university)

How this affects society, our clients and PwC

The challenges of our time are bigger than ever before. This changes the risk profile of organisations, while these challenges can no longer be solved in the same way as before. Furthermore, we see that the success of organisations is more than ever determined by their adaptability and agility.

It is important for organisations to build trust in a time where that is becoming more difficult. This includes being accountable to society from which they derive their relevance and success. Stakeholders are looking more often not just at what an organisation contributes, but also specifically at how that contribution was achieved. This new and external perspective has expanded in recent years.

Conversations with our stakeholders show that organisations are increasingly judged based on their realisations of sustainable outcomes. The stakeholders' interest gains in importance compared to shareholders' interest. Organisations are held accountable for their social responsibility, duty of care for the well-being of employees, protection of nature and the environment, safety, good governance, combating fake news and a tax payment that is seen by society as fair.

Building trust within the chain

With trust in institutions at an all-time low, it is vitally important that clients focus not just on building trustworthy relationships with their clients, but also help them to build trust in the value chain, with clients, suppliers and end-users of their products and services.

Being transparent helps organisations to stay relevant and be trusted. Collaboration among organisations in the value chain to accomplish sustainable outcomes is gaining relevance. We see more and more partnerships in value chains where the different specific knowledge/expertises are being amplified by each other.

Collaboration in ecosystems or partnerships requires a high level of trust among all those involved. Transparency, consistency and empathy are aspects that contribute to reaching such mutual trust.

PwC puts its stakeholders first

To build trust and to be successful, we put our stakeholders first. We start from the perspective of our stakeholders. Furthermore, our strategic choices are seen through a societal lens in order to contribute to solving important problems.

In this process, our colleagues make the difference: it is their passion, experience and knowledge. We invest in our colleagues by creating a safe working environment and culture to work in, ensuring meaningful work, putting their well-being first, and showing our recognition and appreciation.

It is at the heart of our renewed strategy The New Equation. We help organisations face two fundamental and intertwined needs – the need to build trust across a broader range of stakeholders and the need to deliver sustained outcomes. And these needs also apply to us.

By focusing on the 'how', in connection with the 'what', we are able to realise our strategy and purpose.

We work together and connect with clients and society
Truly understanding the challenges of our clients and their stakeholders and what society expects from us requires us to listen, as it is not always immediately clear how we can help. It is important to be curious, ask questions and discover what our clients and stakeholders need for the long-term as well as what society expects of us. This way, the real question or underlying issue emerges, telling us which perspectives and competencies we need to include in our services.

Besides that, we also focus on the themes that are relevant to society, our clients, and ourselves, and in which we can make a difference: ESG, Risk & Regulation, Future of Work, Future of Finance and Value Creation. We connect our knowledge through collaborations with people from different expertises, with our clients and in ecosystems, where we are able to be more than the sum of our parts and utilise each other's capabilities to the full. On these themes, we go to market as one PwC, contribute to creating value in the long-term and, in doing so, help support sustainable progress.

Trust and sustained outcomes

Trust needs to be earned

Trust is the link that connects people, organisations, clients, stakeholders and the world in which we live and work. Trust is earned through each interaction, each shared experience, each relationship entered into, and each solution. The high quality of our work is the foundation underpinning our contribution to trust in society. We increase that contribution through high-quality audits and advice.

Sustained outcomes are our focus

The quality of our work enables us to contribute to sustained outcomes for all of us. (Digital) transformation is on the strategic agenda of all our clients. Piece by piece, organisations are striving to merge human and technological development and ensure they make the most of both. The goal is to generate outcomes with consideration for people, environment and society, while also contributing to the Sustainable Development Goals of the United Nations.

We are working in multidisciplinary teams, technology-powered
Responding quickly to a changing world and helping our clients with successful transformations require us to be more agile and effective. This entails zooming out and approaching challenges in a more integrated way and from different perspectives.

That is the core of The New Equation strategy, with which we strive for a future that is human-led and technology-powered. We are convinced that combining human ingenuity with technology will enable us to develop faster, more intelligent and better solutions. Our community of solvers brings out the best of PwC, by combining their skills, expertises and perspectives with the newest technologies.

Our colleagues make the difference
We no longer distinguish ourselves on knowledge and experience alone. Who we are as a person is equally important. Attracting and retaining our colleagues is also one of our biggest challenges. In fact, we saw a decrease in FTEs compared to previous years. Add in the strong demand for knowledge and experience on the subjects where our expertise lies along with the scarcity and dynamics of the labour market, it is clear that retaining our colleagues will become more challenging than before and we will recruit colleagues with other capabilities than the traditional segments of the labour market.

The outcomes of our Global People Survey and the Values Survey underwrite the importance of culture and leadership and the growing gap between leaders and employees. Just like our clients, employees want to be heard and seen. They also have a need for mentoring and coaching, meaningful work, recognition and appreciation. Like with many others also in our organisation different generations need to connect with each other.

The results leads to three themes we focus on:
- Emphasising the importance of (personal) leadership.
- How we do things and how we interact with one another: the way someone listens, asks questions, shows empathy, is aware of their own motivations and dares to be vulnerable. Our human skills.
- Growing towards an increased inclusive culture, in which a growth mindset is an important condition for further growth. There is enhanced potential for innovation, resulting from collaboration of individuals with unique experiences, backgrounds and perspectives.

We are not there yet, but also see that attention to these themes leads to progress. With our key metric, the People Engagement Index, we measure the pride and engagement of our personnel. This year, it has increased by 3 percentage points to 86%.

In how we do things, we let our values come to life:

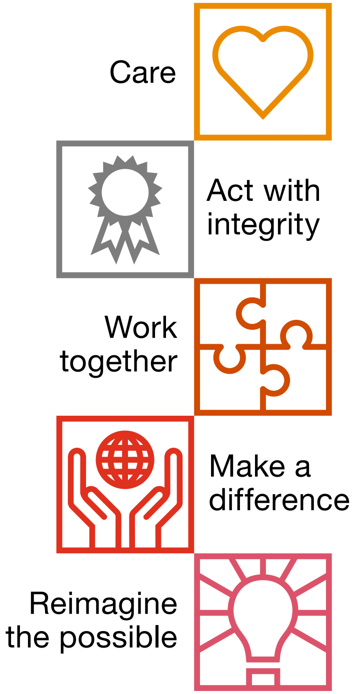
The New Equation stands for who we are. And what we stand for. For example, by listening instead of talking, by daring to say 'no' if we can not, by raising the alarm when things do not feel right, by making unacceptable behaviour open for discussion, by speaking up for colleagues who have a hard time doing so themselves.

The New Equation starts with ourselves. We are only credible if we walk the talk. If we know our own risks and adequately address them, if our talent management is future-proof and if we are diverse and inclusive.

The New Equation stands for a diverse perspective. In a fast-changing world it is important to be agile. If we want to stay relevant, we should take our environment as a starting point in all that we do rather than ourselves. We need to listen to what our clients really need and what society expects of us and act upon that.

The New Equation stands for making a difference. By finding better solutions for big societal issues. By making unique, unexpected combinations of expertises, experiences and technology that together create new and surprising solutions, for everyone.

The New Equation stands for doing things differently. Not by working harder, but by working smarter. While daring to make different choices.



The transformation of our organisation

The worldwide trends and changing expectations of society are speeding up our own transformation. We too are asked to have an even greater consideration for people, environment and society. We must be relevant, for our colleagues, our clients and society. By taking on the engagements that are relevant in the long-term and by doing this, tying colleagues to us.

We are building an inclusive mindset and behaviour, creating room for empathy and also enhancing our ability to see different perspectives. Through a continuous dialogue and by sharing what is relevant to us, we strengthen our relationships with each other and with our clients and society. This in turn leads to more collaboration and co-creation. Our way of working and sharing knowledge and expertise unlocks our (human) potential and allows us to grow sustainably.

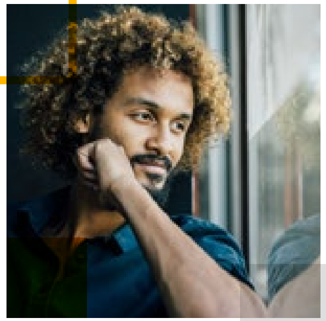
With the introduction of '*green figures*' we emphasise the importance of sustainable and social value in reporting. Results are no longer only about black or red figures – stakeholders and society are increasingly asking for 'the figures' on societal aspects.

As PwC we are becoming more sustainable ourselves. Our commitment to Net Zero operations in 2030 is a good example. And we want to take things further, as we can have the most impact by helping our clients realise their sustainable strategy and their reporting. That is why we launched the ESG upskilling programme to all our colleagues to increase internal awareness and engage in a dialogue with our clients.

We see an increasing focus within our own organisation and operations on non-financial indicators in addition to economic (financial) indicators. We use our strategic enablers (workforce of the future, quality, sustainable, digital and business partner) to translate our ambition into execution, thereby building trust and sustained outcomes through our own operations.

Executing our strategy and adding value

In this chapter we talk about the impact that developments in society and the expectations of our stakeholders have on our clients and on us. What are the responsibilities we have in these changing times? What does it mean for our services and how can we contribute? We believe it is important to be transparent and to show how we relate to the society of which we are a part.



Recruit, develop and retain diverse talent

Over the past two years, we have experienced not only a global pandemic but also environmental, social and racial unrest. COVID-19 had a significant impact on how we work and blurred the line between personal and professional lives for many of us. Organisations worked hard to keep their businesses and people in reasonable shape. Forward-thinking organisations embraced the power of technology, redefining their workplace and accelerating digital transformation.

The challenges we faced during the pandemic and societal unrest were catalysts for something we already knew for a long time – we are human-led and technology-powered. Bringing the best of people and technology together is how we create trust and new solutions.

Labour market

Digitalisation and societal developments accelerated as a consequence of COVID-19, causing a changing need among our (potential) employees. We find ourselves dealing with a higher turnover rate, fierce competition and scarcity in the labour market, plus higher levels of absenteeism. These developments occur not only at PwC but throughout society.

A result of the pandemic is that it is even harder to attract, develop and retain the best talent. And we are also faced with a challenge regarding what newer generations seek in their career. Younger people care less about traditional career paths and more about diverse and meaningful work experiences.

People Value Proposition principles

The five principles of our People Value Proposition (PVP) framework are built on our purpose and values. They reflect the inherent trust we have in our colleagues to co-create their experience at PwC.

We align around these principles to differentiate PwC's PVP and to foster an environment that engages us to come together as a community of solvers to deliver on our strategy – building trust and creating sustained outcomes.

We're becoming a different type of professional services firm – a community of solvers – starting with our goals for what this means for our people and how they feel

At PwC, you will feel...	Part of something ambitious and impactful through purpose-led work	Respected and appreciated as a whole person – not just an employee	A sense of belonging and connected to part of an inclusive community	Supported and championed to shape your future	Empowered to take charge of how you work – you know what works best for you
Because... (What PwC offers)	We're a community of solvers, led by our purpose and values, coming together to deliver meaningful, impactful work that makes a difference	We're a business that leads with the heart and we prioritise our people	We bring together our diverse experiences and perspectives to help build trust and deliver unexpected insights for our clients, our people and society	We are human-led and technology-powered. Committed to unlocking your full potential by helping you develop differentiated capabilities	We create flexibility by reimagining ways of working to enable you to be your best, with clear accountabilities regarding your team and clients
Our pvp principles	Innovative, purpose-led work	Valuing and caring for our people	Inclusive leadership and teamwork	Future-focused growth and development	Evolving, leading-edge flexibility

> *Click on this figure to view a larger version.*

Valuing and caring for people

We put the well-being of our colleagues first in both good and challenging times. The budget for this has been increased to contribute to the physical, emotional, mental and spiritual well-being of our colleagues. By including the option to spend part of the budget on sports and necessary attributes, we have also made it more accessible to our colleagues. They are keen to perform to the best of their abilities and frequently look for ways to achieve that. The well-being budget provides them with tailored options.

There is an increasing need for a culture focused on more balanced and meaningful work, along with a greater focus on the relationships with and appreciation for each individual. Social cohesion is another key component and we increased the budget for social events after the pandemic to allow our teams to reconnect more fully.

Client story

Ministry of Defence is undergoing a major transformation
René Kreeftmeijer is the director of personnel policy at the Ministry of Defence. Having held various HR positions within the organisation for almost 25 years, he is ideally placed to talk about the transformation on which he is currently working in the field of HR, diversity & inclusion (D&I) and technology. 'After starting out as a business administrator in the army, I've experienced every aspect of the HR field and seen many changes over the years.'

Kreeftmeijer and his HR colleagues found that the Ministry of Defence had been struggling on a structural basis for years with a large number of vacancies. 'Defence long had a system whereby we tell them what we need based on all sorts of criteria.

René Kreeftmeijer, director of personnel policy at the Ministry of Defence

But the system hasn't been working well for some time. A mind shift is taking place. Many employees, for example, wish to use their talents and ambitions in part-time roles or be free to switch to something completely different later on. The fact that you need to be able to deal with this as an organisation may seem obvious, but that wasn't the case at Defence.'

Holding up a mirror
Kreeftmeijer sought support and advice on the subject from PwC expert Bastiaan Starink. 'We were lacking the knowledge and capacity within HR and I've known PwC for some years since the company helped us with some complicated pension calculations. I called Bastiaan when we were working on the transition in HR and needed help resolving several issues. This ultimately resulted in the HR transition and, amongst other things, the PwC-developed Inclusion Insights programme.'

Designed to help organisations with their D&I challenges, the pilot of Inclusion Insights will start soon at the Royal Military Police. 'PwC is supporting Defence with formulating and translating policy into concrete changes with and within the Defence units. They're also helping us with stakeholder management. PwC doesn't only give advice; they also hold up a mirror so that we can see what's going well and what could be improved. In my opinion this is a textbook example of a strategic partnership.'

Retain, bind and inspire
Kreeftmeijer says that while interest in the Ministry of Defence's vacancies is quite high, the organisation has been unable to convert this into actually retaining, binding and inspiring people. 'Although we've tried many action plans, none have brought about the desired structural change. Someone who works for our cyber organisation, for example, has different talents and interests than a colleague in the airborne brigade. Our response, therefore, needs to be differentiated and more customised.

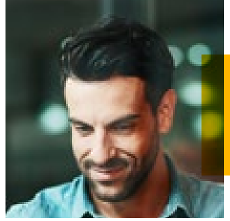
To continue with this example, we loosened the testing and selection requirements for future cyber personnel and were able to fill the unit in no time as a result. The commander of the cyber unit at the time simply went around the country, telling the unit's story, directing people through the process and then appointing them. An unorthodox approach for Defence but it worked and that was an eye-opener. We aim to offer greater diversity in propositions by listening to what people want and finding out which competencies they have.

Our TV ads were often about operational actions, featuring physically and mentally strong people. Although such employees are obviously vital to Defence's primary task, our needs are broader and there's room for other talents and ambitions. We recently started a new campaign called Generation D, which takes a different approach with a core message of 'Tell us what you want, what you can do, and report to us.'

Maintaining the human dimension
A lot is going to change at Defence in the future with technological developments making the playing field much wider. 'Conventional means will remain valuable but become less labour-intensive. Other systems will emerge and there is, for instance, an increasing attention on cyber warfare. These kinds of changes will place different demands on people. Strategic personnel planning is used to map out what an organisation like Defence needs, which tasks it has to perform, and which employees align well with these tasks.'

Kreeftmeijer believes Defence should never lose sight of the human dimension, despite all the technological developments. 'This is an area that definitely requires attention. Instruments and techniques will never be able to replace personal attention and they need to be linked. Personal attention is essential when forming and developing individual colleagues and units.

That said, it's also important to stay in touch with all the different target groups – from academics to combat soldiers – and to enter into a dialogue on their future development. How do you treat people and how do you offer a perspective that not only attracts new recruits to Defence but keeps them there? This will be an exceptional challenge in the years to come.'



We noted, especially during the COVID-19 crisis, that many colleagues were switching from one appointment to the next with few if any breaks. In response, we introduced appointment-free mornings/afternoons with a twofold goal. The first is to create room in the agenda, for instance to focus on finishing items, answering emails or conducting reviews during business hours rather than continuing after hours. The second goal is to increase awareness of how to plan and divide work and prioritise which meetings to attend.

Inclusive leadership and teamwork

Our inclusion & diversity (I&D) policy focuses on establishing an inclusive workforce in which differences are valued. Having a community of solvers who are human-led and technology-powered hinges upon us building a more diverse multidisciplinary talent pool with different skills, experiences and perspectives. To leverage on the benefits of this diversity effectively, our solvers must be able to think, act and lead inclusively.

An 'inclusion first' approach is key in an I&D policy that focuses on inclusive systems and behaviours. Every single PwC professional is different – be that how we look, think, identify, speak or act, or who we love, where we come from, our skills, experiences, work-styles and work-patterns, not to mention the intersectionality of how these multitudes of differences manifest in our colleagues. Our approach to fostering inclusion is two-pronged:

- Systems: Fostering inclusive processes, policies, interventions and systems to support equality of opportunity at all levels and help all our colleagues thrive and fulfil their career potential.
- Behaviours: Building inclusive leadership skills across our community of solvers so that every single one of us has the opportunity to contribute to an inclusive culture.

This inclusive culture must be one in which colleagues can thrive together and be themselves. Combined with quality and expertise, this will lead to an organisation that generates trust and sustained outcomes.

We have increased attention for inclusive leadership skills and human skills. In October 2021, we launched our inclusive mindset learning, providing our colleagues across the firm with the basic knowledge necessary to become more inclusive and enable better decision-making. We also set up an I&D platform to enhance engagement across the firm and among leaders, practitioners and subject matter experts on various I&D topics.

PwC has proactively moved forward on relevant issues in society like transgressive behaviour and raises them internally by engaging in dialogue. Inclusion and psychological safety are important for everyone's well-being, the work that we do and ultimately for our ability to realise our purpose. It is important to us to ensure that everyone who works with and for us interacts with each other in a respectful manner and feels safe.

In order to raise awareness on I&D, we share *vlogs* periodically in which our colleagues engage in conversations and share personal stories that relate to inclusion and diversity. Raising awareness on the topic and being in continuous dialogue is part of the evolution towards an inclusive culture.

Our internal diversity networks strive to give voice to all the different perspectives of the colleagues that often remain unheard. Finally, the fact that almost 500 colleagues participated in our third Diversity Day in 2021 shows increasing awareness among our colleagues on this topic.

Leadership development

Culture is characterised by behaviour, how we do things and what examples are given. That is why leadership development is key to an inclusive culture. Amongst others we have refreshed our programme that matches sponsors within our firm with female talent and talented individuals with a migration background during the talent review process.

Future-focused growth and development

We are constantly looking for ways to help our colleagues reach and utilise their full potential. All our colleagues receive regular performance and career development reviews. Furthermore, an important tool in the year under review has been upskilling, with a focus on digital and ESG. These both feature increasing expectations and requirements for ourselves, our clients and society as a whole.

We have made steps in digitisation, although not as fast as we would like. Next year, we will evaluate our digital accelerator programme and move forward to the Digital Accelerator 2.0.

Change in salary policy in the medium-long-term

We have changed our salary policy, converting a part of the variable pay into the fixed salary. Part of this change is also the increased focus on development; differentiation is increasingly facilitated through growth instead of a bonus.

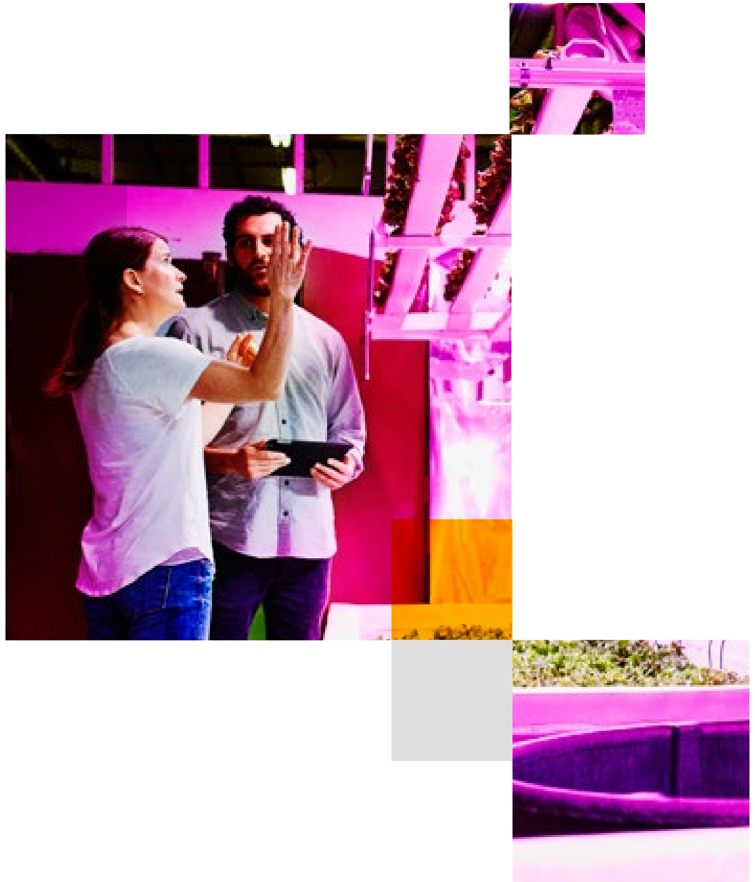
To increase the opportunities for career advancement, we have introduced a second promotion cycle mid-year. We are also taking various steps with regard to flexibility in career options. A pilot project is being run for technology specialists on alternative career paths that line up with the market. We have also conducted a trial programme over the past year to look at the career development of senior managers and alternative options to becoming a director.

We are pleased with the implementation of WorkDay Skills Cloud, a marketplace for assignments and skills that allows our colleagues to make an even better match between what is needed and what is available in skills on engagements/projects.

Evolving, leading-edge flexibility

People want greater flexibility and autonomy when it comes to their daily schedule and choice of work. We have therefore increased the application of Flexitime, which allows our colleagues to distribute their working hours over a period of one month and matches business needs and personal needs, and maintain regular working hours throughout the month.

The market asks a lot and most of us have considerable workloads. It is then sometimes hard to create time and space to have a dialogue with each other, yet that is essential in order to stay in connection with our colleagues, including dialogue about more than just work. The same applies to hybrid working. Like many other organisations, PwC sees hybrid working as the future. As a firm, we have agreed on only one rule when it comes to hybrid working: engage in dialogue with each other. We encourage our colleagues to have regular dialogue with their team(s) on their needs and preferences around hybrid working, to focus on learning together and to keep in mind it is not about giving and taking, but about finding the best way to work together to deliver our promise: help our clients building trust and deliver sustained outcomes.



Our webcast series 'State of Tax, Legal & People' features PwC specialists offering insights from different perspectives in the areas of current fiscal, legal and personnel developments and regulations. The episode on 30 November 2021 covered the subject of '*working from home*'.

With COVID-19, working from home suddenly became a reality for many employees. Though it took some getting used to, people soon recognised the advantages and PwC is one of many organisations that now see hybrid working as the future. Our priority with these webcasts is to help our clients forward, providing them with expertise and answering their most asked questions. The working from home webcast discussed the related tax and employment law obligations as well as the possibilities of hybrid working.


Naomi Ellemers and former Board of Management member Marc Borggreven

Social psychologist and Supervisory Board member Naomi Ellemers talks to former Board of Management member Marc Borggreven about inclusion, diversity and a safe working environment. 'Alarm bells go off for me the moment a colleague says that people are failing to make the grade', says Borggreven. 'Who set these grades? And what prejudices and biases are playing a role here?'

Giving each other the space to see differences and appreciate them is an essential factor for Borggreven, former member of PwC's Board of Management where he was responsible for human capital. 'The first step was to bring in different types of people. The second and, in my opinion, most important step is to learn even more from each other and to cooperate more effectively. When someone with a different background from a different environment comes along and says 'I've noticed this' and 'we can do this differently', that really helps. Even if it causes some inconvenience.'

Odd one out
Ellemers regularly experienced this inconvenience during her first years as a member of the PwC Supervisory Board. 'I was the odd one out', is how the social psychology professor describes her entry into the business world seven years ago. 'I try to offer a fresh perspective on an existing system. At the university I look at people's behaviour in society and the workplace, conducting lab research into the kind of underlying processes of which people are not always aware. During the first years at PwC, it felt as if my presence was of no real use and that people didn't really understand what I was trying to say. Now things are falling more into place and I've noticed a real shift in thoughts and actions within PwC.'

Examples of this shift can be seen in areas like diversity and inclusion. 'To ensure diversity, we work with percentages such as the number of women progressing to higher positions and on salary. We are very strict in this aim. Although the percentages are now being achieved annually, there is still a long way to go when looking at the totals. Particularly in the case of appointments of colleagues from non-western backgrounds.

We've had constructive debates about this with our departments in recent years. Alarm bells go off for me the moment a colleague says that people are failing to make the grade. Who set these grades? And what prejudices and biases are playing a role here?'

Not colour blind
Ellemers offers that critical view, but is at the same time impressed by the steps PwC is taking. 'Other organisations often claim to be 'colour blind' and boast about not registering cultural backgrounds – but that means you can't gauge how these people are doing. Reporting on intake numbers to show the diversity of the company is also insufficient. Managing diversity and inclusiveness requires monitoring and analysis to stay on top of things, especially once people have entered service. Seeing how people are really doing requires a close look as an organisation and taking action if things are not right. This demands a lot of time, energy and focus, however, which is why it is rare. PwC makes that effort.'

Inclusion, diversity and equality revolve around more than merely monitoring percentages. At least as important is creating a working environment in which everyone feels they can speak out, even when things are complicated. 'Our values require constant revaluation', says Borggreven. 'That's why we consult every quarter with our Ability NL, Connected Cultures, WomenNL, Young PwC Professionals and Shine networks.'

For Ellemers that's only the beginning. 'Things have to be right at all levels. Just having a network and talking to the staff in question doesn't solve problems. It only works if their perspective is also represented at the level where decisions are being made such as the Board of Management. That's one more reason why I am glad that PwC now has a female board chair.'

From strict code of conduct to engaging conversations
While having a female chair is a useful step, a focus on these issues is also needed at other places within the organisation. 'We are all human so let's assume everyone makes mistakes', continues Ellemers. 'Power inequalities lead to a potential risk of boundaries being crossed. Those who are dependent on others are less likely to speak up when something is not right and it's vital that people feel able to say something in a respectful way when needed.'

Borggreven nods in agreement. 'People don't like to be called to account for their behaviour. They quickly become defensive and little is achieved as a result. It's essential that we establish the basics, monitor this and intervene when boundaries are crossed. At the same time, we must also remember that mistakes are made above this minimal level, too, so how we respond in these cases is also important.'

Ellemers doesn't see a stricter and more extensive code of conduct as a solution. Bullying, sexually transgressive acts, fraud – when evidently unacceptable behaviour occurs, a regulatory instrument is indispensable and action must be taken immediately. 'But should we have a long list of what's forbidden? Write out all the bad jokes? That's not going to work. We need to talk to each other more about what we do want, and help each other achieve it. This is a more valuable and productive conversation because it has a positive basis and makes it easier to talk to each other when things are not going as planned. It's also more motivating.'

Where do we go from here

To be able to continue to attract, develop and retain the best talent, we will continue our path of flexibility, autonomy and creating an inclusive culture. This means our way of working and terms of employment will continue to develop.

This will include revisiting reward preferences, further empowerment of our people and increased efforts on well-being and inclusion and diversity. Particular focus will be given to offering a distinctive learning and development experience. We strive for a culture where all our people feel a sense of belonging, value PwC as an enjoyable place to work together with others, develop their careers and work with purpose.

> Statistics Netherlands (CBS) will change the way it publishes data on what until now has been called the 'population with a western or non-western migration background'. The main classification, western/non-western, will be replaced by a classification based on continents and common immigration countries. We need to determine how that affects our HR and I&D processes.

Build high-quality service

Quality is more than compliance

Quality is about so much more than just compliance. It is anchored throughout our organisation and, as such, contributes to everything we do and requires constant attention. The world is constantly changing and evolving, with rules being added, expanded upon and revised. New technological advances are occurring at an unprecedented rate. And then there are the changing, increasing demands from stakeholders. Quality is also about staying relevant.

How we contribute to society

Our purpose to build trust in society starts within our own organisation. Working in line with our values builds credibility and shows that we are trustworthy. We have standards that set the bar high and therefore support and monitor that we provide the best quality for society and our clients.

Staying relevant to create long-term value

Having the right mindset on quality is an important focus for our organisation. We invest in our colleagues by regularly engaging in dialogue with them on the subject of quality and bringing in outside-in perspectives. Moreover, we invest in our colleagues through education in areas where the societal focus is increased like anti-money laundering and 'Know Your Client' (KYC) processes.

Furthermore, we are creating expert (support) teams that reduce the risk of non-compliance. The responsibility remains with the professionals, but support teams perform standardised work processes. This provides our professionals time and focus to dive deeper into the more complex issues of our clients and, in doing so, improve the quality of our services. We also invest in digital tooling that helps with the standardisation.

Evaluating the Tax and Customs Administration fraud list

The fraud list (FSV) of the Dutch Tax Administration was used to register risk signals in order to combat tax fraud. Two years ago, it became apparent that many safeguards were missing from the FSV. The list worked as a blacklist for Dutch citizens even though many signals on the list turned out not to be fraud-related. The missing safeguards had a major impact on individuals caught up in the childcare benefits scandal (*de toeslagenaffaire*). PwC conducted multiple investigations to clarify the effects of the FSV on 270,000 Dutch citizens. This research is serving as a building block for the Tax Administration as it compensates for the negative financial and non-financial effects on those affected. The facts contained also contributed to a key debate in the Dutch parliament.

All the work and effort we invest and continue to invest in quality and quality management ultimately lifts the quality of our work and our services to a higher level on a daily basis. The conversations we have with each other and with clients are an integral part of that, reflecting our belief in an open culture where colleagues are allowed to ask questions and make mistakes.

Client story

CEO Jan Willem Verschoor on saving Vacansoleil

After years of prosperous growth, Vacansoleil found itself in dire straits at the end of 2018. Jan Willem Verschoor – then interim manager, now CEO – was given the task of saving the provider of luxury camping holidays and breathing new life into the company. Along with Edwin van Wijngaarden, partner in Business Restructuring Services at PwC, he explains how Vacansoleil succeeded.

Jan Willem Verschoor, CEO of Vacansoleil

‘I cannot emphasise enough how important transparency and trust are to get all your stakeholders on board. Before you start a job like this, you need to know whether there is a future in the company. That's why you take the time to talk to many people in the organisation and, above all, to listen carefully. It soon became clear that Vacansoleil had actually been neglected internally and was not ‘in control’ financially. At the same time, it was obvious that the company has a good business model and a very strong market position.’

Value and potential

A PwC team led by Van Wijngaarden had also reached the same conclusion. ‘We saw a company that was sound, with a strong brand name, good relationships with campsites all over Europe and a business model that had worked for years. It's true that wrong choices had been made and things had gotten out of hand for current management, but despite this there was still a lot of value and potential in Vacansoleil.’

Restoring confidence

The question then is how, as a newcomer, do you start to work in such a situation. What are your priorities? ‘The first priority is to develop a clear picture of the situation’, answers Verschoor without hesitation. ‘And that has to happen fast as you have to map out what's going on, especially the short-term cash flow forecast.

We worked very closely with Van Wijngaarden's team on this. In addition, you gather around you a select team of employees who will think and work along with you. The insight you gain as you progress is essential to be able to communicate with your stakeholders, and especially to restore the bank's confidence. You have to be transparent, avoid surprises, share your plan of action and communicate the progress that you're making in every conversation.’

Sticking to priorities

After control of the company had been successfully restored, the next step was to improve operations. Verschoor outlines the approach taken during this phase. ‘While you have an outline plan for the longer term, the short and ultra-short-term requires a weekly or monthly analysis of all risks and opportunities.

You choose your priorities, deliberately refrain from doing certain things, and don't deviate from those choices after they've been made. That sounds easy, but you have to be able to stand firm. For example, I didn't interfere to any degree at all with the 2019 summer season as I could no longer make a difference. This gave me the space to focus on short-term liquidity and stakeholder relations.

I cannot emphasise enough the importance of building on stakeholder relations. Not only with the bank and the director-major shareholder (DGA), but also with the internal team and the campsites. The relationship with the campsites, for example, is crucial. That's why we took great care to keep them informed about our plans.’

COVID-19 caused new setback

In December 2019, Verschoor and his colleagues thought they had Vacansoleil back on track. ‘And then came the pandemic, which meant another immediate and forceful intervention. After Europe went into lockdown, preparations for the run-up to the summer season were stopped. In one weekend, we had to call about a thousand camp staff with the news that we would not be able to employ them.’

‘Bringing people into your story’

The fact that Vacansoleil is doing well again does not mean that Verschoor's ‘restructuring’ work is done as he is actively looking for a new challenge. ‘There are still so many possibilities here and I would like to stay with Vacansoleil for a long time. I never thought I'd like the industry so much, and I firmly believe in this company and business. You can't fake that; you wouldn't be able to keep it up during a crisis. And that belief is absolutely necessary for me to stand firm and show the enthusiasm that convinces people and brings them into your story. I am most proud of the fact that I have succeeded in bringing people into our story at Vacansoleil and that we've been able to attract and keep the right personnel.’

Quality is about anticipating on fast-changing circumstances

We also run into developments that need more attention, for example the war in Ukraine and the Russia sanctions. Our stakeholders sometimes demand fast action and instant decisions but each situation is unique with different angles and circumstances, impacting people involved and thus requiring careful consideration. In response to the Russian sanctions developments, we set up a process to identify sanction exposure for PwC NL (for all actions see page 69) and determine the offboarding strategy or the continuance on a case-by-case basis.

Thomas Rijneveld, partner in PwC's Financial Services group and Leonie de Kam, responsible for Know Your Client (KYC).

We increasingly look at whether clients are a good fit for us

Current Zeitgeist demands even more conscious choice of clients

'Sometimes you just have to be willing to say no and say goodbye to a client.' Thomas Rijneveld, partner in PwC's Financial Services group, delivered this statement as a final conclusion at the end of a conversation with his colleague Leonie de Kam, who is responsible for Know Your Client (KYC) within PwC. 'We've made great strides over recent years when it comes to KYC and accepting clients. The war in Ukraine has further accelerated that process.'

Like any other organisation, PwC faces risks. These risks range from changes to legislation to competitor and client behaviour and even to cyber attacks and events such as terrorist attacks and wars. A failure to manage these risks may well lead to reputational and financial damage as a company. The PwC Risk & Quality teams ensure that risks are identified and mitigated.

'We're continuously updating our processes and systems', De Kam says. 'The world has, of course, been changing at a rapid pace in recent years and all these external developments have an impact on our risk management.'

The pandemic brought new risks, for example, as has the war in Ukraine. 'The fact that a number of countries imposed sanctions on Russia and Russian companies meant that we had to quickly identify clients who have a connection to the country and might be affected by the sanctions.'

According to Rijneveld, who advises PwC clients on setting up KYC systems, PwC's own considerations increasingly play a role in the design of such systems. 'Today we are much more concerned with how clients engage with social developments and contribute, for example, to the UN's sustainable development goals. We have that conversation with clients and look at how we can help them in this transformation, if desired.

The same discussion is also increasingly taking place internally. How do we perceive the risks in the current Zeitgeist? Do we, as an organisation, feel that we can justify our choices to ourselves, to our employees, to society, to all our stakeholders? These conversations take place both at partner level and within all layers of the organisation.'

De Kam: 'These days, we look much more closely at whether the service is a good fit with our purpose – to build trust in society and help solve important problems. We are now increasingly engaging in internal discussions aimed at helping clients whom we wish to be associated with. Clients we really want to help based on our purpose and values. We're not only looking at potential new clients, but also at our existing client base.'

The current bumps in the road

Like any other organisation, PwC has its own dilemmas and challenges. There is the compliance versus trust angle: do more rules lead to the desired behavioural change? Then there are the (inherent) risks around increasing the use of digital tools and keeping data quality accurate and up-to-date to make the right decisions. Furthermore, we too need to consider the impact of labour market scarcity and outsourcing on the quality of our services. And all the time we are also working on the further development of quality outcomes and the substantiation of quality behaviour.

Where do we go from here

Considering our focus on high quality, we uphold our investments in this area. This is a continuous process of learning and enhancing our risk and internal control systems. We anticipate changes in society and developments and changes to risk perceptions.

In enhancing our risk and internal control systems, we will finalise the roll-out of the global Business Operating Systems programme with the implementation of the Acceptance application and the KYC tooling. Finally, we will also focus on data quality as this is a prerequisite for the quality of our services, including non-financial data such as ESG information. Data quality is dependent on how people enter their data, which in turn revolves around behaviour and culture.

Da Vinci

Since 2016, PwC has been working on implementing and harmonising our Business Operating Solutions (BOS) ecosystem, which included the implementation of Google Suite, Workday and Salesforce. In January 2022, we celebrated a crucial and unprecedented milestone with the go-live of Da Vinci. With the Da Vinci solutions we realise an end-to-end contact-to-cash cycle, all connected to one common cloud platform: SAP S/4HANA. With this implementation, we transform a large part of our finance and business way of working. Using cloud technology to streamline processes like job planning and pricing and procurement, booking hours and expenses, and billing, while also gathering our data into a single source of truth that can be easily distilled into insights for the future. With the implementation of Da Vinci, a large part of the functional, application and technical management was transferred to PwC Global.

We are currently in the process of obtaining additional assurance over the PwC Global IT activities.

The go-live, however, is a start. Only when we learn to work with the new tools and improve the current version with new releases and upgrades will we start to really enjoy the benefits. Da Vinci would not have been possible without the continued dedication and efforts of the PwC Global and Europe teams and the entire Dutch Da Vinci team in close cooperation with our Da Vinci colleagues in Germany, Austria and Switzerland.

Da Vinci makes us one of the frontrunners in the market and within the PwC Network when it comes to this kind of transformation and using cloud-based BOS, something we are proud of.

Create long-term value

The world will become less liveable if we do not take action when it comes to the ESG areas. While the UN climate summit in Glasgow in November 2021 was about climate change, it also pointed at the interaction between climate change, biodiversity loss and inequality. Where everyone first looked to the government and NGOs, it is now up to us all to take responsibility for these challenges.

PwC recognises that it has a crucial role to play, in both our own operations and through the work we do for and with our clients. To ensure our impact is not only positive but significant, we therefore focus on the priorities of the COP26.

Staying relevant
Conversations with stakeholders also make clear how organisations are more and more evaluated on whether they realise sustained outcomes. It is important for organisations to build trust at a time when this is only becoming more difficult, and to be accountable to the society in which they operate and from which they derive their relevance and success.

To stay relevant and increase our social and environmental impact, we look at sustainability from three angles: the impact of our operations, the impact of (the behaviour of) our colleagues and the impact of our services. To underscore the importance of sustainability to PwC as a firm, we launched a mandatory four-hour ESG upskilling programme this year that uses a mix of theory and practice to equip our colleagues to be aware of and address ESG considerations in their daily work.

Being transparent about what we are doing
We cannot be leading the debate, or ask our clients, stakeholders and society to be more sustainable, if we are not transparent about what we ourselves are doing in this area. At the same time, transparency is not an easy task. How do we measure the impact that we have with the work that we do for our clients? A lot of brainpower, co-creation and adjustments in systems and processes is required to make things measurable. Nonetheless, we have made important progress, measuring our impact on the SDGs and developing sustainable innovations.

Climate

We are steadily taking steps towards our commitment of being Net Zero by 2030. Our business travel is largely responsible for our carbon footprint and, due to the nature of our work, will always be something we have to take into account. As such, the Environmental Footprint Insights (EFI) tool, which won the PwC Global Innovation Challenge of 2021, was an important step forward. The app creates awareness and tries to make colleagues think before they hop in their car or on a plane. We have implemented this tool in our own organisation, and also offer it to clients to help reduce their carbon footprint. In addition, we have a policy on business travel and especially air travel. The tool and policy in combination with dialogue help to drive behavioural and cultural change.

As an organisation that operates internationally, aviation is a topic of attention when it comes to CO_2 emission reduction. We chair the 'Anders Vliegen' working group in the '*Anders Reizen*' coalition in which a network of large organisations is working together to make their business mobility more sustainable.

PwC switches to 100% sustainable aviation fuel (SAF)
Air travel is the biggest contributor to our CO_2 emissions. At the same time, it is not something we can avoid entirely if we are to do our work well. With this in mind, PwC's strategy regarding air travel revolves around reduction, compensation and innovation. We had already reduced our business travel by 25% prior to the pandemic and our ambition for 2030 is a 50% reduction. The starting point here is that our colleagues are critical about when they fly.

Another important part of achieving our Net Zero ambition for 2030 is our recent move to 100% sustainable aviation fuel. SAF is currently the most sustainable solution for long haul air travel and we have purchased additional SAF through our supplier *SkyNRG* to further reduce our environmental impact. Only residual and waste streams such as used frying fat serve as raw materials for this biokerosene and there is not enough available to meet global demand. We are therefore closely following the development of other SAFs such as sustainable synthetic kerosene. With this purchase, we expect to achieve a CO_2 reduction of up to 85% compared to the use of fossil fuel. To speed up the transition to SAF, it is important to standardise SAF reporting so that this can be properly reported on in official sustainability reporting.

PwC NL is the first major organisation to commit to flying with 100% SAF for all our business air travel and, in doing so, we hope to inspire other companies to make similar impactful decisions. For more information see our *website*.

Client story

'When developments go quickly, we need to take direct action.' For Luuk Hoogeveen, CFO of investment company JAB Holding (JAB), this is a universal rule for future-proofing. The importance of sustainable investment and the increasing desire among stakeholders for a valuable ESG strategy is just such a development, he explains. 'We have taken our responsibility in this area and set really ambitious goals.'

It is a unique position with which to have a positive impact: an investment portfolio with a value of some fifty billion dollars. JAB – whose investment portfolio includes brands such as Douwe Egberts, Dr. Pepper and Panera Brands – focuses on long-term investments in the consumer goods and services sector. 'This is a way to truly support the ESG transition as an investor', says Hoogeveen.

Setting up the ESG approach strategically and accelerating it
The CFO is the first to admit that everything revolves around generating returns. 'We are not an NGO and we need to make money for our shareholders and investors. But our goal is to do the right thing for society as well as for our investors.' So how can we set up a strategy that generates returns with ESG as a building block and an integrated part of the business operations? And how can an ESG approach be accelerated while also being established in a dynamic way that continues to reflect relevant developments around ESG? These were the core questions with which JAB approached PwC's ESG team.

The starting point for that team was the strategy, as Hoogeveen explains. 'From this standpoint, benchmarks were determined to integrate the strategy into the reporting and improve the ESG rating. There was also a strong focus on training all employees, which was an essential step considering the importance of ESG for our organisation. Everyone needs to be involved and to have a sound basic knowledge of ESG material, making upskilling a must.'

Own responsibility
Armed with an in-depth materiality analysis and impact matrix, JAB and PwC together designated four ESG priorities, with climate change and energy first and foremost. And this has had an impact on all companies in JAB's portfolio.

'They all need to ensure that their climate and energy policies conform to the Paris Agreement', continues Hoogeveen. 'We can have everyone report on emissions and keep score, but will that achieve our goals?' JAB takes a different approach. 'We encourage all companies in our portfolio to address this issue and be responsible. We help them to get ready by offering the right tools, involving the right suppliers and facilitating conversations and training. Our strength lies not just in the consolidation of data but setting relevant and collaborative goals with everyone taking their own responsibility.'

> 'Generating returns and having an impact on a sustainable world is a continuous process'


Luuk Hoogeveen, CFO of JAB Holding

Looking to the future: from project to process
Hoogeveen can look back on a successful transformation to date. 'On an investment level, we have created more traction thanks to our transparent communication, the annual conversation at board level and the setting up of an ESG collaboration forum to enable sharing of best practices with all companies within our investment portfolio. Many of our companies have now also formulated an ESG strategy and account for themselves periodically via a sustainability report.'

The next step is clear, says Hoogeveen: 'While the path has been laid out for the coming year, we now have to integrate ESG even further into our business operations. This means continuing to set goals, updating the materiality matrix and staying ahead in the market.' The need for qualitative and reliable data will continue to be urgent, he emphasises. 'How do we get the data, how do we check the data, how do we improve our reporting, and how can we increase the reliability of our ESG information in our reporting to stakeholders?'

Integrating ESG into the entire business operations requires an ongoing focus that will never end. Hoogeveen realises that JAB does not have the capacity to keep up with all ESG developments and will therefore lean on the knowledge and expertise of PwC. 'We started this journey as a project but generating returns and having an impact on a sustainable world is a continuous process.'

In addition, PwC is part of the initiative to accelerate the supply and use of sustainable aviation fuel. Together with other organisations, airlines and airports, united in the World Economic Forum's Clean Skies for Tomorrow Coalition, we aim to contribute that at least 10% of the world's jet fuel supply is sustainable by 2030.

> To identify, assess and disclose our own climate-related risks and opportunities, the PwC Network has published its first PwC Network Task Force on Climate-Related Financial Disclosures report. PwC NL also responded to the impact of climate change on the business, published on our *corporate sustainability website*.

Moreover, we have set targets that are in line with a 1.5 degree pathway and that have been validated by the Science-Based Targets initiative (SBTi), which defines and promotes best practice in emissions reductions based on climate science.

Equality

Equality and diversity are high on the political agenda and that of many organisations. The pandemic has increased inequality and at the same time made it more visible. To help address this social problem, we have set up pro-bono projects to help support groups on the less fortunate side of the equality gap. In the next paragraphs, some of our pro-bono projects are explained.

For more than twenty years now, PwC has been a proud partner of the Johan Cruyff Foundation (JCF). We support its mission to solve the opportunity gap by giving disadvantaged and vulnerable children the opportunity to play sports, and providing room to move, get together, learn and build self-confidence. As well as contributing financially, we also offer the knowledge and expertise of our colleagues.

PwC also assisted with the founding of the Brutus Art Space Foundation. This has created the opportunity for the exploitation of a museum, the development of an educational programme and the organisation of easily accessible activities for the less privileged in the Merwe-Vierhavens area of Rotterdam to help them come into contact with contemporary art and culture.

PwC partners with BrandedU, a personal branding institute built for the acceleration of women in business. We contributed to BrandedU's AmplifyHER event and have hosted a Board of Believers breakfast at PwC. Together with BrandedU and the Refugee Talent Hub, we selected 30 talented women from our Advisory practice and connected them with 30 talented women with a refugee background. These women all had the opportunity to attend AmplifyHER, to complete an ecourse on personal branding and to connect with each other to leverage each other's network and build meaningful connections.

Biodiversity

The term biodiversity refers to the variety of life on earth at all levels, from genes to ecosystems, and encompasses the evolutionary, ecological and cultural processes that sustain life. The air you breathe, the water you drink and the food you eat all rely on biodiversity.

The world has been losing biodiversity at an alarming rate for decades, but the topic has always been in the shadow of climate change. Now the need to tackle nature loss is climbing the political and business agenda as people realise how dependent we are on nature for our lives, livelihoods and businesses. More than half of the world's GDP is moderately or highly dependent on nature and as a result, exposed to risks from nature loss.

At PwC, we want to create awareness (in our own firm and within society) about biodiversity and the urgency of addressing its loss. We are developing a biodiversity experience to show colleagues how nature and business depend on each other, and a tool to measure the impact that our own operations have on biodiversity. This latter tool can also be made available to our clients: as a service-oriented business, our most significant contribution is in helping clients reduce their impact on nature and manage nature-related risks and opportunities.

Furthermore, the PwC Network is part of the Taskforce on Nature-related Financial Disclosures (TNFD) board that developed a nature disclosure framework, which includes definitions framing nature and how and what needs to be reported. PwC is one of 34 executive members of the TNFD.

Where do we go from here

We see sustainability evolve from a separate topic on our clients' and our own agenda into a more holistic context integrated in all our services and our own operations. This transformation begins with increasing awareness and understanding, improving collaboration and ensuring sustainability is an integral part of strategy for any project. However, it also means an additional layer of complexity, along with new ways of working and thinking. How do we keep things efficient and practical and how do we keep up to speed in a constantly changing world? How do we ensure continuous improvement and enable concrete steps? That is why SDG17 is so important, referring to the need for cross-sector and cross-country collaboration in pursuit of achieving all the SDGs by 2030. This collaboration starts within our own organisation.

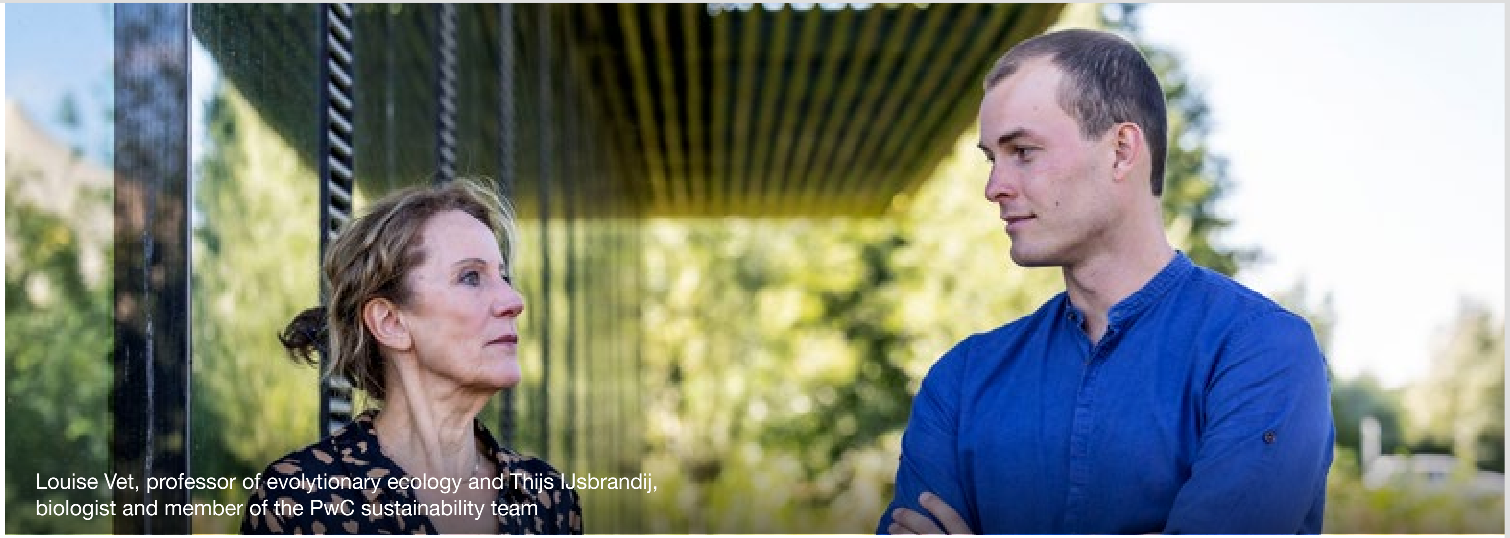
The focus for our next steps will be on getting a more solid grip on the impact of our services, and being able to measure, steer and report on it.

We will continue to work towards full integration of sustainability into our organisation and processes. Steadily moving forward within our own organisation by helping our clients with their ESG ambitions, and by building trust in society.

Working together with nature

A discussion about biodiversity, risks and new opportunities

The destruction of our biodiversity is a particularly acute problem, says professor of evolutionary ecology Louise Vet in conversation with PwC expert and biologist Thijs IJsbrandij. 'We have decimated our natural environment in pursuit of efficiency, intensification and lower costs', says Vet. 'As the major players continue along the path of a destructive linear economy, I'm convinced that shouting that it's all going wrong no longer helps. We need to assemble a broad coalition to create new opportunities.'



Louise Vet, professor of evolutionary ecology and Thijs IJsbrandij, biologist and member of the PwC sustainability team

For Vet – former director of the Netherlands Institute of Ecology, emeritus professor of evolutionary ecology at Wageningen University and advisor to the European Commission in the field of biodiversity – the situation is absolutely clear. 'As humans we've become completely disconnected from nature and nature's economy, and this is now starting to sink in.'

Get connected to nature again

Vet explains that, as a human race, we have increasingly placed ourselves outside, or above nature, even though we are completely dependent on it. It is essential that people feel part of and cooperate with nature. Then you can really make a difference.'

This is also the mission of IJsbrandij, biologist and member of the PwC sustainability team. 'Climate and CO_2 emissions receive a great deal of attention, but we should not focus on these issues alone. Biodiversity ensures that the ecosystems on which all life depends, including our own, function properly. We are currently destroying our natural capital. That is the overarching problem and the one we need to address.'

Spreading risks, creating opportunities

'Diversity means spreading the risk', explains Vet. 'There is always a winner when you have a high level of diversity, even when circumstances change. For example, my genetic profile is different from that of my children, which ensures that our whole family is not immediately wiped out if an illness comes along. This point is essential for understanding the importance of biodiversity.' IJsbrandij compares it with an investment portfolio. 'None of our clients put together a financial portfolio consisting of a single asset as the risk would be far too great.'

IJsbrandij helps companies identify the risks and opportunities involved in contributing to the restoration of biodiversity. 'Every company can investigate the environmental impact of its activities. It is then up to me, and to us as PwC, to ask critical questions of our clients and work with them to turn a negative impact into a positive contribution.'

Focus on opportunities of working with nature

'At PwC we need to bring up the subject of sustainability in every client conversation', continues IJsbrandij. 'People still often take a compartmentalised approach, seeing Project X as a sustainability project, Project Y an IT project, Project Z an annual audit, and so on. All projects should address sustainability and the opportunities that stem from working with nature instead of against it.'

Opportunities – that is also the key word for Vet. 'You need to discuss the three pillars of sustainability with every client – the energy transition, circular economy cycle and restoration of biodiversity. And nobody likes doom and gloom so always focus on the opportunities.'

Drive digital transformation

Digital innovations are driving profound changes in the world, with exciting opportunities and daunting challenges. Working in the cloud, for example, offers flexibility and easy access to data, but brings with it cybersecurity challenges and risks. We guide our clients in their digital transformations while forging ahead with our own. After all, today's dynamic world requires agility and digital skills and we are continuously adapting to the needs of our clients and colleagues.

A human-led and technology-powered future

The New Equation strategy envisages a future that is human-led and technology-powered. We have made solid investments in our own digital transformation to ensure that our colleagues and technology work hand in hand. By empowering our teams to combine human ingenuity with technology, we can deliver faster, data-driven and better outcomes whilst building trust across the value chain.

Our digital transformation consists of three dimensions: helping clients to become (more) digital, digitising our (existing) services, and digitising our own processes and infrastructure. Over recent years, we have rolled out various initiatives that have allowed us to build a solid foundation for a true business transformation. Our focus is now on the realisation of the business benefits of our investments and demonstrating enhanced client value.

Initiatives include our mandatory digital upskilling programme and our digital accelerator programme aimed at ensuring that all staff have a foundational level of digital skills and receive help in applying these skills where needed. Most of our colleagues know the opportunities that technology offers to work in a more efficient and data-driven way, are able to have a proper conversation about them, and are able to formulate technology-enabled solutions. Our digital accelerator programme is a strong enabler of our transformation and we are proud to have launched six cohorts since 2019, with more than 175 digital accelerators in place who are going through an extensive training programme and act as champions in driving digital change within their teams and business units. The value of these technological frontrunners is high in today's labour market and retention is a continuous point of attention.

Other activities include the optimisation and further development of the platforms that we use for sharing and creating digital assets and working with (client) data: our Digital Lab and Data Platform. We have added functionalities and made the platforms more user-friendly. We have also started embedding our Digital Lab into our core applications. An example is the link with AURA. Our auditors record all documentation in AURA, a system we use on a daily basis for client work. For every specific financial statement line item, a button redirects them to the relevant collection of assets in the Digital Lab. Providing immediate access to relevant digital assets saves time and encourages everyone to work in a digital way.

Another important investment has been in the SAP S/4HANA implementation, which optimises our engagement management and finance process (see page 26). This includes the restructuring of systems and the optimisation of processes within the organisation and consists of a genuine integration of multiple state-of-the-art cloud platforms like SAP S/4HANA and Salesforce with Coupa and Concur to ensure a true end-to-end process. This is not just a technical implementation – it is also a change process, one which requires commitment and an open mindset from all employees to explore and adopt new digital ways of working.

Bringing together people and technology is key

In our strategy, bringing together people and technology is key to help build trust and creating sustained outcomes, and plays into the expectations and requirements of our colleagues, clients and society. The issues and questions of our clients are increasingly complex and can no longer be solved with single-point solutions. Clients expect us to provide integrated solutions that are data-based and, where relevant, incorporate digital assets. In this process, we also often work with partnerships in our ecosystem, for instance our technology alliances.

Digital assets

We are increasingly incorporating software solutions into our audit and advisory propositions. Digital assets are scalable software products. They can be part of an integrated proposition to our client but can also be sold stand-alone to clients on a subscription basis. We also use digital assets internally to achieve efficiencies and savings, helping us weather the scarcity in the labour market by making it easier to scale our business. An automation that helps to digitise a manual procedure is a good example as it results in time savings and quality improvement.

The power of our international network is utilised by importing and exporting global digital assets with a proven track record. This allows us to leverage on our global innovation power and to save on development costs while also gaining access to a global distribution market for our own innovations. Digital assets imported from other parts of the world still need to be tailored to our local market in many instances. We therefore have established digital asset operations teams that adjust and build on these assets where needed in addition to building digital assets themselves.

Digital assets are created and used in all Lines of Service

Examples are:

- **Halo for Funds and Halo for Crypto**

Within Assurance, we globally developed a Match app on the Halo for Funds platform that allows audit teams to check the existence of investments in a standardised way. This helps save time, raises the quality of our work and fully fits the audit of the future. We also developed a Halo for Crypto solution in response to the fact that an increasing number of clients has cryptocurrency positions which are rapidly becoming material. This means they require expertise and tools to support them so PwC developed a Halo crypto solution that provides the methodology and supporting tool to assist in the assessment of opportunities and the audit of cryptocurrency.

- **Assisted Writing Platform**

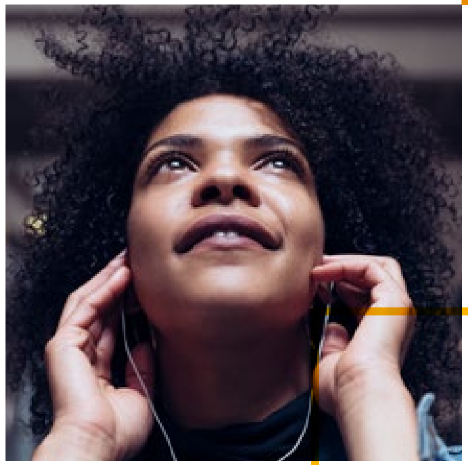
Tax & Legal launched the Assisted Writing Platform for content creation, which includes a central storage function of content as data. It allows for the use of standard text blocks for multiple applications and the creation of content through multiple channels and for multiple uses. Resulting in time savings and enhancement of quality of content. An additional benefit is that the platform is Line of Service and territory agnostic; we are exploring how we can scale this further.

- **Responsible Business Simulator**

The Responsible Business Simulator is a sustainable business modelling tool that helps users make strategic decisions based on facts rather than instinct. By quantifying both financial and non-financial aspects, integrated decisions can be made in a transparent way. See next page for an example of how we used the Responsible Business Simulator at BLG Wonen.

- **MeetAssist**

Our Firm Services department has developed MeetAssist, a chatbot that makes planning meetings simple, quick and efficient. Currently, it is in the pilot phase and it is due to be rolled out later in 2022.



The Automatic List Inspector: efficiency gain for financial statements
The Automatic List Inspector (ALI) is a digital solution that uses artificial intelligence to process financial statement checklists more efficiently and effectively. As a result, the endless checklists for complying with IFRS and Dutch GAAP no longer need to be manually checked for relevant answers.

ALI helps our audit teams determine which areas are non-compliant and which disclosure requirements are still outstanding. Even when financial statements are updated, ALI tracks the changes and indicates which disclosure requirements need to be reassessed. As a self-learning application, ALI becomes more accurate and efficient with each audit.

The deployment of ALI allows our audit teams more time to delve into exceptions and non-financial information.

Client story

Housing Accessibility Monitor offers insights into the accessibility of the Dutch housing market

'Many groups are currently unable to enter the housing market because there is no level playing field for home seekers', says Georgette Lageman, manager of Expertise Centrum Wonen at BLG Wonen. In response to this inaccessible housing market, BLG Wonen has developed the Housing Accessibility Monitor jointly with PwC and Companen.


Georgette Lageman, manager of Expertise Centrum Wonen at BLG Wonen and Mila Harmelink

Established in 1954 as Bouwfonds Limburgse Gemeenten with the aim of promoting home ownership among miners, the organisation had a clear social focus in its articles of incorporation. 'Owning your home involves more than just having a roof over your head', says Lageman. 'It offers opportunities and room for growth while also providing safety and security. It's this value behind the mortgage that we focus on within our social ambition.'

The Housing Accessibility Monitor

A first step in promoting accessibility of the Dutch housing market is to measure housing accessibility, since this was not done yet in the Netherlands. That is why BLG Wonen, Companen and a PwC team including Mila Harmelink developed the Housing Accessibility Monitor, which provides insights for whom and where the housing market in the Netherlands is currently (not) accessible for different residential segments.

The monitor works with a unique formula that expresses the accessibility of the housing market in a concrete figure (between 0 and 100) and relates this to underlying indicators. The higher the figure, the better the housing accessibility and the greater the chance that a home seeker will find a suitable home in the foreseeable future.

The accessibility index and underlying indicators are calculated based on different external data sources such as CBS and Kadaster and available for different geographical areas (zip code level) per residential segment (owner-occupied versus rental). Further, by using the index in combination with the distribution of target groups over the different geographical locations, it is possible to show the housing accessibility for different groups in the Netherlands as well.

Housing accessibility on the agenda

BLG Wonen is also using the monitor to identify new priorities, such as home seekers who currently spend a large portion of their income on rent. This way, the monitor provides a perspective for action.

Lageman: 'The monitor enables us to create awareness by choosing and explaining a different relevant perspective on housing accessibility each time. A good example was the recent municipal elections where we were able to show whether accessibility was high or low in different municipalities. The results generated a lot of publicity and also provided a good opportunity to put the subject on the agenda.'

Lageman sees the monitor as an asset that supports BLG Wonen as a serious consultative partner. 'We do indeed have thought-leader ambitions as a company when it comes to housing accessibility. We achieve this by putting accessibility issues on the agenda, regularly seeking media coverage and engaging with politicians. Sharing knowledge and working with other parties is also important as we can't change the housing market on our own.'

Tough housing market

Lageman paints a picture of the complexity of the Dutch housing market: 'The number of divorces, a sharp increase in single-person households and the privatisation of care services – causing the elderly to remain in their homes longer – have led to an increasing demand. In addition, the housing market is interconnected with many other areas and determined by a range of variables. If the Minister of Housing, Spatial Planning and the Environment starts imposing requirements on CO_2 emissions, for instance, this will affect the building agenda.'

No countercyclical policy was pursued during the crisis years and this is now having a direct impact on supply, Lageman notes. 'What's more, houses are not 'fast consumer' products. Everything happens slowly. Add to this the shortage of workers and materials, unachieved sustainability targets and the willingness of municipalities to release land for building and you have many interesting and challenging issues to solve in a tough housing market.'

Looking ahead to the future

'We could use the monitor to make calculations that help municipalities assess whether or not their building plans will actually contribute to housing accessibility', continues Lageman. 'Another important focus area is how to make better use of the current housing stock. The Dutch take up a relatively large amount of living space in houses that are often too big for their occupiers. Staying in larger homes in the face of shortages and scarcity will cease to be an option at some point. You can be smarter about that by moving in with friends or subdividing homes.'

Finally, Lageman has something to add to her view of the future: 'We have common climate targets but no national housing targets. We should have. A target to build 900,000 homes is fine but it only says something about volume, not about creating equal opportunities. And providing access to that housing market is critical – we should never forget that housing is a fundamental right.'

We carefully safeguard against digital subscriptions or managed services to our clients impacting our flexibility to become independent if and when needed in case of (mandatory) audit firm rotation. This is why this year we for instance sold Taxmarc, a solution that fully automates the indirect tax determination process in ERP systems. The sale to an independent company (Taxmarc B.V.) guarantees a continuation of the solution at clients in case of a potential audit rotation. PwC no longer offers the core technology of the Taxmarc solution, but will continue as a Taxmarc implementation partner.

Integrated solutions in co-creation with the ecosystem
We are increasingly aware of the fact that answering our clients' most complex business (and often also social) challenges requires us to co-create with them and a multidisciplinary team of our experts. To increase our capacity to deliver high-impact collaboration, we have invested in creating a central innovation hub called Tomorrow 2.0. Here, we co-create with clients in new ways to develop digitally enabled solutions that integrate the best of what we can offer as one community of solvers. It is the combination of co-creating experts, clients and the latest technology that allows us to increasingly deliver on our purpose.

Aside from our projects through Tomorrow 2.0, another fine example of co-creation with a client is the subsidy calculation tool developed for TU Delft.

Making the business world a safer place, together with our ecosystem

Our 25th CEO Survey shows that Dutch CEOs rank cyber risks as the top threat to growth. The consequences of a cyberattack rise as the interdependence of systems grows ever-more complex, with critical infrastructures being particularly vulnerable. PwC believes that security is a concern for the entire business, in every function and for every employee. Our approach therefore tackles it as a unified whole, from the technology stack to the boardroom and in seamless collaboration with our technology alliances and joint business relations.

Calculation tool helps TU Delft with complex subsidy schemes
A large number of laws and regulations are attached to the use of subsidies. Within TU Delft, this was a complicated and time-consuming process, but with the help of a new calculation tool this is now being streamlined.

The tool was developed in co-creation between TU Delft and data analysts from PwC. It ensures that employees at the technical university can deal more effectively with the complexity of the many calculation rules combined with multiple datasets from different sources.

The development and implementation of the tool was only possible thanks to cross-departmental collaboration. Being based on a complex network of systems, the tool will not work if the internal work processes are not properly aligned. The various expertises, experiences and perspectives play an important role in this.

TU Delft is the first Dutch university to work with the calculation tool and has been asked to give master classes in project management at other universities.

Our Identity & Access Management (IAM) team are frontrunners when it comes to providing managed services and working with alliances and joint business relations. A good example is the Accelerated Identity Governance solution, a collaboration between PwC and Sailpoint that helps organisations gain control of access in a short period along with the ability to report.
In a collaboration, the alliance partner typically provides the SAAS technology platform, which is then enriched with a PwC implementation package. This package will have a scalable setup rather than a client-tailored one, based on our project experience, common standards and best practices. This allows the team to fast track the implementation and adoption of the new software by the client. PwC also supports the business integration and any organisational transformation.

The solution can become a managed service after implementation, which comes down to 'we build and run it'. After embedding a solution fully into the organisation, we manage the operations and ensure continuity as well as continued improvement and development in line with rules and regulations pertaining to the asset. We provide these managed services in a DevOps model called *IAM DevOps-as-a-Service*, based on a defined service level agreement.

This way of working provides major benefits to clients:
- The time to value of SAAS implementations is relatively short. Working with a scalable implementation package (based on best practices) instead of bespoke solutions accelerates implementation and helps simplify the digital landscape.
- A scalable package instead of a client-tailored approach can be a driver for digital transformation and innovation at the client and trigger efficiencies. As processes follow the tool, it forces the client to rethink and adjust ways of working, ultimately leading to business transformation.
- The technology is state-of-the-art, with new releases featuring improvements based on feedback from the broader user-base.
- PwC and the technology alliance provide specialist expertise on the technological and high-end development of the service, which typical company IT departments won't be able to invest in or maintain. IAM resources are very specialised and scarce. By offering managed services, we enable our clients to focus on their core business.

As discussed above, we continuously safeguard our independence. The technology platform is run by the technology alliance; this ensures that, in the event that PwC has to step away from the project to retain its independence as auditor, clients have no concerns about keeping the platform up and running. The technology alliance can then switch to a different partner and ensure the continuity of services.

Where do we go from here

Our colleagues continue to be at the heart of our digital transformation. While the foundation is in place, a growth mindset and behavioural change will be essential for sustainable success. Our clients need to adapt to constant change in this dynamic world, and this applies equally to PwC.

Business partnering

Collaboration, providing a service and enabling PwC as a community of solvers

A different mindset and approach are required to solve the complex challenges – a different way of working together both with clients and with each other. This is why we regard business partnership and collaboration as key to unlocking potential. A collaboration between teams and between organisations, within ecosystems and value chains. Not just providing a service, but working together towards the same goal. More and more we see collaboration happen in practice and leading to sustainable outcomes within teams, with clients, between organisations and in society at large.

Collaboration requires a high level of trust among all those involved. When colleagues feel safe, they connect. This will not come easy for all and learning and experimentation are necessary components.

Business partnership is key to unlocking greater potential

To have a sustainable impact and realise our growth ambitions, we need to be recognised and acknowledged by (potential) clients as the go-to business partner on relevant issues. To be seen as thought leaders and frontrunners who walk the talk and share their experience and expertise, and also as people who are open to input from others who are keen to co-create. This applies to both within the company and with clients and society, complementing each other as business partners.

Business partnerships and collaboration are about bringing our values and behaviours to life by building trust-based and equal relationships, internally and externally. Such relationships begin with engagement, by starting a dialogue, encouraging people with the right questions and actively listening. Find out about a partner's current issues, their ambitions, even their triumphs. Be open and invite them to talk about the things that are important to them. And be prepared to share your own views and experiences and your own knowledge. Blend this all together, keep an open mind and find out which new avenues open up.

The New Equation strategy embodies this mindset and approach. It is an approach that focuses on open, cross-competence collaboration to create unexpected and sustained outcomes. Bringing in input from different competencies and different backgrounds creates a better understanding of issues and leverages on the creativity and experience of all involved to come to new and unexpected solutions. As well as working towards delivering on our purpose, it is also a great experience for everyone involved, clients and colleagues alike.

Co-creating solutions for today's challenges: collaborating in Tomorrow 2.0

Our distinction lies in our 'one firm' approach, enabling collaboration between our three Lines of Service with Firm Services as business partner. Working across the firm, we are well-positioned to make various connections, that add value. Through the business, Firm Services contributes to issues and propositions at our clients. This also works in reverse. When our colleagues take the lessons learned at clients back into our own organisation, our Firm Services can further improve the organisation.

In our efforts to execute our strategy, deliver our full potential as a multidisciplinary team and organise PwC as a community of solvers, we aim to bring collaboration within our firm and with our clients to a level at which we optimally leverage on our wealth of expertise and experience across our Lines of Service. To co-create with clients and a multidisciplinary team of talents.

Over the past year, we invited clients to collaborate with us and work towards integrated and scalable solutions for their most pressing and complex challenges. We use PwC's proven Business, eXperience and Technology (BXT) methodology to create an exploratory programme consisting of a series of interventions that takes us and clients from challenge to solution in a matter of weeks.

Client story

Digitalisation and humanity go hand in hand at Stedin

After the split from Eneco in 2017, Stedin was faced with the challenge of designing a new, fully fledged finance function. Patrick Maas, manager Finance & Accounting at Stedin at the time (now manager Change Office) and Alexander Staal, Finance Transformation leader at PwC, tell us about their collaboration on this transition. The challenge: how do you get your finance people used to a totally new way of working?

'We had worked with PwC before', says Maas. 'It therefore felt comfortable to have Staal help us with sketching the new future-proof finance function.'

'We first had to identify all the firm-wide activities before determining which parts would then be moved over to a central unit', Staal explains. 'The actual transition only took place after extensive coordination with the business unit. And the continuous improvement programme at the end of the transition was important to monitor the efficiency.'

'The main discussions with PwC were about the 'lift & shift' change method', Maas continues. 'As the world is constantly changing, this involved fast actions and continuous improvements instead of trying to figure out everything beforehand. As well as helping our own department, this method was also beneficial in other places in our organisation.'

'Transforming from being decentralised to centralised is always a challenge', adds Maas, and Staal agrees. 'The realisation of this process was primarily people-oriented. After all, you take work away from the business units and ask finance employees to work at a different place in the organisation.'

One of the success factors was that Stedin was well-prepared for the transition story thanks to 'Energiek Vooruit', a bottom-up programme for future competence profiles and the development of employees. 'We also very clearly shared the necessity of digitalisation – one of the drivers of the project – with our employees', says Maas. 'This was especially the case for the changes to the finance function.'

'Another crucial success factor was that leadership was continuously in the hands of Stedin', adds Staal. 'All workflows were led by the colleagues themselves and that proved incredibly important for convincing colleagues.'

And the lessons learned? 'The big takeaway for me is to start the project with the end in mind', says Staal. 'That means taking more time to think about things in advance.' Maas: 'Digitalisation is the only way forward and should be the overriding factor in the business strategy, without losing sight of the human side. A 'bot' can take over boring and standard work, allowing employees to focus more on the creative solution for clients. This is how digitalisation and people go hand in hand.'

Patrick Maas, manager finance & accounting at Stedin and Alexander Staal, Finance Transformation leader at PwC.

Our BXT-facilitators bring together the various players in our ecosystem, guide dialogue and ensure cohesion in a very diverse group. Moreover, they are key to building momentum, to going beyond idea into reality and ensuring continued cross-competence collaboration. Using BXT to bring collaboration to a new level, we aim to utilise the true potential of PwC as a single community of solvers.

This year, our Tomorrow 2.0 platform has led to the development of a variety of new and truly integrated solutions with which PwC leverages on its potential as a community of solvers. Examples are:
- Inclusion Insights: a technology-powered inclusion and diversity (I&D) programme, which boosts human connection and triggers organisational, cultural and behavioural change. In doing so, it contributes to our aim of building an inclusive culture in which everyone feels heard, seen and valued, leading to better business results. Inclusion Insights is currently piloting with several co-creating clients (see page 18) and will be available to all clients soon.
- Quantifying the impact of ESG, with two technology-enabled solutions to help make informed product decisions and the right strategic decisions. This recognises the fact that all organisations have different starting points when it comes to ESG, revolving around a desire to continuously have a positive impact. Where to start and what to do?

Collaborating with our business partners

As technology is also at the core of transformation for our clients, we increasingly work with technology partners in our ecosystem. They expect an effective business partner who can advise on the impact of technology in light of their digital transformation. As we provide expertise in areas such as cybersecurity, data, front-office technology and product creation, our alliances with Workday, Salesforce, SAP, Oracle and Microsoft are essential as these are strategic areas in which we want to continue to grow. In addition, we have more than a hundred business partners in niche areas within specific industries and a number of suppliers and sponsor parties. At PwC, when we talk about sponsorship, we mean partnership.

Focusing on the social involvement of PwC and how we can play a meaningful role in this as a knowledge and expertise partner, we engage in dialogue with our sponsorships about their societal challenges and provide a value-in-kind component in addition to any financial contribution: hours of our colleagues that we make available to utilise knowledge and expertise of PwC for (social) problems, challenges and issues.

For example, as a knowledge partner, we work together with various organisations in the start-up and scale-up ecosystem. These include among others YesDelft!, one of the world's top incubators, 'building tomorrow's leading firms', with the Stichting LOEY, an organisation that is committed to 'Leading Online Entrepreneurs' in the Netherlands, and, with HighTech XL, a venture-building accelerator in the Brainport region that supports the creation of companies that solve societal challenges.

Another example is Social Enterprise NL. Social enterprises are important in the transition to the Impact Economy and we are proud that we can contribute through this collaboration. Social Enterprise NL represents, connects and supports the growing community of social enterprises in the Netherlands and is committed to a better business climate with regard to government incentives, legislation and regulations, access to capital, and knowledge and talent development.

Sharing our knowledge and thought leadership on today's challenges

To be recognised as a business partner on issues that are relevant to our clients, we share our knowledge and expertise, develop and share thought leadership material containing our vision, and take an active role in the public debate on societal and business subjects.

Within the audit profession several initiatives have been taken by the NBA, the Dutch Institute of Chartered Accountants, and the SGPB, the Steering Committee Public Interest, a cooperation between audit firms and the NBA. These initiatives relate to topics like fraud, going concern, culture and transparency. Topics that are also part of the agenda of the two quartermasters, who have been appointed by the Minister of Finance for a period of 3.5 years, until the end of 2023. Their role is to execute three specific investigations and conclude whether they improve the quality of the statutory audits and to monitor the progression of the audit profession on the aforementioned topics. We find it important to contribute where we can, when it comes to the initiatives of the audit sector and the investigations by the quartermasters. We are part of the working groups that are formed, provide input and take the lead where appropriate. And we challenge ourselves to have an open mind to changes that meet the expectations of our stakeholders.

Report by PwC and World Economic Forum shows international carbon price floor can cut emissions by 12%

In June 2021, the International Monetary Fund (IMF) put forward a framework to introduce an international carbon price floor (ICPF). Together with the World Economic Forum, PwC specialists assessed how this would impact countries and specific sectors.

Entitled 'Increasing Climate Ambition: Analysis of an International Carbon Pricing Floor', our report answered three questions: Can an international carbon price floor significantly reduce emissions? Can it do so without causing serious economic damage? And without shifting economic activity and emissions to a different location? The answer to all three questions is 'Yes'. Our analyses showed that global carbon pricing could not only cut emissions by 12.3%, but could also pay for itself. Though we realise, the climate crisis cannot be solved with a single measure, our conclusion based on our findings tells us that carbon pricing can play a significant role in reducing emissions.

We develop thought leadership on current issues of societal importance. This year, this included various publications developed by the Chief Economist Office, including the articles *Labour market scenarios; No labour market policy is the same for everyone* and *ESG marks the beginning of Capitalism 2.0*. The Chief Economist Office also shares views by means of presentations and internal webcasts covering topics like the CEO Survey and the war in Ukraine. These webcasts help colleagues in their communications to clients.

Transparency to build trust and help create insight

These last few years have already seen a shift from shareholder value thinking to broader stakeholder value thinking, where increasing impact (both financial and non-financial value) is the primary concern. Transparency offers our (potential) business partners insight in such areas as motives and progression. Providing that insight creates a foundation for trust and expectations, which is also why in our The New Equation campaign around *'green figures'*, we emphasise transparency through numbers in the area of sustainable contribution.

This does not only concern being transparent about what we are doing to create impact. It is also about creating impact by providing transparency to help people gain insight and understanding of current issues and how they might relate to our clients, our stakeholders and society. Examples include translating rules and regulations to their particular situations, and sharing our knowledge and insights into the possibilities and pitfalls of new developments like hybrid working.

A personal note from our chair

PwC in the Netherlands

Report of the Board of Management
What's happening around us
What stakeholders expect from us
How this affects society, our clients and PwC
Executing our strategy and adding value
Financial results for sustainable investments
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Appendices

Rients Abma, director of Eumedion – an interest group representing institutional investors – calls for external auditors to take a more active role in identifying and assessing the impact of climate risks. In conversation with Wytse van der Molen, member of the executive board and chair of PwC's Assurance practice, he discusses developments in the area of sustainability reporting, the changing role of the external auditor and the expectations of institutional investors.

Rients Abma, Director of Eumedion

Reliable information on sustainability
'The information that one places in an investment model as an investor must be reliable', Abma begins. 'The external auditor adds this degree of reliability – now only for financial figures, but in time also for sustainability information. Institutional investors already include sustainability information as standard in their investment models. Pressure from the stakeholders of institutional investors, such as pensioners and employees as well as from customers of asset managers, to take this information into account is increasing.'

Increasingly important alerting function
'De Nederlandsche Bank N.V., the Dutch Authority for the Financial Markets and the European Central Bank are paying more attention to sustainability in their supervision. And not unimportantly', Abma adds, 'many pension fund managers and asset managers have a natural belief that a positive impact on society leads to higher returns in the long-term. Especially with an investment horizon of thirty or forty years.

The 'Key Audit Matters' section in the auditor's report – an opinion from an independent expert – will give the external auditor an increasingly important alert function. The more information this statement contains, the greater value it has for investors. Whereas investors used to pay little attention to the auditor's report, this is now almost the first thing they look at... Especially at company-specific findings and conclusions. There are still major steps to be taken in the areas of climate, fraud and continuity.'

Assessing climate-related information
Eumedion believes that external auditors have a key role in assessing and articulating climate-related information in the auditor's report. This is a recommendation that PwC has put into practice at all listed companies where it acts as external auditor. 'I find this very encouraging', compliments Abma. 'By setting out this important issue in the auditor's report, you show as an auditor that you are at the centre of society. You have also included company-specific texts which, unfortunately, we don't see everywhere.

What we do wonder is why climate risks are not always considered key audit matters for 'high emitters'. In the case of Dutch companies – not only your clients, by the way – we don't see that at all. While climate risks may appear here and there in key audit matters in relation to the valuation of certain assets, we expect auditors to play a much more active role. They should really challenge company boards on the different scenarios set out in the reports of the Intergovernmental Panel on Climate Change and the International Energy Agency. What is the long-term impact of these scenarios on the company? And how is the company responding to this?'

Auditing financial and non-financial information
There is also still room for improvement in the number of ESG audits. Companies are now doing this voluntarily and the numbers are still very low. At European level, the question even arises as to whether other parties, rather than auditors, should be auditing non-financial information. 'It is Eumedion's preference that the same auditor should audit and sign off on financial and non-financial information', says Abma. 'It is ultimately about valuation issues that directly affect certain items in the annual accounts. They cannot be separated from each other and it would be strange to have this done by different parties. As an investor, you also want to be able to call one person to account at the shareholders' meeting.

Furthermore, we have been arguing for some time that we should be able to see and question the external auditor not only at the shareholders' meeting but also outside that meeting. This would make for a better dialogue, as we already have with boards and supervisory boards.'

The State of Tax Seminar 'ESG, what should and can the tax function do with it'
On 12 October 2021, PwC organised the State of Tax Seminar 'ESG, what should and can the tax function do with it?' It discussed the influence of ESG on the tax agenda and ways in which tax can be used for ESG objectives.

The State of Tax seminar is an annual relations programme that provides a platform for discussing developments in the field of tax while creating a community of peers. Jort Kelder looks back on the latest seminar in this *video*.

Where do we go from here

As a business partner, we aim to help our clients, stakeholders and society with the issues that are most pressing to them. A lot of these issues have multiple layers and different angles, with the right response often being dependent on different considerations and values. Going forward, we want to make more concrete how those considerations and values are prioritised. We are and will continue to do this, through stakeholder dialogues, as well as by means of client conversations, taking part in the public debate, and through our own communications. We also want to collaborate more – with each other, our clients, our stakeholders in our ecosystems and our technological alliances… and in smarter ways. After all, the future is human-led and technology-powered.

Tax transparency
We inform our stakeholders, clients and third parties with whom we do business regarding our tax approach as we consider this to be a vital part of our purpose to build trust in society and solve important problems and our role in the further development of sustainable tax. To build trust, we support cooperative compliance programmes with tax authorities and we greatly value relationships based on trust, transparency, and mutual understanding. We have therefore engaged in Horizontal Monitoring in the Netherlands and have periodic meetings with the Dutch Tax Authorities.

Last year, we measured and published our tax contribution in the Netherlands by using the tax-related reporting requirements that are addressed in Standard 207: Tax of the Global Reporting Initiative. Reference is made to section 'Global Reporting Initiative (GRI) index' on pages 142-146 of this Annual Report for the disclosures required by Standard 207, including our tax strategy and country-by-country reporting.

Our value-creation process

The following page provides an overview of how we use the expectations of our stakeholders as input, link them to core capitals and translate them into strategic enablers with our value-creation process. The value creation model shows how stakeholder expectations are used as input for our final SDG Impact Measurement framework (SDG IM). The stakeholder expectations (our 17 material themes, see page 136) structured in the six capitals of the IIRC framework, serve as strategic input for our intended value creation. On this basis, strategic enablers have been chosen that are linked to the capitals, as well as to our concrete business activities and the ultimate impact on the SDGs. Linking the frameworks in this way has created a dynamic feedback model with which we continuously try to increase our impact.

PwC's business activities generate outputs and outcomes including our services that create value for our clients and society. Across our value chain (see page 4), including how we work with suppliers and clients, we have an impact on the Sustainable Development Goals (SDGs) and we create value for our stakeholders. We set short-term targets for next year (see also pages 39-43), mid-term targets and long-term ambitions. We strive to create long-term value by working with our suppliers to make a positive impact on people and the environment. This includes embedding sustainability considerations in supplier selection and procurement processes and a continuous dialogue on how we can make a positive impact together. We can make the most impact in the short and long-term with our service delivery to clients. We do so by helping clients improve their businesses and solve the issues that matter to them. This is where business and ESG come together.

Value-creation process

Inputs: Material stakeholder expectations	Inputs: Capitals IIRC framework	Business model: Strategic enablers	Outcomes and Impact: Output/outcomes	Impacted SDGs	Ambition 2030	Target 2023/2024	Target 2021/2022
• Inclusion and diversity • Well-being • Recruiting, developing and retaining PwC employees	Human	Workforce of the Future	• Diverse talent and vital people	4, 5, 8, 10	**SDG5:** Achieve gender balance and equal opportunities **SDG10:** Achieve an inclusive and diverse culture and equal opportunities irrespective of age, disability, cultural background, sexual orientation or other status	**SDG5:** Yearly target of 40/40% intake and 30/25%/equal ratio promotion of female directors and partners, respectively **SDG10:** Yearly target of 12.5% intake and 12.5% equal ratio promotion of non-western origin directors and partners	**SDG5:** Yearly target of 30/40% intake and 30/25%/equal ratio promotion of female directors and partners, respectively **SDG10:** Yearly target of 12.5% intake and 12.5% equal ratio promotion of non-western origin directors and partners
• Integrity • Quality • (Data) security and privacy • Independence • Fraud • Governance	Intellectual	Quality	• High-quality service	4			
• Environmental sustainability • Impact on society	Natural	Sustainable	• Become circular • Long-term value creation stakeholders	7, 12, 13, 17	**SDG13:** Achieve a positive environmental impact across our value chain	**SDG13:** • 2023/2024: 40% CO_2 reduction • 2024/2025: zero waste and a fossil-free carfleet • 2024/2025: 30% less motorised mobility (50% less in 2030) • 2024/2025: 50% science-based targets coverage with suppliers	**SDG13:** Maintain 25% reduction of pre-COVID mobility
• Innovation and digitalisation	Manufactured	Digital	• Drive digital transformation	8			
• Acting values driven • Long-term value creation for clients • Knowledge development and sharing • Transparency	Social	Business Partner	• Values-driven behaviour • Thought leadership and knowledge sharing • Inclusive environment • Innovative and integrated solutions	16, 17			
• Financial results	Financial	Financial Results	• Financial results for sustainable investments	8	**SDG8:** Achieve sustainable growth within the boundaries of social and environmental systems	**SDG8:** In 2024 we measure and report our contribution to the SDGs through our client work	**SDG8:** Development framework to measure our contribution to the SDGs through our client work

Stakeholder dialogue / client feedback / People Survey

Inscription PwC's nine material SDGs: SDG4 Quality Education, SDG5 Gender Equality, SDG7 Affordable and Clean Energy, SDG8 Economic Growth, SDG10 Reduce Inequalities, SDG12 Responsible Consumption and Production, SDG13 Climate Action, SDG16 Peace, Justice and Strong Institutions and SDG17 Partnerships for the Goals.

We measure our impact on SDGs

PwC has developed an SDG Impact Measurement (IM) framework that helps us understand the value we create for our stakeholders in both the short and long-term. It supports our value-creation process by quantifying our impact along the lines of the SDGs with the overarching aim of contributing to our purpose. The SDG IM framework covers the nine SDGs that we consider the most material with an extra emphasis on the following four SDGs that correspond with our most relevant areas of impact: SDG5 Gender Equality, SDG8 Economic Growth, SDG10 Reduce Inequalities and SDG13 Climate Action. Long-term ambitions and short-term targets have been set for these four SDGs.

Measuring SDG impact is no longer a 'nice to have'. It is of strategic importance to PwC because we want to deliver on our purpose. Having insights into how our operations and services contribute to the SDGs, either positive, negative or neutral, helps us see where we need to steer our business activities.

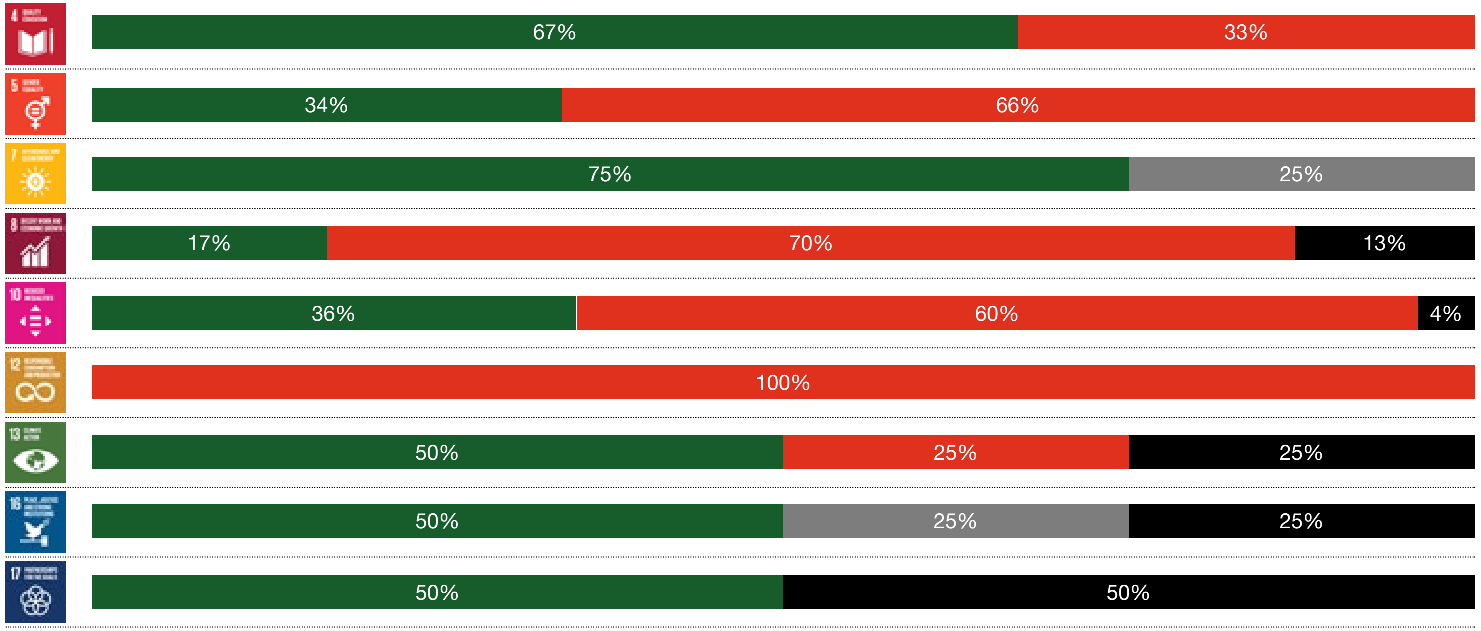
The framework currently covers the direct impact of our operations. In the near future, it will also encompass the impact of our downstream value chain measured against available data from our client activities. In 2021/2022, we made a start with the development of indicators to measure the impact of our client work, which we will pilot in 2022/2023.

Refined framework and new indicators

Every three years, we reassess our material and focus SDGs to ensure we focus on our most significant impacts. We annually refine the SDG IM framework to align with the latest sustainability and reporting developments. Overall, our ambitions for 2030 and targets for 2024 did not change in 2021/2022, apart from formulating higher ambitions for SDG5. The changes in indicators are explained in *Appendix The value we add(ed)*.

SDG IM results

The figure below provides insights into our relative performance across SDGs in 2021/2022 for our operations.



The green bars represent the percentage of indicators for which we have a positive contribution to achieving an SDG. The grey and red bars represent our neutral and negative contribution, respectively.

The framework also contains (black) indicators without a threshold that are measured. Rather than displaying an annual impact, these indicators demonstrate how that impact develops over a number of years. Our approach uses the most ambitious thresholds, preferably based on legislation or objective external sources. Only when PwC targets are more ambitious do we use our own targets as thresholds. The SDG IM targets are more ambitious than our overall PwC targets in a few cases such as gender equality. We strive for a 50% gender balance by 2030, which is a more ambitious threshold than the target set internally. Our approach and more detailed results from the SDG IM are set out on pages 39-43 and *Appendix The value we add(ed)*. The external auditor provided assurance on the outcomes presented in the figure on this page.

Below we explain the value we create for our stakeholders with the six capitals, our strategic enablers, the outputs, the outcomes and the impact on the SDGs. In the sub-bullets we share a few examples on how we score on indicators that define our impact.

Human: our strategic enabler for human capital is **Workforce of the Future**. Via this capital we take a human-led and technology-powered approach. To retain talent and be fit for the future, we recognise the need to embrace an inclusive culture, adapt to changing needs of generations, to be the employer of choice. We upskill our colleagues to improve their potential and are changing our reward system. Our Global People Survey results (People Engagement Index, well-being and flexibility) are generally positive. We have high ambitions for gender equality, are reducing gender and cultural pay gaps, and have an ambitious well-being policy.

- We offer an extensive Learning and Development programme which contributes to SDG4: on average we notice that our male colleagues make more use of training than our female colleagues, which is defined as a negative impact.

- The male/female ratio on the Board of Management and at other job levels represents, on average, a positive contribution to SDG5. Equal pay is the norm (whereby we consider a range of up to 5% acceptable – given calculation limitations including seniority differences within job levels) at almost all job levels (at P/D level where we see a gap, omission explained at page 145). PEI is almost the same between female and male colleagues and has a positive impact. We remain focused on our diversity targets and are taking the necessary steps to meet them. In client-facing roles, we continue to stimulate a gender-balanced team composition.

- We still find it challenging to fully meet our cultural diversity targets at most job levels and see that there remains a cultural pay gap at some. This has our attention. Based on our GPS I&D-related questions, we are able to take the necessary steps where the results show a deviation across certain job levels, age groups and/or cultural backgrounds. Keeping the new definition of the CBS for migrants in mind, a change in the impact results on a cultural level may occur in the future. We have developed a plan to integrate the new CBS definition into our monitoring systems.

- Increasing the intake of colleagues with a STEM profile remains a challenge for us, which is visible in the decreased intake.
- We see an improved score in GPS on flexibility and well-being at all colleagues, at all job levels and from all backgrounds, which has a positive impact on SDG8. This is probably related to the increased well-being budget and improved flexibility of working hours.
- Our sick leave increased and is highest among female and non-western colleagues. This increase in sick leave has a negative impact on SDG8.

Intellectual: is about the **Quality** we deliver externally to our clients and apply internally to our own organisation. We build credibility and show that we are trustworthy. We anticipate relevant developments and changing risk perceptions. In line with SDG4 we upskill our colleagues and deploy outside-in perspectives to stay ahead and advise our clients. To tackle our own dilemmas and challenges, we continuously improve our internal systems and (risk management) procedures. We want to provide the best quality in every aspect of our work, with our colleagues and for our clients.

- Through our high-quality Learning and Development programme, we provide above average training opportunities to our colleagues.
- A more negative impact on SDG4 is partly caused by an average evaluation score of trainings of the Academy that is slightly below our threshold.
- Several partners and colleagues provide academic education alongside their work at PwC.

Natural: environmental sustainability and societal impact are related to our strategic enabler **Sustainable**. We are aware of ESG challenges, how we use and conserve natural resources now and for future generations. We deliver sustained outcomes that have a positive impact on our operations, our colleagues and our services. Our colleagues are trained through the ESG upskilling programme and sustainability is integrated within different layers of the organisation by dedicated ESG teams.

- We contribute to SDG7 through our RE100 commitment together with hundreds of large global ambitious businesses committed to 100% renewable electricity. This means that 100% of our consumed electricity comes from renewable sources.

- The percentage of our suppliers that have science-based targets for emissions reduction, is below our ambitions. This has a negative impact on SDG12.

- We raise awareness about biodiversity and take various steps to realise our ambition of being Net Zero by 2030: such as the use of Environmental Footprint Insight, chairing the Anders Vliegen working group and switching to 100% sustainable aviation fuel. PwC office buildings comply with the 2023 energy-efficiency requirements defined by the Dutch government, although we do need to further reduce our energy use to be Paris Agreement-proof.

- We score partially negatively on SDG13 because of our GHG emissions. To reach our Net Zero commitment, we need to reduce our emissions by 50% in absolute terms by 2030 and to move from carbon offsets to carbon removals for the remaining emissions.

- Through our pro-bono work, we contribute to society by sharing our knowledge and skills with social enterprises. We transition towards larger pro-bono projects in which we can make a lasting impact over a high number of smaller pro-bono projects. We believe in the power of social entrepreneurship because they have the ambition to solve environmental or social issues. That is why we are part of the Buy Social Network.

Manufactured: links to the enabler **Digital**. We have invested in our own digital transformation to enable PwC colleagues to combine human ingenuity with technology to deliver faster, data-driven and better outcomes for our clients. The Tomorrow 2.0 hub enables us to deliver integrated solutions in co-creation with the ecosystem. In addition, we drive our own digital transformation by digitalising our processes and infrastructure. We optimise and continue to develop platforms to share and create digital assets with our Digital Lab and Data Platform. With the implementation of the SAP S/4HANA platform we aim to optimise our Engagement Management and Finance process for the entire organisation.

- We contribute to economic growth through digital innovation (digital assets).

Social: as a **Business partner** we collaborate with stakeholders throughout the ecosystem and contribute to sustained outcomes for society at large. The New Equation strategy focuses on open, cross-competence collaboration. It enables us to gather input from different competencies and different backgrounds so we can have a better understanding of clients' and societal issues and come up with new and unexpected solutions. In co-creation with clients and multidisciplinary teams, we work towards integrated and scalable solutions for their most pressing and complex challenges. We take a leading role in developing and sharing knowledge. We demonstrate values-driven behaviour, share knowledge and create an inclusive environment where innovation and integrated solutions are at the core of what we do. Our Tomorrow 2.0 hub, for example, enabled us to create the integrated 'Inclusion Insights' solution with a community of solvers. This led to a technology-powered inclusion and diversity programme (I&D), which boosts human connections.

- We contribute for the majority positively to SDG16. During stakeholder dialogues, our stakeholders state that we contribute positively to our purpose.
- Our media coverage has increased and is generally favourable.
- Complaints to the Complaints Committee and notifications to the Business Conduct Committee indicate that our colleagues act with integrity and feel comfortable about speaking up for what's right. These indicators have no target and therefore gets neutral scores in this impact measurement.

- We contribute positively to SDG17 through our sponsorships, partnerships and by supporting social enterprises. We are considering extending long-term partnerships with several organisations to have an even larger impact.

Financial: Financial capital is necessary to attract and retain the other types of capital. We are aware of the context in which we live and the uncertainties that influence our financial results such as the COVID-19 pandemic and the war in Ukraine. We continue to invest in quality and innovation of services and technical solutions in order to standardise our way of working.

- Our average yearly revenue per FTE over the past three reporting periods increased and positively impacts SDG8.

In executing our strategy, we focus on five strategic objectives or enablers to help achieve the goals included in The New Equation. The progress we make on the strategic objectives is measured with performance indicators that are reported on in our so-called Integrated Dashboard. This dashboard allows us to monitor and evaluate the full spectrum of our strategic agenda. For the explanation of strategy execution based on the target setting see the different sections in this chapter. For the definitions of our other integrated information we refer to *Definitions*.

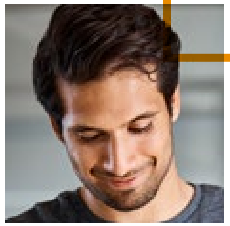
Strategic objective	Capital (IIRC)	Material aspect	Performance indicators	Target 2022/2023	Actual 2021/2022	Target 2021/2022	Actual 2020/2021
Recruit, develop and retain diverse talent (Workforce of the Future)	Human	- Inclusion & diversity - Well-being - Develop talent*	- Overall results People Survey	>70%	73%	>70%	70%
			- People Engagement Index	>80%	86%	>80%	83%
			- Turnover rate top talent (%)	<8.0%	15.2%	<8.0%	12.1%
			- Intake male/female (%)	Equal %	53/48%	Equal %	56/44%
			- Intake Dutch/western migration origin/ non-western migration origin	50/19/31%	53/15/32%	50/19/31%	60/12/28%
			- Intake STEM (%)	25%	8%	25%	12%
			- Women in new partner/director appointments (%)	25/30%	34.8/37.0%	25/30%	30.4/32.1%
			- Non-western in new partner/director appointments (%)	12.5/12.5%	10.0/8.3%	12.5/12.5%	11.8/14.3%
Build high-quality services (Quality)	Intellectual	- Integrity - Quality - (Data) security & privacy - Independence - Fraud - Governance	- Outcomes external quality reviews - Outcomes internal quality reviews	Internal and external reviews: <5% of the reviewed engagements non-compliant/not meeting our standards	3 AFM reviews (1 non-compliant)/ 3 PCAOB reviews (1 non-compliant)/ 19 other reviews (all compliant) 100.0% compliant Audit 100.0% compliant CMAAS and RAS 94.4% meeting standards Tax & Legal 98.9% meeting standards Advisory	Internal and external reviews: <5% of the reviewed engagements non-compliant/not meeting our standards	No AFM reviews/no PCAOB reviews/ other reviews 28 (all compliant) 97.0% compliant Audit 87.5% compliant CMAAS and RAS 96.6% meeting standards Tax & Legal 96.3% meeting standards Advisory
			- % outsourced work to delivery and competence centres (Audit)	Growth	12.2%	Growth	12.6%
			- Training hours per FTE	Stable	107	Stable	108
			- Client satisfaction	> 8.0	8.2	> 8.0	8.1
			- Client recommendation	> 8.0	8.2	> 8.0	8.0

* Develop talent = recruiting, developing and retaining PwC employees

Strategic objective	Capital (IIRC)	Material aspect	Performance indicators	Target 2022/2023	Actual 2021/2022	Target 2021/2022	Actual 2020/2021
Create long-term value (Sustainable)	Natural	- Environmental sustainability - Impact on society	- People involved in CS projects (%)	10%	7.3%	10%	9.7%
			- Environmental impact (tCO_2e) - Reduction GHG emissions (compared to 2018/2019)	A minimum of 36% reduction with 2018/2019 as a baseline year	7,622 62%	Maintain a minimum of 27% reduction with 2018/2019 as a baseline year 100% renewable electricity	2,778 86%
Drive digital transformation (Digital)	Manufactured	- Innovation and digitalisation	- Number of digital acumen badges - Number of digital accelerators	- Growth	1,102 176	Growth Growth	1,095 134
Business partnering (Business partner)	Social	- Acting values driven - Long-term value creation for clients - Knowledge development and sharing - Transparency	- Number of hours Chief Economist Office	Stable	10,180	Stable	10,711

Strategic objective	Capital (IIRC)	Material aspect	Performance indicators	Target 2022/2023	Actual 2021/2022	Target 2021/2022	Actual 2020/2021
Financial results for sustainable investments	Financial	Financial results	- Net revenue PwC NL - Operating profit PwC NL - Average number of FTE	Growth Decrease Growth	€ 931m € 234m 5,132	Growth Decrease Growth	€ 936m* € 203m* 5,252

*Actual 2020/2021 numbers are from the Annual Report of Holding PricewaterhouseCoopers Nederland B.V. over 2020/2021. Due to the *legal restructuring* in 2021/2022, the comparative figures in the pro-forma financial statements differ from these numbers.



Recruit, develop and retain diverse talent

People Survey

	2021/2022	2020/2021
Favourable answers	73%	70%
People Engagement Index	86%	83%

	2021/2022	2020/2021
I would recommend PwC as a great place to work for	87%	81%
I am proud to work at PwC	90%	88%
My personal values align with the values demonstrated at PwC	88%	84%
I feel like I belong at PwC	79%	75%
I enjoy working at PwC	88%	86%

During the period April–May 2022, we conducted our annual Global People Survey. The key measure, the People Engagement Index, increased to 86% positive response, which puts us in the third position in the PwC Network. Our scores increased in almost all themes. The themes 'flexibility & well-being', 'innovation', 'team interaction', 'the quality behaviour index' and the values: 'make a difference', 'reimagine the possible' and 'work together' have all increased significantly (delta > 5% compared to GPS score 2021).

People Engagement Index by gender and origin

	2021/2022	2020/2021
Male	87%	83%
Female	87%	83%
Dutch origin	89%	86%
Western migration origin	85%	78%
Non-western migration origin	86%	83%

On the inclusion & diversity theme, we see that scores have increased for both gender and cultural background and we see that the gap for western migration origin has significantly decreased. We continue to strive for an inclusive culture in which the work experience is equal regardless of cultural background.

In the coming period, we will ask our leaders and employees to study the GPS results. Based on the results, we will work together on follow-up actions to address outcomes we can do better at and learn from.

Sick leave

	2021/2022	2020/2021
Sick leave	4.7%	3.9%
Long-term sickness absence	3.3%	2.9%

This year, sick leave remained higher compared to previous years. Of course due to the impact of COVID-19, but we also notice more long-term absence. Our younger colleagues especially struggle to find a balance between work and private life. In order to help them in finding this balance, we introduced the appointment-free afternoon, allowing employees to catch up on work and/or emails, and we increased the application of the flexitime rule, which allows our colleagues to better distribute their working hours over a period of one month.

They want more flexibility and autonomy when it comes to their own daily schedule and the choice of work.

We also increased the capacity of our Case Managers to help structure our approach to sick leave. Together with our provider ArboUnie, we have initiated recover paths, through which a multidisciplinary team is appointed to assure all the necessary knowledge is gathered to provide a personalised, effective and result-driven approach when potential long-term sickness arises. These measures are aimed at maximising prevention of long-term sickness.

Apart from that, we also increased the well-being budget and expanded the range of the budget by including smartwatches and activity trackers and sporting equipment and we continued to focus on well-being through the monthly themes, like 'nutrition', 'hybrid working' and the workshop 'Tiny Habits' by Mark Tigchelaar.

In the last quarter of 2021/2022, we have seen a first significant decrease in sick leave after seven quarters of steady increases.

Turnover

	2021/2022	2020/2021
Overall turnover	17.9%	14.1%
Percentage turnover top talent	15.2%	12.1%

Throughout the year, we have seen turnover developing at a higher pace compared to previous years. Due to the impact of COVID-19 (working from home decreased the feeling of connection to our firm), and as a result of the hot labour market outside PwC. We therefore launched short-term interventions focussing on both retention and recruitment. The main interventions taken were an increase of the social event budget for teams, the introduction of a yearly additional promotion round, an increase of the well-being budget, the assignment of an appointment-free afternoon and we boosted the 'introduce a friend' programme.

A personal note from our chair

PwC in the Netherlands

Report of the Board of Management
What's happening around us
What stakeholders expect from us
How this affects society, our clients and PwC
Executing our strategy and adding value
Financial results for sustainable investments
Five-year summary of financial and operational performance
Corporate Governance
Risk Management
Status of legal proceedings
Statement by the Board of Management

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Appendices

Also, we have launched our employer branding campaign, which is focused on PwC being a community of solvers and where being diverse is considered an asset.

As a long-term intervention, we have made the first step in changing our salary policy. From the Reward Preference Survey, conducted in cooperation with our colleagues from Tax P&O, we learned that the higher someone's management level, the higher the preference for a bonus. Whilst in reverse we learned preferences decreased even to a negative point. Therefore, we decided to convert (part of) the variabel pay into fixed pay. Introducing higher (financial) security for our starting management levels, whilst retaining the positive of variable pay for our more senior management levels.

Intake

	2021/2022	2020/2021
Male	52.5%	55.8%
Female	47.5%	44.2%
Dutch origin	52.5%	59.7%
Western migration origin	15.1%	12.1%
Non-western migration origin	32.4%	28.2%

* Registration of ethnicity is voluntary and about 87.5% of our colleagues and 86.1% of our new joiners have done so.
* Registration of gender is voluntary and about 99,8% of our colleagues.

We continue our efforts regarding the yearly effort obligation for gender and cultural intake and promotion, in order to realise the intake goals.

Gender diversity per job level

2021/2022	Ambition headcount 2030	Yearly target hires	Yearly target promotions	Female 2021/2022	Female 2020/2021	Male 2021/2022	Male 2020/2021
Partner/ director	30/35%	40%	25/30%/ equal ratio	21.6%	19.9%	78.4%	80.1%
Senior manager	45%	50%	Equal ratio	34.2%	32.5%	65.8%	67.5%
Manager	50%	50%	Equal ratio	43.5%	40.7%	56.5%	59.3%
Senior consultant	50%	50%	Equal ratio	41.5%	43.4%	58.5%	56.6%
Consultant	50%	50%	Not applicable	43.3%	43.2%	56.7%	56.8%
Office staff	Not available	Not available	Not available	67.8%	67.1%	32.2%	32.9%

2021/2022 2020/2021

100 80 60 40 20 0 20 40 60 80 100

Cultural diversity per job level

	Year	Dutch	Western migration origin	Non-western migration origin
Partner/director	2021/2022	84.3%	10.6%	5.1%
	2020/2021	85.4%	10.5%	4.1%
Senior manager	2021/2022	70.2%	16.1%	13.7%
	2020/2021	72.6%	16.3%	11.1%
Manager	2021/2022	61.5%	14.8%	23.7%
	2020/2021	63.9%	16.1%	20.0%
Senior consultant	2021/2022	57.2%	10.2%	32.6%
	2020/2021	61.3%	11.2%	27.5%
Consultant	2021/2022	61.5%	11.4%	27.1%
	2020/2021	61.7%	9.7%	28.6%
Office staff	2021/2022	74.3%	11.4%	14.3%
	2020/2021	75.1%	10.2%	14.7%

0 10 20 30 40 50 60 70 80 90 100

2021/2022 Dutch Western migration origin Non-western migration origin
2020/2021 Dutch Western migration origin Non-western migration origin

Gender ratio

In 2018/2019, we set the ambition to realise a gender ratio at partner/director level in our firm by 2030 of at least 30% female and male partners and 35% female and male directors.

Ratio female/male	2021/2022	2020/2021
Partner/director	21.6/78.4%	19.9/80.1%
Total staff	45.0/55.0%	44.3/55.7%

We are currently in the process of analysing our progress in meeting our 2030 ambition for gender diversity, both quantitatively and qualitatively. That analysis will lead to complementary actions where necessary.

Cultural ratio

In 2018/2019, we set the ambition to realise a ratio of 15% non-western origin at partner/director level in 2030.

Ratio Dutch/western/non-western migration origin	2021/2022	2020/2021
Partner/director	84.3/10.6/5.1%	85.4/10.5/4.1%
Total staff	66.1/11.9/22.0%	68.0/11.8/20.2%

Promotions

	2021/2022	2020/2021
Male	18.6%	19.3%
Female	18.4%	17.6%
Dutch origin	18.9%	18.7%
Western migration origin	18.0%	17.7%
Non-western migration origin	17.8%	20.5%

* Registration of ethnicity is voluntary and about 87.5% of our colleagues and 86.1% of our new joiners have done so.
* Registration of gender is voluntary and about 99,8% of our colleagues.
* This includes the promotions related to the additional promotion round, which was introduced as of 1 April 2022.

Turnover

	2021/2022	2020/2021
Male	18.8%	14.7%
Female	16.7%	13.2%
Dutch origin	16.1%	12.7%
Western migration origin	25.9%	17.8%
Non-western migration origin	21.7%	17.9%

* Registration of ethnicity is voluntary and about 87.5% of our colleagues and 86.1% of our new joiners have done so.
* Registration of gender is voluntary and about 99,8% of our colleagues.

% STEM intake

	2021/2022	2020/2021
% STEM intake	8%	12%

We have the ambition to become more digital enabled. Therefore, we recruit colleagues with a background in science, technology, engineering and mathematics (STEM). The decrease in the STEM intake is caused by the scarcity in the labour market and that we have more accurate information available to label a colleague as someone with a STEM background. At the same time, we have been working hard on the digital upskilling of our staff, which has helped us make progress towards our ambition.

Our annual analysis confirms equal pay

A key indicator of an inclusive culture is the extent of people receiving equal pay for equal work. Last year, we committed ourselves to the external and independent certification process conducted by the Swiss Equal Salary Foundation on gender. The EQUAL-SALARY certification allows organisations to verify and communicate that they pay women and men fairly. It is a practical and scientific solution to achieve transparency, while preserving confidentiality.

We obtained the certification last year and retained it this year, which means that we are officially certified by the Equal Salary Foundation. The certification is valid for three years. During this period, we need to undergo two monitoring reviews, to show our ongoing commitment to a fair and non-discriminatory wage policy. We obtained the certification last year and at the time of finalising this Annual Report we are in the process of one of the monitoring reviews in order to retain the certification.

In addition to the external analysis, we also internally analysed salaries and bonuses paid to all people, including partners and support staff, over the last four years. Equality is important to us and in line with SDG10. This analysis was conducted for both gender and cultural background. We are using the PwC Global reporting guidelines for this analysis.

Our conclusion from the internal analysis is that the average pay difference between male and female colleagues is 2.0% in favour of male colleagues. For colleagues with a Dutch origin the average pay difference is 2.9% in comparison to people with a western migration origin and 3.5% for colleagues with a non-western migration origin. In both cases, the differences are in favour of colleagues with a Dutch origin. When we look at the bonuses, we found that the average pay difference between male and female colleagues is 3.4% in favour of male colleagues. For colleagues of Dutch origin versus colleagues with a western migration origin the average difference is 2.5%, and for Dutch origin versus non-western origin, this average difference is 4.6%. In both cases, the differences are in favour of colleagues with a Dutch origin.

The identified differences fall within a range of 5% which we consider acceptable (given calculation limitations including seniority differences within job levels), on job level there are some larger differences. We continue to analyse the current gaps in order to understand the root cause of these differences, allowing us to improve policies where necessary.

Our inclusion & diversity policy and programmes
Our inclusion & diversity policy focuses on establishing an inclusive workforce where differences are valued. This policy is supported by an extensive inclusion & diversity programme, which includes raising awareness, leadership engagement, inclusive systems and training/ coaching trajectories.

The following initiatives were introduced in 2021/2022:

Inclusive employee benefits
- Parenthood: existing leave regulations also apply explicitly to all employees who are part of multi-parent families – various family forms are conceivable – taking care of a child other than by means of legal parenthood.
- Special birth leave: employees can receive special birth leave if they take a new-born child into their family within six weeks after birth, and for which their family will provide full care. These colleagues have the opportunity to take up to four weeks paid leave in the first 26 weeks after the birth of the child or entry into the family. In addition to the adoption leave, this means that an employee in these cases will also be entitled to ten weeks of leave, like maternity leave.
- Transition leave for trans persons: we have a leave scheme for trans persons during absence as a result of going into transition. In total, paid leave can be taken for a maximum of 24 weeks during a period of 10 years without the need to call in sick.

Leadership engagement
- I&D platform: we have set up an I&D platform to enhance engagement from our senior leaders in our journey towards an inclusive culture. The I&D platform brings together multiple perspectives (senior leadership, role models, networks) to co-create and accelerate execution of I&D initiatives.

Raising awareness
- I&D vlogs: as a follow-up to the dialogue sessions, we initiated a series of vlogs centred around the topic of inclusion. The objective of these vlogs is to have an ongoing conversation on our daily human interactions: how do we connect with ourselves, with each other, with our clients and the society which we operate in?

Intake, promotion, and turnover
- Measuring and monitoring: we have set new targets on intake, promotions and turnover for female colleagues and colleagues with a migration background on all function levels. We are monitoring progress and analysing the causes when targets are not met.

Training
- Inclusive Mindset Knowledge Badge: learner pathway to become more aware of your biases, have a more inclusive mindset, and enable better inclusive decision-making.

Thought leadership and connection with society
- Diamant award: PwC has been awarded the "Diamond Award" by Talent naar de Top, an organisation which strives for greater inclusion in senior positions in Dutch organisations. The Diamond award is awarded to organisations who stand out because of their efforts in inclusion & diversity. PwC is considered a thought leader in inclusion & diversity, who is eager to share its learnings with society.

Initiatives that were continued within 2021/2022 include Inclusion & Diversity Day, five networks (Women NL, SHINE, Ability, Connected Cultures, YoungPwC), dialogue sessions, third-party observance in the evaluation process, sponsoring female talent and talent with a migration background, female leadership programmes, mentoring programmes and traineeships for status holders (Seeds of PwC).

Build high-quality service

Internal Engagement Compliance Reviews

	2021/2022	2020/2021
Audit: compliant/non-compliant	43/0	32/1
CMAAS/RAS: compliant/non-compliant	12/0	7/1
Tax & Legal: conform standards/ not meeting standards	133/8	144/5
Advisory: conform standards/ not meeting standards	89/1	77/3

*Compliant/non-compliant related to our Global PwC Network Standards.

External reviews

	2021/2022	2020/2021
AFM: compliant/non-compliant	2/1	0/0
PCAOB: compliant/non-compliant	2/1	0/0
Other: compliant/non-compliant	19/0	28/0

Testing internal engagement compliance and external reviews

An important test of the quality of our service delivery is the internal Engagement Compliance Review (ECR) process. Its goal is to assess the compliance with our standards for completed and ongoing engagements and identify areas for improvement, as we expect to deliver high-quality outcomes. The number of ECRs was lower in the previous year due to fewer intended partner/director appointments in Assurance, since (compliant) ECRs are a precondition for promotion.

Last year, the AFM also conducted a review into our internal supervision (the role of our Supervisory Board), our internal quality review (ECR) and three audit files which had an ECR review. We received the final reports at the end of 2021. Out of the three files reviewed by the AFM, two were rated as compliant and one file as non-compliant. This file was considered compliant in our own ECR process. We have performed a root cause analysis to identify learnings.

Furthermore, the PCAOB reviewed three files during FY22. Two files were compliant and in one file the PCAOB has identified a single deficiency in the ICFR audit. The PCAOB did not identify any deficiencies that were considered to be a criticism of, or potential defect in, the firm's system of quality control.

In the context of their regular oversight tasks, various organisations have reviewed assurance or assurance-related engagements in the non-legal audit domain. A total of 19 external reviews were completed, amongst others five of which by the Central Audit Service (Auditdienst Rijk, ADR), six by the Dutch Healthcare Authority (Nederlandse Zorgautoriteit, NZa), four by the Inspectorate of Education (Inspectie van het Onderwijs), and three by the Dutch Accreditation Council (Raad voor Accreditatie, RvA). All reviews are rated satisfactory, but a few of them received comments. The different reviews relate to financial statement audits, grant statements, specific statements, non-audit assurance engagements and ISO certifications.

Percentage of work outsourced to Audit Support

	2021/2022	2020/2021
Percentage of work outsourced	12.2%	12.6%

Standardisation of work is a key focus for Assurance that may also lead to further improvement of quality of our audits. It also creates opportunities for further automation of our work. Routine and standardised activities, with limited judgement, are outsourced to our delivery centres in the Netherlands and abroad (for example in Poland and South Africa). Specific standardised activities for various industries are performed by our colleagues in our centres of excellence.

Delivery centres perform more routine based work such as quality checks on the financial statements or audit procedures on less complex financial statement line items, such as cash and accounts receivable.

Our centres of excellence support and delivery centres add value to audit engagement teams in some particular areas of focus such as specialised skill or discipline. In a centre of excellence, professionals specialise in specific activities for an industry (Financial Services, Public Services) or discipline (Project management, Controls Testing). The percentage of outsourced activities to our delivery centres and centres of excellence has remained relatively stable in 2021/2022 compared to previous year. Our ambition for the coming years is to further develop our sourcing activities including new delivery models towards 20%.

Training hours

	2021/2022	2020/2021
Average per FTE	107	108
Total training hours	548,311	566,511

	2021/2022	Average training hours per FTE
Female	220,717	99
Male	321,007	111
Partner	13,778	49
Director	15,370	55
Senior manager	34,972	70
Manager	58,875	84
Senior consultant	181,376	130
Consultant	219,433	234
Other staff	24,507	24

The total training hours male/female deviate from total training hours due to the category not declared gender.

Our professionals spent nearly the same amount of time on L&D activities this year compared to 2020/2021.

By designing and delivering learning content aimed at developing the human skills, digital skills and ESG skills of our staff, L&D contributes to the skills needed for building trust and delivering sustained outcomes for our clients. In addition, being able to bring learners together again in a live setting for part of our curriculum, in particular for our new joiners, is expected to have contributed positively to the level of connection (and trust) experienced by our professionals, which should, in turn, positively influence their way of working together.

Until mid-March 2022, our entire training curriculum was offered in a virtual format. As of mid-March 2022, part of the curriculum went back to a live setting again, in particular for programmes contributing to a sense of belonging to PwC and connection with peers (onboarding, traineeships and leadership programmes in particular) and/or that involved strong elements of experiential learning (soft skills programmes mostly). This meant that many programmes were redesigned to allow for a new mixture between virtual and live elements.

The development of leadership capability (and human skills) was strengthened in 2021/2022 with the launch of the Inclusive Mindset badge and with the development of a new version of the leadership programme 'Altitude' for our Senior Associates, on a PwC Europe level. Our junior professionals in Tax received a new onboarding learning experience. Finally, the overall awareness and knowledge of ESG of our colleagues was increased via the design and delivery of Business Unit-based training sessions, in addition to a firmwide e-learning and the ESG deep skilling for partners.

We continued our efforts in other upskilling areas with, amongst others, the roll-out of the fifth and sixth Digital Accelerator Lift Off event, a post-lift off digital upskilling programme including elements around leading change, and the continued roll-out of the career coach upskilling programme.

Access to learning (knowing what is available and where to find it) and time for learning (having room in the agenda to develop oneself) remain key challenges for L&D and will be focus areas in 2022/2023, in addition to a focus on broader leadership development. In addition, the role of leaders as accelerators for learning and the role of technology in a post-COVID-19 learning environment – with increased opportunities for virtual, live, blended learning as well as on-the-job learning – stay top of mind.

Independence testing

	2021/2022	2020/2021
Sample of tested partners and staff	288	503
Exceptions (%)	11.5%	7.8%
Sanctions	33 (28 financial sanctions, 5 written warnings)	39 (32 financial sanctions, 7 written warnings)

Sanctions in case of violation of independence requirements are dealt with by the Independence Sanction Committee, that submits its proposals to the Board of Management.

In 2020/2021 we performed an extra sample test on a monthly basis to raise awareness of independence requirements and achieved a decrease in the number of exceptions. Based on the results over 2020/2021, it was decided to discontinue that extra sample test for 2021/2022 and bring the sample test in line with 2019/2020 (271 samples tested).

There continues to be a lot of attention for the subject of personal independence, with support for the practice in general and around digitisation of our services specifically, through training, guidance and frequent communications. No serious independence violations resulting from the personal independence testing occurred this year.

In 2021/2022, through our personal independence and compliance testing, we have identified 33 exceptions. Of the 33 exceptions there were no exceptions in breach with the external independence regulations, two exceptions were in breach with our internal independence regulations and did not cause any compromise to the independence of our audit teams to our audit clients. The remainder involved exceptions in administrative maintenance for permitted changes to personal investment portfolios (e.g. administering changes too late). Through our accountability assessment, 28 persons were financially sanctioned and five received a written warning. This distinction between a financial sanction and warning, and the level of the financial sanction itself was based on the severity of the identified exceptions and taken in line with our accountability framework.

To further enhance our independence processes and systems relating to personal independence, we have focused on and will continue to focus on, amongst others:
- Coaching on personal independence regulations, for example our new hires and promotion candidates.
- Providing training to all new managers on personal independence and the maintenance in our portfolio maintenance systems.
- Adoption of a total exceptions approach in tracking and reporting independence breaches and exceptions.
- New software to assist in compliance with the independence regulations.

Fraud and corruption

Fraud panel consultations identified during performance of our Assurance engagements

	2021/2022	2020/2021
Number of fraud panel consultations	71	69

The number of new consultations in case of suspicion of fraud or actual fraud at our clients decreased in the last two years compared to earlier years. In this period, the number has been stable, but not in comparison with the level of consultations prior to the pandemic. We even expected the number to increase based on working from home, which is assumed to be a vulnerability.

Our internal process on potential fraud and corruption within the firm
PwC NL performs an internal risk analysis each year, identifying various scenarios for potential fraud and corruption, planning actions, and implementing and testing relevant controls to mitigate risks identified. One of the elements of these controls is a mandatory training for our partners and staff. This training consists of two e-learnings: one on combatting corruption and money laundering, and one on the provisions of the Anti-Money Laundering and Anti-Terrorist Financing Act (in Dutch: Wwft) for professionals such as auditors and tax advisors. The target group for the 'Combatting Corruption and Money Laundering' training consists of 4,914 colleagues (compliance rate: 98.6%). The target group for the Wwft training consists of 3,642 professionals (compliance rate: 98.2%). Next to that, we rolled out an Annual Compliance update training, covering a variety of risk-related topics (target group 4,413, compliance rate: 97.2%).

We have not seen any incidents of corruption at or related to PwC NL in 2021/2022.

Incidents to report

Incidents reported to the AFM

	2021/2022	2020/2021
Number of incidents reported to the AFM	2	0

In 2021/2022, two incidents were reported to the AFM. One incident related to a prohibited tax advisory service (with a fee value less than 0.05% of PwC's audit fees for the consolidated financial statements 2022) provided by a foreign member of the PwC Network to a foreign subsidiary of a Dutch OOB audit client. This incident report was closed at the end of 2021/2022 by the AFM without enforcement.

The other incident reported to the AFM by the end of 2021/2022 related to a prohibited tax compliance service with regard to fiscal years 2018 and 2019 (with a fee value less than 0.0002% of PwC's worldwide audit fees for the consolidated financial statements 2021) provided to a Dutch subsidiary of a Dutch OOB audit client. The internal investigation and reporting on that to the AFM is planned to be completed early 2022/2023.

Other incidents
This year, we had two breaches (2020/2021: 0 breaches) that required notification to the Dutch Data Protection Authority under the GDPR (General Data Protection Regulation). We received no complaints from our clients regarding data privacy.

On 31 August 2021 the Netherlands Public Prosecution Service published a transaction of € 300,000 with PricewaterhouseCoopers Belastingadviseurs N.V., in relation to information delivered to the Dutch Tax and Customs Administration regarding a tax declaration of a client of PwC Tax & Legal. The Dutch Tax and Customs Administration had filed disciplinary procedures against the two professionals involved, which complaints were rejected.

Network of confidential counsellors

	2021/2022	2020/2021
Consultations with confidential counsellors	57	45
Complaints filed to the Complaints Committee	0	3
Notifications to the Business Conduct Committee	3	3

Sanctions in case of unacceptable behaviour are dealt with by the Complaints Committee and the Business Conduct Committee, on the basis of the Code of Conduct.

The decrease in 2020/2021 in the number of consultations with our confidential counsellors compared to 2019/2020 appears to be related to working from home due to the COVID-19 crisis as we see the numbers increase compared to the pre-COVID-19 levels now we are returning to the office and are again organising social events. Continuous encouragement of the 'speak up, listen up, and follow-up' culture through internal campaigns and e-learnings, but also by engaging in conversations remains important to keep the subject high on everyone's agenda.

Over 2021/2022, there were six consultations with the confidential counsellors regarding discrimination. These consultations have been followed up by the confidential counsellors.

This fiscal year, a former employee filed a complaint regarding discrimination on the grounds of religion with the Netherlands Institute for Human Rights. This Institute rejected the complaint and decided in favour of PwC.
A safe and respectful work environment (without discrimination) and commitment to values and ethical behaviour are part of our Code of Conduct multi-year plan and risk assessment.

The Ethics & Business Conduct Platform launched in the previous year was operational and met six times to discuss, analyse and pursue Code of Conduct (see page 132) subjects across a wider scope of functional areas within the firm.

Society's expectations focus on 'transparency, integrity, independence and respect', which we have deeply integrated into our purpose and values. Our behavioural aspects are also covered in our values and Code of Conduct. The Code of Conduct sets out what we stand for and what is expected of us. In practice, this means that we expect every PwC person to act with integrity, dignity, honesty and respect.

Compliance with the *Code of Conduct* is not voluntary. It is an integral part of the contract of employment signed by all partners and staff, and our colleagues are expected to do mandatory training courses on the code: one on the code itself and one on the (prevention of) insider trading. 98.0% of our colleagues have followed both training courses. Non-compliance with the code may have serious consequences.

Client feedback results

Client satisfaction score		Recommendation	
2021/2022	2020/2021	2021/2022	2020/2021
8.2	8.1	8.2	8.0

	2021/2022	2020/2021
Number of client surveys	408	473
Number of conversations	206	219
Total	**614**	**692**

Client feedback is at the heart of The New Equation. By asking impactful questions, listening actively and being open and responding to feedback from our clients, we aim to build long-term trusted relationships. Through the feedback of our clients, we continuously improve our services and the client experience.

This year, we conducted and captured insights from 206 feedback conversations and 408 feedback surveys. We have pivoted many of our conversations from being mainly focused on assessing the quality of our work, towards meaningful dialogues about how we deliver on our brand promise and how we can enhance the client's experience. We have increased the quality of the captured feedback through the introduction of new surveys and by being more consistent in how we ask and process feedback from conversations. As a result, the insights have become more actionable, allowing us to improve our services and close the feedback loop with our clients.

However, there is significant room for improvement, since we did not capture feedback from a large part of our clients. Compared to 2020/2021, we have seen a decrease in feedback interactions by 11%. We need to be bold and consistent in making client feedback an integral part of our way of working and make it a priority to capture client feedback insights through our dedicated systems.

From our conversations and surveys, we learned that our clients are generally satisfied with our services, providing us with an 8.2 overall client satisfaction score (compared to 8.1 in 2020/2021). Our clients value the way we build and maintain relationships, our clear way of communicating, the quality of our work and the expertise of our colleagues. Our clients challenge us to be more proactive in sharing insights and to increase our impact through new and innovative solutions, transfer of knowledge to their organisation and by ensuring alignment and consistency across teams and ways of working.

Next year, we will continue our efforts to empower our colleagues to drive purposeful feedback interactions with our clients. We will do so by working with the Lines of Service to further embed feedback processes in our ways of working, educating our colleagues on how to drive value from feedback and by actively sharing client insights across the firm. In addition, we will prepare for the implementation of a new global client feedback solution, which will harmonise our feedback processes across the PwC Network and will be fully integrated in our CRM system.

Create long-term value

Investment sustainability measures

	2021/2022	2020/2021
Minimum spend	€ 0.3 million	€ 2.0 million
Investment actual	€ 1.5 million	€ 2.3 million
Minimum spend next year	€ 0.8 million	€ 0.3 million

Since 2017/2018, we have been monetising our CO_2 emissions as a next step in taking responsibility for protecting our environment. In calculating the cost of our carbon footprint, we apply a rate of € 100 per tonne of CO_2. We use this money to take measures to reduce our negative environmental impact and to invest in sustainable innovations and carbon offset programmes.

Due to COVID-19, our carbon emissions remained low in 2021/2022, which has led to a strongly reduced monetisation budget for the fiscal year 2022/2023, a total of € 0.8 million. This is the minimum spend ambition to take our responsibility. Our 2022/2023 budget is higher, based on our Net Zero action plan.

In 2021/2022, we invested over € 1.5 million to stay in line with our Net Zero ambition. We invested in the continued development of Environmental Footprint Insights, a tool designed to inform our employees about their environmental performance, launched in September 2021. We also invested in solar panels, biodynamic LED lighting, circular interior and various biodiversity projects.

For an extensive overview of all measures taken, we refer to pages 139-140.

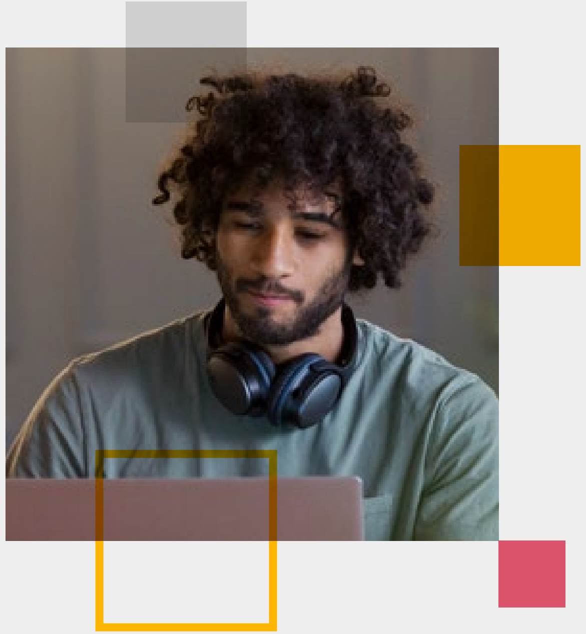
PwC Network commitment – Net Zero by 2030

In September 2020, PwC made the worldwide science-based commitment to achieve Net Zero greenhouse gas (GHG) emissions by 2030. PwC is committed to decarbonising its operations, including its travel footprint, and neutralising its remaining climate impact by investing in carbon removal projects. We will also engage with our suppliers to help them address their climate impact.

In July 2021, our targets were independently validated by the Science-Based Targets initiative (SBTi). SBTi's validation affirms PwC's approach and timeline to achieve its Net Zero 2030 commitment. We report in accordance with GHG protocol of the World Resources Institute (WRI) and in line with the criteria and recommendations of the SBTi to stay below 1.5°C emissions scenarios, the preferred goal of the Paris Agreement.

To meet PwC Global reporting and the SBTi scoping requirements, we have added rental vehicles and taxis under our scope 3 reporting as of fiscal year 2021/2022 and have included these emissions in our yearly reporting with retrospective effect going back until 2018/2019. Additionally, we have included our Supplier Engagement target for 50% of our suppliers to have science-based targets by 2025. In addition to the PwC Global scope 3 requirements, in the Netherlands we also report our commute kilometres, purchased goods and services and capital goods. For detailed definitions please refer to *Appendix Definitions other integrated information*.

With our shared targets and aligned scoping and definitions, we feel confident that we can achieve our Net Zero ambition.



Our environmental impact

PwC has committed to have Net Zero emissions by 2030.
As part of this commitment, we monitor our GHG emissions.

By GHG emissions we mean the greenhouse gases described in the Greenhouse Gas Protocol (GHG Protocol) expressed in CO_2 equivalents. These include CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. The GHG Protocol is the international standard for reporting greenhouse gases. Where available, we use conversion factors published by national authorities and our direct suppliers. Additionally, we use the DEFRA conversion factors and the Global Warming Potential published by the IPCC in the 4th Assessment Report. In the report, the emissions are categorised into three scopes:

Scope 1: Direct emissions from owned/controlled operations
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling
Scope 3: Upstream emissions

To realise our Net Zero commitment, we also set intermediate targets:

2021-2024: Maintain 25% reduction of pre-COVID-19 motorised mobility. **Achieved in fiscal year 2021/2022**
2021/2022: 100% renewable electricity. **Achieved in fiscal year 2021/2022**
2023/2024: 40% emission reduction
2024/2025: Zero waste and a fossil-free carfleet
2024/2025: 30% less motorised mobility (50% less in 2030)
2024/2025: 50% science-based targets coverage with suppliers

Please refer to *Appendix Definitions other integrated information*.

Please refer to pages 139-140 for an extensive overview of all measures we have taken this last year.

Sum of tCO_2e

		2021/2022	2020/2021
Scope 1	Total GHG emissions scope 1	**1,062**	**1,094**
	Natural gas combustion in buildings	0	569
	Lease cars – fossil fuel***	995	525
	Biogas	67	0
Scope 2	Total GHG emissions scope 2	**321**	**273**
	Total purchased electricity (excl. renewable)	0	0
	Purchased non-renewable heat	87	57
	Purchased renewable heat	197	186
	Lease cars – electricity usage***	37	30
Scope 3	Total GHG emissions scope 3	**6,239**	**1,411**
	Purchased goods and services	103	102
	Capital goods	3,730	918
	Waste generated in operations	132	76
	Business travel – air	1,362	41
	Business travel – car***/****	739	267
	Business travel – public transport***	22	7
	Employee commuting*/***	151	0
Total GHG emissions of PwC NL		**7,622**	**2,778**
Additional reduction measures			
	Biokerosene purchases for air travel**	-320	-32

* Based on travel allowance by employees not entitled to lease car; all other commute kilometres are included in scope 1, 2 and 3.
** Last two quarters of the fiscal year 2021/2022 are based on adjusted calculations, due to data availability issues caused by a new system implementation. More details on all definitions on pages 139-140 and *Appendix Definitions other integrated information*.
*** For the first time including emissions generated from the use of taxis and rental vehicles with retrospective effect starting from 2018/2019.
**** We purchase renewable electricity for 100% of our electricity usage and report our emissions according to the market-based approach. Our location-based emissions from the electricity usage are 3,257 tCO_2e.

Other environmental KPIs

In addition to our GHG protocol, we have defined several KPIs to monitor our environmental performance.

KPI	Unit	2021/2022	2020/2021
Energy efficiency	kWh/m^2	159	166
Renewable energy use	%	93%	72%
Renewable electricity use*	%	100%	100%
Renewable electricity generation	%	0%	0%
Motorised mobility compared to base year 2018/2019**	%	-66%	-89%
Total GHG emissions intensity ratio	tCO_2e/FTE	1.49	0.53
Environmental spend***	%	500%	113%
Carbon reduction compared to base year 2018/2019	%	62%	86%
Carbon offsetting (including carbon removals)	%	100%	100%
Carbon removal offsetting	%	30%	10%
50% science-based targets coverage with suppliers	%	16%	3%

* Definition according to RE100 requirements. The 100% renewable electricity target has been achieved.
** Our mobility remained well below 25% compared to our base year 2018/2019 as stated in our targets.
*** Our environmental spend is compared to last year's carbon emissions (€ 100/ tCO_2e), which was especially low due to COVID-19, more details on page 54.

Please refer to *Appendix Definitions other integrated information*.

An overview of our Corporate Sustainability investments

	2021/2022	2020/2021
Beneficiaries reached through our community programme work	1,219	502
Number of people involved (% of people involved)	431 (7.3%)	567 (9.7%)
# of hours of Corporate Sustainability pro-bono activities*	8,621	14,239
# of hours of Corporate Sustainability activities	35,725	43,864
Monetary value of our Corporate Sustainability programme	2,427,197	2,720,000

* Only includes hours directly related to our community programme, 2020/2021 figures are restated accordingly.

Through our pro-bono work we supported a total of 1,219 beneficiaries.

Part of our pro-bono work is for Social Enterprises: we worked together with 49 social enterprises and continued/renewed our partnerships with Social Enterprise NL, Code Sociaal Ondernemen, Johan Cruyff Foundation and Leergang Sociaal Ondernemen Universiteit Utrecht. Since 2012, PwC has been using its knowledge and expertise for social entrepreneurs to help increase their impact. For example, members of Social Enterprise NL can obtain free advice from PwC. In the past nine years, PwC has helped more than 400 social enterprises through this partnership. In addition, we can create a societal impact with our buying behaviour. That is why we continue to be a partner of the Buy Social Network.

In order to integrate the pro-bono work further with our core business, we started an initiative to align the pro-bono work with our five market themes. We will continue and intensify this initiative in the coming year.

Drive digital transformation

Our digital accelerator programme is a strong enabler of our digital transformation and we are proud to have launched six cohorts since 2019, with more than 175 digital accelerators in place that are going through an extensive training programme and are acting as champions in driving digital change within their teams and business units. The value of these technological frontrunners is high in today's labour market and retention is a permanent point of attention.

	2021/2022	2020/2021
Number of digital accelerators	176	134
Number of digital acumen badges	1,102	1,095
Number of Digital Lab users	460	620
Number of digital assets in Digital Lab	106	72

Other activities include the optimisation and further development of the platforms that we use for sharing and creating digital assets and working with (client) data, i.e. our Digital Lab and Data Platform, respectively. We have added many functionalities and made the platforms more user-friendly. We have also started embedding our Digital Lab into our core applications. Providing immediate access to relevant digital assets saves time and encourages everyone to work digitally.

Business partnering

Integrated service delivery

	2021/2022	2020/2021
Integrated service delivery	40%	40%

This percentage tells us about the extent to which our Lines of Service collaborate. Expressed as a percentage of our turnover. This year, 40% of our revenue was generated from engagements with each Line of Service involved, which is similar to last year.

Thought leadership

	2021/2022	2020/2021
Number of hours dedicated to Chief Economist Office	10,180	10,711

Our Chief Economist Office develops thought leadership on a variety of current issues of social importance that often directly influence the strategic agendas of governments, companies and organisations.

Last year, 16 publications were developed. Topics included the Future of Work (publications about the value of a strong global culture, labour market scenarios, and return on employee experience), ESG (publications concerning the nitrogen problem and the influence of ESG on capitalism), Risk & Regulation (a publication was issued regarding responding proactively to new regulations, and a publication on DORA), Value Creation (a publication was made on creating value through converging industries) as well as several publications about the economy, the coalition agreement and government plans.

Just as in previous years, publications were also issued related to annual events, such as Prinsjesdag (on ESG and the Dutch economy) and perspectives from Dutch respondents of the global annual CEO Survey.

With this research, the publications and communication of insights, we contribute to the public debate, to knowledge sharing and aim for recognition by the market and our clients as a thought leader, as well as enabling our own employees to pass on our vision to our clients.

Note: Besides these publications, the Chief Economist Office was also involved in conducting research for internal purposes. For example, market research focused on strategic growth areas, as well as research focused on the impact of the war in Ukraine.

Jan Willem Velthuijsen, Chief Economist, PwC Europe

Financial results for sustainable investments

Financial overview

Solid results for most of our services
The level of uncertainty related to the COVID-19 pandemic further decreased and the impact of the war in Ukraine has remained limited. The economy has been still strong with a growing demand for our services. However, due to less pass-through revenues, the sale of our Global Mobility business and capacity constraints, reported net revenue of our Lines of Service marginally decreased to € 931.0 million (2020/2021: € 936.3 million).

Ongoing investment in digitisation of services
All Lines of Service invested in technology. These investments are in part aimed at the effectiveness and efficiency of our processes and service delivery, such as the standardisation and automation of tasks, primarily in Tax & Legal and Assurance. A larger proportion of our technology investments is focused on developing digital solutions, technical capabilities, data, the cloud and cybersecurity.

	2021/2022	2020/2021
Investments as a % of revenue	5%	4%

The investments support the PwC's growth agenda and include investments in technology, innovation and our way of working.

We further invested in cloud-based systems to standardise our way of working
We have continued to invest at a global and PwC Europe level in cloud-based systems that standardise our operational processes and simplify data access, independent of place and time. After implementing the new HR system (Workday) and a worldwide customer relationship management system (Salesforce), last year we implemented a worldwide cloud-based client engagement management and financial information system (centred around SAP S/4HANA).

Hours spent on clients/hours spent on firm, innovation, CR	2021/2022	2020/2021
Percentage (billable) client hours versus hours non-billable of working hours	61%/39%	60%/40%

Advisory

Shift to own staff and improved utilization drive higher profitability
The revenue of Advisory increased by 1% compared to the previous year. However, compared to prior year, the revenue was to a greater extent generated by own staff and less by outsourcing to member firms. Adjusted for the outsourced work to member firms, Advisory generated 13% revenue growth compared to 2020/2021.

This revenue growth on the back of improved utilization, are the main drivers of the 20% increase in operating profit.

Advisory (€ x 1,000)	2021/2022	2020/2021
Net revenue	321,080	318,208
Operating costs	257,138	263,328
Operating profit	**63,942**	**54,880**
FTE: - Partners	78	73
- Other professionals	1,026	1,005
	1,104	**1,078**

In 2021/2022, we experienced strong market demand in those areas of Advisory where we support our clients with their strategy, (digital) transformations, cyber security solutions, and mergers and acquisitions. We also saw strong demand for ESG-related services such as sustainable finance, sustainable value chains and ESG in Deals.

In line with our network strategy and in addition to our firmwide market themes, Advisory continued to invest in capabilities and strategic growth areas such as Customer Transformation, Operations Transformation, Digital Trust and Cloud Transformation.

While our 2021/2022 staff turnover rate was higher than in previous years, successful recruitment efforts enabled Advisory to grow its average staff base. We expect our workforce to continue to grow in 2022/2023 to support our growth ambition.

Consulting showed a good recovery from the initial impact of the Covid-19 pandemic. This was mainly driven by larger transformational assignments – often enabled by technology – in the areas of operations, finance, risk and regulatory, front office, workforce and, increasingly, ESG. We successfully applied cloud technologies, also in collaboration with our tech alliances such as Salesforce, SAP, Oracle, Microsoft, Workday and ServiceNow. Data analytics tooling and our BXT philosophy were used to realize sustained outcomes for our clients. Strategy& assists organisations in rethinking their strategy, in their transformation processes and their supporting business models. Less outsourcing of work to member firms resulted in a decrease in revenues.

The M&A market continued to be very active in 2021/2022, supported by an abundance of liquidity in the economy and our clients seeing M&A as a strategic priority in their transformation processes. The restructuring market on the other hand was slower due to the prolonged government support during the lockdowns. Recent geopolitical developments are leading to greater uncertainty for deals volumes in the short to medium-term. Deals continued to invest significantly in, among others, ESG and Value Creation services. PwC's leading market position in M&A is based on strong multidisciplinary collaboration supported by technology and data analytics. Our holistic approach provides clients with better and deeper insights that help create value in an increasingly competitive M&A landscape.

Client story

Brew a Better World/non-financial reporting and Governance Blueprint
Having articulated the Brew a Better World 2030 strategy (BaBW 2030), Heineken is one of the frontrunners in the Food & Beverage sector with regard to ESG. In terms of ambitions, strategy and governance, the company is continuously looking to take the next step in weaving ESG into the fabric of how it operates.

To support this goal, Heineken recognised the need for a solid and efficient process for reliable sustainability/ESG data that is reported on-time, in-full and with the same rigour as financial reporting. The process also needed to take into account increased external transparency levels by expanding the scope of the Finance team to include reporting on Brew a Better World.

Having worked with PwC before, Heineken knew that we could provide both the range of expertise and the experience in facilitating the transformation necessary to make its transition a success. Our multidisciplinary team featured experts from the Risk Assurance practice who brought in deep ESG reporting experience and knowledge while our colleagues from the Consulting Finance practice offered experience and expertise in financial reporting & performance management transformations and project management.

Together with the Heineken Corporate Affairs and Finance teams, we explored the best route to address this challenge. Our first step involved discussions at both the executive and non-executive level to set a clear direction. This was then jointly translated into a blueprint design for the reporting processes, governance model and steering model at OpCo, Region and Group level. This defined clear roles and responsibilities, stipulated the handover between the business and functions and Finance, and detailed the timing and frequency of reporting and control levels. In addition to this blueprint, we created an implementation plan and a roadmap for a phased transition to this new way of working. The first step of that transition is the implementation of the controls required for a stable infrastructure for reliable reporting.

Heineken has hereby embarked on its journey to step up its ESG reporting process and governance in order to be ready for future internal demands and external reporting requirements and assurance level.

'Together with the PwC team we embarked on shaping the future design of our Brew a Better World reporting. Their expertise both from a strategic and process perspective was of great value in laying the foundation of our next-generation reporting model.'

Leonie Simons, ESG Director at Heineken Company and Bart Kerkhof, ESG Finance Reporting Policies Manager at Heineken Company

We experienced good market demand throughout the year for our Cybersecurity, Digital Identity and Privacy services. The growth has been driven by client ambitions to improve digital resilience and deliver on their digital transformation agenda. Our (digital) forensics business operated in a more challenging market, impacted by factors such as (international) regulatory enforcement activity levels.

Assurance

Difficult labour market and higher overheads trigger lower margins
Revenue decreased by 1% and profit by 14%. The decrease in revenue is due to lower volume in the audit as a result of the decline of our workforce. We increased the average rates through efficiency by increasing digitisation and by increasing our rates in conformity with our fair pricing programme and healthy portfolio management programme. The decrease in profitability is largely due to increases of our overhead costs to pre-pandemic levels.

Assurance (€ x 1,000)	2021/2022	2020/2021
Net revenue	364,826	368,198
Operating costs	312,683	307,493
Operating profit	**52,143**	**60,705**
FTE: - Partners	106	108
- Other professionals	1,752	1,888
	1,858	**1,996**

Client story

'Beyond facts and figures, ESG is actually about making the world a better place.'

Financial and non-financial reporting are becoming increasingly intertwined. 'As stakeholder demand rises, more companies are choosing to have their ESG reporting voluntarily audited in anticipation of legislation and incoming regulations,' Wouter Nijmeijer, Senior Vice President Tax and Accounting at Ahold Delhaize tells PwC partner Shana Laurie de Hernandez. 'By doing so, they enable themselves to actively manage their ESG performance, while at the same time setting a leading example in the markets in which they operate.' PwC has been providing limited assurance on Ahold Delhaize's ESG reporting since 2016.

Healthy and sustainable choices
'Ahold Delhaize has an intrinsic motivation to contribute to the many local communities in which we operate', says Nijmeijer. 'One of our four priorities is to support the transformation into a healthy & sustainable food system in order to make healthy and sustainable choices easy for everyone. ESG reporting is a way to gain insight into the effect of our efforts and enables us to actively manage our ESG performance.'

Ambitious waste and carbon emission targets
Ahold Delhaize has explicit and ambitious targets with regard to reducing food and plastic waste as well as carbon emissions. Laurie de Hernandez: 'How do you meet those targets? And apart from your willingness to report it, are you practically able to provide well-founded data on all KPIs involved? The challenge is in the information a company can't report on, despite their best efforts'. Nijmeijer: 'This is also because we do not always have a full view of the impact throughout the entire supply chain. And there's no regulatory framework yet to mandate suppliers to provide us with data on all our involved KPIs. In addition, we also see different approaches in countries where we operate with regard to certain measures on a national level.

In my view a global solution for carbon emissions for data capture could be some kind of VAT system. Then you would know the carbon emissions of suppliers, enabling you to provide the next stakeholder in the supply chain with an updated 'carbon emission aggregate' including your own emissions, and so on. That way, we could better enable our customers to make an informed choice when shopping in the supermarket.'

ESG reporting: two major challenges
'The ideal solution in the long-term would be to have some kind of mechanism for actually assessing impact. This is not just reporting for reporting's sake', says Nijmeijer: 'It's about the impact you are having on the overall environment, which in turn demands a change from the whole ecosystem.

This brings us to the first of two major challenges when it comes to ESG reporting. The complexity of ESG data is much broader than just the Euro value of a financial data point. From a strictly financial point of view we know exactly the Euro value of what ends up as food waste. Seen from an ESG perspective, however, that is insufficient. There you need to know what happens with our food waste – for example, will it be used for animal feed or biogas production?

The second challenge revolves around the multitude of reporting frameworks. These are developing rapidly and yet are often unaligned. What regulations apply in the various geographical areas in which we operate? Which exact measurement definitions, methods and methodologies should we use? And how do these relate to what our supply chain partners and market peers are doing?

Keeping track of all this data in a well-considered and structured way will require further investment. Generally speaking, all large firms should step up their game. ESG developments are going so fast and have yet to be fully integrated into standard audit practice', asserts Nijmeijer.
'I believe that's exactly what we're focusing on right now. Expanding our ESG knowledge, upskilling our workforce and incorporating ESG considerations in all that we do, so that we can support our clients even better. From an ESG reporting perspective, this should ultimately give our clients, and their stakeholders, reliable and substantiated insight into their ESG efforts and progress… and make the world a better place', says Laurie de Hernandez.

Wouter Nijmeijer, Senior Vice President Tax and Accounting at Ahold Delhaize and Shana Laurie de Hernandez, PwC partner.

Due to a difficult labour market, our workforce was and remains one of the biggest challenges, which resulted in capacity constraints. As a result of capacity constraints, growth of our business is limited. We continued to invest in initiatives to create a more sustainable capacity. These include attracting recurring international (remote) colleagues from the network and continuing with digitisation of the audit. This will also help us manage our (perceived) workload. In 2021/2022, we set up an ESG Centre of Excellence for sustainability services. By bringing all our technical knowledge and skills together in close collaboration and joining forces, we succeeded in supporting many large clients in the financial and non-financial services industry with their sustainability strategy and implementation. From an audit perspective, too, we have trained colleagues to challenge our audit clients on the impact of climate change and compliance with (upcoming) laws and regulations such as CSRD.

Our Broader Assurance Services and Digital Trust propositions, which are involved in complex transformation projects, have seen an increase in Risk & Regulation, Digital Finance as well as in capital markets and deals-related activities. The increase in deals-related activities included carve-outs and supporting companies with IPOs via Special Purpose Acquisitions Companies (SPAC) as well as supporting clients with improvement of internal controls and governance as a result. We expect further growth in our non-audit services in 2022/2023.

Client story

EK – Retail in motion: ESG strategy through co-creation

PwC's client EK (formerly known in the Netherlands as Euretco) is a European purchasing group on behalf of some 4,200 retailers in Home, Fashion, Sports, Media, DIY and Living. Together with a broad group of people in the organisation, Mariska Schennink, manager ESG at EK, works on making ESG an integral part of EK's corporate strategy as well as its business units. On why ESG is important to EK, Schennink says, 'We see ESG as a prerequisite for future entrepreneurship, and we all have a responsibility to make sustainable entrepreneurship happen and invest in people, environment and business.'

Schennink took part in a successful series of interactive digital work sessions jointly initiated by Bart Kruijssen, ESG partner at PwC and Claire Teurlings, Lead Circular Economy at the Amsterdam Economic Board (AMEC Board), and facilitated by PwC's Experience Centre. The sessions were based on PwC's BXT method, combining management, customer eXperience, and Technology. The starting point for BXT is a multidisciplinary approach and for these sessions with AMEC Board, our team invited experts from many different organisations and brought them together with a team of PwC colleagues from Tax, Consulting, Assurance and Integrated Solutions. Together, we created a vision and a roadmap on circular textile for the region.

Attending as a member of the steering group of the Green Deal Circular Textile, Schennink knew immediately that this method was exactly what she needed. She was impressed by how the co-creative nature of this way of working ensures firm-wide ownership from the start rather than being handed an ESG strategy based on desk research that then has to be pushed from top down. She says, 'The best thing about these sessions was that it was very much a co-creation, with each group continuing to work where a previous group had stopped. It was very open from the beginning and everyone had the opportunity to give their perspective. At the same time, the facilitators made sure we stayed on point, working towards a concrete goal.'

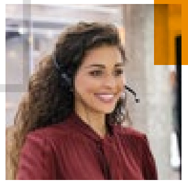
PwC and EK have worked out a three-phase plan. The first phase is focused on the firm-wide level, the second on the business units and the third branches out towards retailers. Schennink elaborates on the latter: 'EK stands right in the middle of a variety of retail branches internationally and we can have the biggest impact by influencing retailers and brands to become more sustainable.'

The first phase will consist of a 12-week sprint with live interactive work sessions, each preceded by a quick knowledge bite from PwC. The ability to provide that knowledge was another important reason for EK to choose PwC.

Schennink has thoroughly enjoyed working with the PwC team.

'They have a lot of knowledge and experience. They are very open and it's all about working together and trust. At times, they almost feel like colleagues.'

Mariska Schennink, manager ESG at EK



Tax & Legal

Solid business and financial performance continues
Tax & Legal revenues decreased compared to last year due to the divestment of our Global Mobility practice (GM) and lower pass-through revenues. Profits improved by 33%. The increase in profitability is largely due to the sale of GM and to our margins being safeguarded through efficiency gains made by investments in technology. Our operating costs were lower than expected due to reduced travel and employee numbers as a result of the challenging labour market. In particular, we saw stable business in International and Indirect Tax services and a moderate growth in Financial Services and Corporate Tax/Public sector.

Tax & Legal (€ x 1,000)	2021/2022	2020/2021
Net revenue	311,721	320,252
Other revenue	33,061	-
Total revenue	**344,782**	**320,252**
Operating costs	233,469	236,286
Operating profit	**111,313**	**83,966**
FTE: - Partners	100	100
- Other professionals	1,047	1,082
	1,147	**1,182**

In line with the network strategy, PwC aims to further expand its position in both the Legal and People & Organisation markets. Given the rapid changes clients are facing in these areas, an accelerated step-up is needed, including inorganic growth. In 2021/2022, investments were made in team grabs and acquisitions (Focus Orange – People & Organisation). Ongoing investments and acquisitions are being considered not only in these areas but throughout our Tax & Legal practice. Some divestments were also effectuated in 2021/2022. Following a global portfolio review, the Global Mobility, Immigration & Expat Payroll business (GM) was divested from our P&O and TRS practice and sold to Clayton, Dubilier & Rice (CD&R). Following the sale, GM has continued as a standalone organisation outside of PwC called Vialto Partners. This is a PwC Network-wide transaction, which also includes the Netherlands. On 1 January 2022, PwC sold Taxmarc (a SAP-certified solution for indirect taxes) to an independent partner Taxmarc B.V., which will focus on further developing the solution. This change enables both companies to add focus to their activities and guarantee a continuation of the solution. Taxmarc has been part of PwC since 2015 and has been successfully implemented within multiple multinational companies.

Our workforce was and remains one of our biggest challenges in 2021/2022. Given the uncertain environment of the past year, mobility, upskilling and formation management within Tax & Legal have received our full attention. We invested significantly in upskilling staff (e.g. digital, ESG, compliance), improving risk and quality processes to further build trust in society and freeing up staff to focus on growth areas and strengthen our in-depth knowledge. Changes in the labour market, social focus on diversity and the remuneration policy, changing client demands, and technological developments all required investments in our workforce over the past year. In order to meet our client demands, we continue to actively recruit new talent.

In 2021/2022, Tax & Legal continued to serve the market by investing in technology. A distinction is made between technological investments that reduce our cost price, investments in new services, and investments to make and keep our workforce (digitally) fit. The shift from traditional tax services to technology-enabled tax consulting and compliance has continued and is enabling us to have a greater impact for our clients. The ongoing investments in digitalising our practice also help increase efficiency and reduce the cost of delivery.

Market themes and industries

Trends differ across industries

Net revenue by industry in %	2021/2022	2020/2021
Financial Services	29%	29%
Technology, Media & Telecom	9%	9%
Consumer Markets	22%	26%
Industrial Manufacturing & Automotive	14%	12%
Government & Public Sector	10%	8%
Health Industries	7%	7%
Energy, Utilities & Resources	9%	9%

Revenue change in %	2021/2022	2020/2021
Financial Services	3%	-10%
Technology, Media & Telecom	6%	-2%
Consumer Markets	-17%	1%
Industrial Manufacturing & Automotive	10%	7%
Government & Public Sector	18%	2%
Health Industries	-1%	14%
Energy, Utilities & Resources	-4%	-9%

Compared to last year, 2021/2022 revenue decreased by 0.6%. The revenue decrease manifested itself mainly in the Consumer Markets sector (-/- 17%) due to two exceptionally large transformation projects in 2020/2021, which continued in 2021/2022, but at a lower level. Revenue also declined in the Energy, Utilities & Resources industry (-/- 4%), and then more specifically in all Lines of Service in the Energy sector of this industry. Health services also showed a slight revenue decline in 2021/2022 (-/- 1%).

On the other hand, Government & Public Services revenue increased considerably (+ 18%) due to an increase in demand across the whole industry (central and local government, education and social organisations). Industrial Manufacturing & Automotive also showed strong revenue growth (+ 10%), particularly in the Engineering & Construction and Business Services sectors, whereas the Automotive sector showed a decline. Our revenues in the Technology, Media & Telecom industry also increased (+ 6%), particularly in the Technology sector. The revenue increase in Financial Services (+ 3%) was driven by a strong demand for Deals services, driven by the continuing abundance of capital and the attractiveness of the Dutch market for investments, partly offset by a decline in Consulting services within the Banking and Capital Markets sector and a decline in audit revenues in the Insurance sector.

Revenue market themes (€ x millions)	2021/2022	2020/2021
ESG	29.0	13.8
Future of Work	75.3	94.0
Future of Finance	119.8	124.8
Risk & Regulation	131.5	124.9
Value Creation	30.0	33.9

Cash flows and financing	2021/2022	2020/2021
Cash and cash equivalents	€ 173 million	€ 158 million
Solvability ratio	16.7%	N/A*
Account contributions from partners	€ 309 million	€ 271 million
Average per partner	€ 1,086,000	€ 966,000
Investments in clients (work in progress and accounts receivable)	€ 216 million	€ 167 million

* Due to the legal restructuring in 2021/2022, no comparable figure available for 2020/2021.

PwC Netherlands has no debt to financial institutions and our capex investments are funded from operational cash flows.

Financial instruments
Our strategy is to maintain exchange, interest, credit and liquidity risks at acceptable levels and, where necessary, use financial instruments primarily to cover exchange risk.

The exchange risk arises primarily from positions and transactions in US dollars. Significant positions are covered by hedge contracts, while interest, credit and liquidity risks are covered primarily by internal controls rather than financial instruments.

A more detailed description is included in the financial statements (see pages 93, 105 and 117).

Outlook for 2022/2023
We expect demand for our services to increase, resulting in a growth in revenues. Revenue from clients is dependent on macroeconomic, industry- and client-specific developments. The global environment in which we operate is volatile and change and disruption appear to be accelerating post-pandemic. Macroeconomic developments including rising inflation and a weaker economic outlook, ongoing supply chain disruptions, the potential revival of COVID-19 and (geo) political developments are all affecting business confidence. At the same time, changes in regulation and technological advances drive transformations and demand for our services. Our ability to generate revenue growth in 2022/2023 will to a large extent be dependent on the successful recruitment of new colleagues and the retention of our workforce amid a tight labour market. We expect that our profit will decrease in 2022/2023 compared to 2021/2022 mainly because an incidental gain in the divestment of the Global Mobility and Immigration & Expat Payroll Services business was recognised in the year under review.

Five-year summary of financial and operational performance

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	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
Revenue Lines of Services					
Net revenue (€ millions)	931.0	936.3	949.8	884.1	832.7
Increase/decrease	-0.6%	-1.4%	+7.4%	+6.2%	+8.6%
Net revenue per FTE (€ x 1,000)	181.4	178.7	178.7	175.2	176.8
Increase/decrease	+1.5%	+0.0%	+2.0%	-0.9%	+5.9%
External revenue per Line of Service (€ millions)					
Assurance	348.3	341.7	344.8	392.9	367.3
Tax & Legal	287.8	308.1	305.2	247.3	252.8
Advisory	294.9	286.4	299.4	242.9	212.6
Other	0.0	0.1	0.4	1.0	0.0
Total	931.0	936.3	949.8	884.1	832.7
Results					
Operating profit (€ millions)	233.6	203.3	167.4	167.2	162.8
Increase/decrease	+14.9%	+21.4%	+0.1%	+2.7%	+7.7%
Operating profit per Line of Service (€ millions)					
Assurance	52.1	60.7	37.8	46.3	54.8
Tax & Legal	111.3	84.0	74.6	71.1	65.8
Advisory	63.9	54.9	53.4	50.9	44.7
Management fee, salary and emoluments					
Available for distribution to partners (€ millions)	196.0	193.8	163.0	160.8	158.1
Average partner management fee* (€'000)	690.3	690.4	579.8	586.7	583.2
Staff bonuses (€ millions)**	27.3	41.6	33.7	28.8	26.4
Average salary cost per FTE (€'000)**	81.7	80.7	79.0	77.5	76.6
Average bonus per FTE (€'000)**	5.6	8.4	6.7	6.0	6.0
Average number of FTEs	5,132	5,252	5,315	5,045	4,713
Partners	284	281	282	278	271
Professional staff	3,836	3,986	4,076	3,897	3,615
Support staff	1,012	985	957	870	827
Headcount					
Permanent employees	4,839	4,881	5,106	4,902	4,638
Temporary employees	485	417	459	535	453
Non-guaranteed hours employees	19	22	28	77	Not available ***
Full-time employees	4,143	4,137	4,383	4,278	3,931
Part-time employees	1,181	1,161	1,182	1,159	1,160
Workers who are not employees	584	391	416	519	Not available ***
Sustainable					
Environmental impact (tCO_2e)	7,622	2,778	15,287	20,054	Not applicable
Reduction GHG emissions (% compared to 2018/2019)	62%	86%	24%	Not applicable	Not applicable

* Payments are made from the management fee relating to items such as goodwill rights, pension contributions, social security and disability contributions, life insurance premiums, etc.
** Following a partial switch from variable to fixed remuneration during 2021/2022, the staff bonuses and average salary numbers are not wholly comparable with the previous years.
*** Due to the implementation of a new HR system in 2018/2019 this information is not available for 2017/2018.

Corporate Governance

Corporate Governance Code

Where applicable, we apply the Dutch Corporate Governance Code voluntarily. We believe that compliance contributes to confidence in good and responsible management and integration into society and, with long-term value creation as a principle, it is in line with our own ambitions (see pages 39-43).

Board of Management
During the financial year 2021/2022, the Board of Management consisted of:
- Ad van Gils, chair, CEO
- Agnes Koops-Aukes, Line of Service Assurance
- Jolanda Lamse-Minderhoud, Risk & Quality and CFO, COO
- Maarten van de Pol, Line of Service Advisory
- Marc Borggreven, Human Capital
- Marc Diepstraten, Line of Service Tax & Legal
- Renate de Lange-Snijders, Clients & Markets and Corporate Sustainability

As of 1 July 2022, the Board of Management consists of:
- Agnes Koops-Aukes, chair, CEO
- Maarten van de Pol, CFO, COO, Corporate Sustainability
- Janet Visbeen, Line of Service Tax & Legal, Human Capital
- Veronique Roos-Emonds, Line of Service Advisory, Markets
- Wytse van der Molen, Line of Service Assurance, Risk & Quality

The members of the Board of Management who are responsible for the Lines of Service Assurance, Tax & Legal and Advisory, chair the respective Lines of Service Boards. Short résumés of the Board of Management are included on page 68.

Balanced male/female ratio in Board of Management and Supervisory Board
From 1 July 2018 to 30 June 2022, our Board of Management consisted of three women and four men (i.e. 43% female). As of 1 July 2022, our Board of Management consists of three women and two men (i.e. 60% female).

On 30 June 2022, our Supervisory Board consisted of two women and four men (i.e. 33% female). On 30 June 2022 one of our Supervisory Board members resigned. As a result, as of 1 July 2022, our Supervisory Board consists of one woman and four men (i.e. 20% female). The recruitment process for a new (female) Supervisory Board member is currently ongoing.

Allocation of responsibilities within the Board of Management
The members of the Board of Management each have their own individual portfolio with specific focus areas. The allocation of responsibilities among the members of the Board of Management reflects their task to manage and supervise both the various Lines of Service and market segments as well as functional tasks such as Finance, Human Capital, IT, Risk & Quality, Marketing and Corporate Sustainability.

Avoiding conflicts of interest
No member of the Board of Management takes part in discussions or decision-making processes that may give rise to a conflict of interest between themselves and PwC. If in such cases no board resolution can be adopted, the resolution shall be adopted by the Supervisory Board. No transactions involving any potential or real conflict of interest took place in 2021/2022 to our knowledge.

Governance bodies Coöperatie PricewaterhouseCoopers Nederland U.A.
The following bodies constitute the key elements of the governance structure of PwC Netherlands:
- Board of Management
- Supervisory Board and its committees (see the Report of the Supervisory Board, pages 76-84)
- General Meeting
- Partner Council
- Line of Service Boards (LoS Boards)
- Business Units (BUs)
- Works Council

As a result of the legal restructuring (see Our legal structure page 147) the Coöperatie is considered to be the group head of PwC NL as of 24 March 2022. The Supervisory Board was set up at the level of Coöperatie on the same date.

Bodies	Main powers and activities	Appointment by	Members 2021/2022
Board of Management	- Responsible for the performance of the company and managing the company, guided by the interests of the company and of the enterprise connected with it. - Ensuring that the company acts in accordance with the objectives defined in the Articles of Association of the company. - Responsible for i) defining the long-term goals and strategy of the company, ii) the preparation and execution of general policies, and iii) identifying and analysing risks associated with the strategy and business activities of the company. Developing policies and procedures around risks that are consistent with the company's strategy and risk appetite. - Ensuring that the company is in good standing and in full compliance with all relevant legislation, rules, standards and procedures. - Responsible for the preparation of the company's financial budget and annual plans.	The chair of the Board of Management is appointed by the General Meeting on the basis of a binding proposal from the Supervisory Board. Appointment is for a term of up to four years, with eligibility for reappointment for one additional term of up to four years. The chair of the Board of Management will appoint the members of their team (see more information below).	Members during the financial year 2021/2022 - Ad van Gils (chair) - Agnes Koops-Aukes - Jolanda Lamse-Minderhoud - Maarten van de Pol - Marc Borggreven - Marc Diepstraten - Renate de Lange-Snijders Members as of 1 July 2022: - Agnes Koops-Aukes (chair) - Maarten van de Pol - Janet Visbeen - Veronique Roos-Emonds - Wytse van der Molen All members qualify as policymakers of PricewaterhouseCoopers Accountants N.V.
Supervisory Board	Supervises the Board of Management and the overall business affairs of Coöperatie PricewaterhouseCoopers Nederland U.A. and its affiliated group enterprises, and assists the Board of Management by providing advice. In line with legislation regarding audit firms in the Netherlands, the Supervisory Board has a role in certain decisions regarding PricewaterhouseCoopers Accountants N.V. which holds a licence as an audit firm, granted by the AFM. The Supervisory Board has established four committees from among its members: the Audit Committee, the Public Interest Committee, the Remuneration Committee and the Selection and Appointment Committee. Their task is to assist and advise the Supervisory Board in fulfilling its responsibilities. The tasks and procedures of the committees are outlined in their charters, which can be found on the PwC website. The present composition of the committees can be found on pages 81-82 of this Annual Report.	The members of the Supervisory Board are appointed by the General Meeting of Coöperatie PricewaterhouseCoopers Nederland U.A. on the basis of a binding proposal submitted by the Supervisory Board on the advice of its Selection and Appointment Committee. Members of the Supervisory Board are appointed for a term of up to four years, with eligibility for reappointment for one additional term of up to four years.	Members during the financial year 2021/2022 - Chris Buijink (chair since 14 February 2022, appointed on 26 November 2021) - Frits Oldenburg - Jan Sijbrand (acting chair till 14 February 2022) - Naomi Ellemers - René van Schooten (appointed on 26 November 2021) - Yvonne van Rooy (resigned as of 30 June 2022) - Cees van Rijn (resigned as of 10 February 2022) - Annemarie Jorritsma (resigned as of 31 January 2022) All members qualify as policymakers of PricewaterhouseCoopers Accountants N.V.
General Meeting	- Approves (or dismisses) resolutions of the Board of Management regarding entering into new association agreements with partners. - Appoints the chair of the Board of Management. - Approves the annual financial statements, budget and overall strategy of PwC Netherlands. - Appoints the external auditor nominated by the Supervisory Board.	Not applicable	All members of Coöperatie PricewaterhouseCoopers Nederland U.A. ('the operating companies of the individual partners')
Partner Council	Represents the collective interests of the members of Coöperatie PricewaterhouseCoopers Nederland U.A. and provides advice on matters that are presented to Coöperatie. The Partner Council may also provide advice to the Board of Management of Coöperatie, either upon request or its own initiative, and may act as an advocate in the interests of the partner concerned in cases of internal dispute.	The members of the Partner Council are appointed by the members of Coöperatie for a term of up to four years, with eligibility for reappointment for one additional term of up to four years.	- Diederik van Dommelen (chair, resigned as of 21 March 2022) - Jeroen Elink Schuurman (chair since 1 April 2022) - Hans Dullaert - Jacobina Brinkman - Martijn van Kessel (appointed on 1 April 2022) - Paul Nillesen - Sander Gerritsen - Shana Laurie de Hernandez - Willem Schouten

Résumés of the members of the Board of Management of PwC Netherlands

Agnes Koops-Aukes (1969) joined one of the PwC legacy firms in 1992 as an auditor and became partner on 1 July 2007. From 1 July 2018 to 30 June 2022 she was an authorised executive director of the Board of Management of PwC, responsible for Assurance and chair of PricewaterhouseCoopers Accountants N.V. Agnes has been chair of the Board of Management since 1 July 2022.

Portfolio as of 1 July 2022:
- Chair of the Board of Management

Date of appointment: 1 July 2022
Term of office ends: 30 June 2026, eligible for reappointment

External positions:
- Member of the Oversight Board of Groninger Museum (as of 1 June 2021)

Maarten van de Pol (1972) joined one of the PwC legacy firms in 1996 as an auditor and became a partner on 1 July 2007. He was appointed to the board of PricewaterhouseCoopers Advisory N.V. in 2013 and has been an authorised executive director of the Board of Management from 1 July 2018 to 30 June 2022, responsible for Advisory and chair of PricewaterhouseCoopers Advisory N.V. Maarten has been CFO/COO of PwC Netherlands since 1 July 2022.

Portfolio as of 1 July 2022:
- Chief Financial Officer
- Chief Operations Officer
- Corporate Sustainability

Date of appointment: 1 July 2018
Term of office ends: 30 June 2026, not eligible for reappointment

Janet Visbeen (1970) joined PwC in 2004 and became a partner in 2008. She was appointed a member of the board of PricewaterhouseCoopers Belastingadviseurs N.V. in 2015 and has been an authorised executive director of the Board of Management since 1 July 2022, responsible for the Tax & Legal practice, Human Capital and chair of PricewaterhouseCoopers Belastingadviseurs N.V.

Portfolio as of 1 July 2022:
- Tax & Legal
- Human Capital

External positions:
- Member of the Dutch Association of Tax advisors
- Member of the Dutch Association for Personnel Management and Organisation Development
- Member of the board of Human Rights Watch Netherlands

Date of appointment: 1 July 2022
Term of office ends: 30 June 2026, eligible for reappointment

Veronique Roos-Emonds (1975) joined PwC in 2005 and became a partner in 2014. She was appointed a member of the board of PricewaterhouseCoopers Advisory N.V. in 2018 and has been an authorised executive director of the Board of Management since 1 July 2022, responsible for Advisory, Clients & Markets and chair of PricewaterhouseCoopers Advisory N.V.

Portfolio as of 1 July 2022:
- Advisory
- Clients & Markets

Date of appointment: 1 July 2022
Term of office ends: 30 June 2026, eligible for reappointment

Wytse van der Molen (1969) joined one of the PwC legacy firms as an auditor in 1994 and has been a partner since 2006. In 2016 he was a member of the board of PricewaterhouseCoopers Accountants N.V. responsible for Markets, Operations and Finance until 2018 and thereafter for Risk and Quality. As of 1 July 2022, he became a member of the Board of Management responsible for Assurance and Risk & Quality and the chair of PricewaterhouseCoopers Accountants N.V.

Portfolio as of 1 July 2022:
- Assurance
- Risk & Quality

External positions:
- Member of OPAK (Overlegplatform Openbare Accountantskantoren), the consultative platform for public accounting firms
- Member of the Public Interest Steering Group (NBA)

Date of appointment: 1 July 2022
Term of office ends: 30 June 2026, eligible for reappointment

Line of Service Boards
The members of the LoS Boards act as directors of their respective Line of Service operating company.
The LoS Boards translate and implement the firm-wide strategy to their Lines of Service.

Their operational responsibilities include the day-to-day affairs and results of the LoS, the quality of the professional practice and client service, Human Capital, risk management and the evaluation of partners and directors.

The members of the LoS Boards are appointed for a maximum of two four-year terms. The members of the Board of Management who are responsible for an individual Line of Service also chair the relevant LoS Board and are the single statutory director of the relevant Line of Service operating company. The chair of each LoS Board appoints the other members of the LoS Board as proxy holders with the title of authorised executive members of such a board. The Supervisory Board approves the decision-making regarding the appointment of the members of the Assurance Board.

Business Units
Given the size of their organisations and the nature of these businesses, the Lines of Service are structured operationally into Business Units (BUs).

These BUs have the following responsibilities:
- Implementation of the applicable regulatory requirements for quality, risk management and conduct (Code of Conduct); the Business Unit Leader is assisted in this role by the Risk Management Partner who is responsible for quality aspects such as the acceptance, continuance and execution of engagements including the statutory audits.
- Operational management by objectives in the areas of revenue, productivity and profitability.
- Development and management of an effective infrastructure to manage staffing needs and resources and BU planning.
- Human capital management (with a focus on client service) and people development (in terms of experience and conduct).

Works Council
PwC's Works Council has 23 members, representing the various Lines of Service and Firm Services (nine from Assurance, five from Tax & Legal, five from Advisory and four from Firm Services). The Works Council represents the collective interests of PwC's staff. It provides advice to the Board of Management, either upon request or on its own initiative, and has specific rights such as the right to prior consultation in the event of major decisions and on employment conditions. The Works Council meets regularly with a representative of the Board of Management.

Remuneration
For the remuneration-related items and the application of our Remuneration Policy during the year, see the integrated Remuneration Report in the appendix of this Annual Report on pages 127-131.

Assurance Board	Tax & Legal Board	Advisory Board
Members during the financial year 2021/2022 • Agnes Koops-Aukes (chair) • Joris van Meijel • Raneesh Jagbandhan • Wytse van der Molen As of 1 July 2022: • Wytse van der Molen (chair) • Aleid Mulder • Jeroen van Kessel • Joris van Meijel • Raneesh Jagbandhan	Members during the financial year 2021/2022 • Marc Diepstraten (chair) • Brenda Mooijekind • Janet Visbeen • Jeroen Boonacker • Marcel Jakobsen As of 1 July 2022: • Janet Visbeen (chair) • Brenda Mooijekind • Marcel Jakobsen • Marco Lubbelinkhof • Remco van der Linden	Members during the financial year 2021/2022 • Maarten van de Pol (chair) • Gert-Jan van der Marel • Remco van Daal • Wendy van Tol As of 1 July 2022: • Veronique Roos-Emonds (chair) • Bas Weber • Edwin van Wijngaarden • Pieter Koene (will join as of 1 January 2023) • Remco van Daal

Risk Management

Responsibility for risk management

The Board of Management and the Line of Service Boards are responsible for overseeing risk management and internal controls within our organisation.

We have implemented risk management and internal controls, which are generally integrated into the operations of the businesses. The aim is to timely identify significant risks to which our organisation is exposed, to enable the effective management of those risks. If we do not properly address these risks it can lead to a loss of relevance to our clients and society as a whole. This is why we monitor developments and trends as they evolve in society in general, in the business environment we operate in and within our organisation. Managing risks is integrated into our operations, supported by several staff functions.

The Board of Management and the Line of Service Boards discuss the risk assessment and mitigating measures and evaluate those outcomes against the defined risk appetite. Our risk appetite describes the extent to which we are accepting risks in realising our strategic objectives. Considering the societal impact of our services, we follow a prudent approach with a moderate risk appetite. That said, our risk appetite does differ within the various impact areas, which are defined as 'Quality', 'Compliance & integrity', 'Reputation and brand', 'Clients', 'Financial' and 'People'. The risk appetite for Compliance & integrity and Quality is low.

Risk management and internal control systems

As a PwC member firm we must comply with the PwC Network Standards and Network Risk Management Policies. These contain a wide variety of requirements to ensure that the strategies of the individual member firms are aligned with the network strategy, that the services we provide to our clients are 'quality services' and that strategic, operational and financial reporting, financial, regulatory and compliance risks are adequately managed.

Internal audit and risk management functions

Our Internal Audit Department and independent review teams from PwC NL and the PwC Network periodically review the design and the operational effectiveness of our risk management and internal control system. These reports are discussed with the Board of Management and shared with the Supervisory Board. We also have a Compliance Officer who has a legal delegated supervisory responsibility regarding compliance with laws and regulations amongst other the operation of the quality management system within Assurance. PwC NL has extended this responsibility to include its entire organisation.

Overview of main risks

The accompanying *table* summarises our main gross risks as determined during the Enterprise Risk Management assessment 2021/2022. This is the process of identifying and addressing the potential events that represent risks to the achievement of our strategic objectives. In the table, we have also linked the risks to our strategic focus areas, indicating their potential impact should they materialise and listing the key measures we have taken to mitigate them. Anti-bribery and corruption risks are also assessed and mitigated. No significant risks related to corruption were identified through the risk assessment.

Following the ERM risk assessment 2021/2022 and in response to the Russian sanctions developments and the Network Sanctions approach we set up a process to identify sanction exposure in PwC NL. We have identified our engagements and clients with a (potential) Russian connection. These were categorised into four buckets to determine follow-up actions and priority. Highest priority were sanctioned clients and clients with sanctioned UBO/ownership. We have held sanction assessments and Client Committees have taken place. For clients with unsanctioned Russian ownership, where we identified reputational issues, Client Committees were also initiated. The Client Committees are held to determine the offboarding strategy or the continuance on a case-by-case basis. For clients with Russian activities (but no Russian ownership), we executed a tailored event-driven review to assess the risks.

The risk scoring, both gross and net, is based on an assessment of impact should the risks actually occur and the likelihood that this will happen. We also indicate the net risks and whether there were any changes in the residual risk after reflecting on the impact of the mitigating measures taken. The heat maps reflecting the net risk per main risk are attached at the end of this table.

It is not the intention to provide an exhaustive description of all possible risks. There may be risks that are not yet known that have not yet fully assessed. It is also possible that existing risks have been assessed as not significant, which could in the future develop into a material exposure and have a significant adverse impact on our business.

Focus areas	Main risk areas (no. in heat map)	Description	Gross risk	Response to mitigate the risk	Net risk and change compared to 2020/2021
Build high-quality services	Regulation with potential to seriously impact our business (2)	Given the regulatory climate, ongoing public debate of the audit profession, including the follow-up by the Kwartiermakers and the role and responsibilities of tax advisors in the context of the tax morality debate (on a global, EU (i.e. DAC6), OECD and Dutch government level), the uncertainty of issuance of additional regulatory action remains.	High	- Constructive and open attitude towards oversight bodies, regulators and Kwartiermakers - NBA change agenda, active participation in working groups - Intensive stakeholder dialogue with – amongst others – members of parliament, investors and clients - Execution of public engagement plan for tax - Active participation in sector initiatives - Participation in European (Regulatory) Contact Group - Proactively implementing the sector-wide Audit Quality Indicators - Audit Quality Indicators (AQIs) and piloting at audit clients - Active engagement in writing responses to legislative consultations	High
	Independence (15)	Complying with external and internal independence requirements and/or managing the ongoing complexity and changes in independence regulations.	High	- Independence plan 2021/2022 to mitigate the observed independence risks - Projects to increase the quality/reliability of independence information by leveraging data, processes and technology	Medium to high
	Quality (3)	The importance of delivering quality across PwC NL (in its widest sense) remains crucial: - Assurance: results of external and internal reviews - Tax: Global Tax Code of Conduct, public debate on tax morality, DAC6, OECD initiatives, etc. - Advisory: strategy through execution, ISO certification	High	- Quality Management Systems including policies and procedures - Various quality initiatives in Assurance: Quality Improvement Team (RCA, Real Time Reviews, more use of RTA and Culture and Behaviour plan) and yearly Quality Improvement Plan - Internal and external training of our colleagues	Medium
	Information Protection and (Cyber) Security (7)	- The potential reputational and financial risks and consequences of IT security issues, cyberattacks, data leakages and other causes of non-compliance with client confidentiality and data protection requirements are significant. - Investing in state-of-the-art preventative, detective and corrective measures (including training, policies, procedures and controls) is considered crucial to protect PwC (NL) as best as possible.	High	Regular governance applies: - PwC NL Cyber Resilience Plan and PwC NL Information Security Roadmap - GDPR business as usual and active privacy control framework - Use of Technology Risk Framework - PwC policies (data retention, ICT Code of Conduct, clean desk, etc.) - Use of access controls PwC NL buildings - Active awareness programme on various information security subjects (mandatory e-learnings, communications on risk of working from home, etc.)	Medium to high
	Economic and political developments, destabilising environment (10)	- Unexpected/sudden economic changes. - Adverse geopolitical developments.	High	- Continuous monitoring of developments by both PwC Global/Europe and PwC NL - European cooperation within PwC Europe and EMEA	High
	Pandemic (COVID-19) (14)	The COVID-19 pandemic causes a great deal of uncertainty in our external and internal environment.	High	- COVID-19 governance with direct Board of Management representation - COVID-19 taskforce implemented, CMT meeting initiated when necessary - Periodic communication on developments and surveys on people's well-being	Low
	Reputation and financial risks following from claims (12)	The number of claims initiated by receivers/ bankruptcy trustees is increasing and the public interest in the audit profession and the quality issues reported triggers new claims (e.g. fraud). This is putting our reputation at risk.	High	- Continue to manage existing claims - Quality initiatives should result in lower risks of claims arising	Medium to high

Focus areas	Main risk areas (no. in heat map)	Description	Gross risk	Response to mitigate the risk	Net risk and change compared to 2020/2021
Build high-quality services (continued)	Know Your Client (5)	Proper acceptance and continuous monitoring of PwC NL clients to ensure that we do not engage in business with clients who could damage our reputation or are not in line with our purpose and values (and The New Equation strategy).	Medium to high	- Centralised KYC procedures by a specialised KYC Office - Developing a PwC NL KYC Policy, based on regulation and PwC Global KYC Minimum Requirements - Implementation of KYC tooling adapted to specific (PwC) NL requirements and regulations	Medium
	Data strategy & governance maintenance (14)	Data is critical to running our business and effectively serving our clients. It is therefore important to train our staff on the use of data while also increasing the governance, maintenance and quality of data.	High	- Appointment of a Chief Data Officer (CDO), data policies increasing governance, guidelines and processes on handling data - The Data Responsibility Program (DRP) is a global programme to establish a common data framework and policies, which will be rolled out in 2022/2023 - Alignment with the network programme	Medium
Recruit, develop and retain diverse talent	People – changing skill sets, diversity, 'advisors of the future' (6)	PwC's ability to attract and retain 'the best and brightest' in a fast-changing world and bring in the required/desired diversity (gender, skills, background, technical expertise, etc.) demands our ongoing attention.	High	- Inclusion & diversity policies and actions - Brand promise campaign - Well-being programme - Upskilling programme - Digital Accelerators programme - Modernised reward policy - Social and well-being budgets	High
Create long-term value	(New) ESG (16)	PwC's ability to deliver on its ESG/sustainability commitments (Net Zero, SDGs, UN GPs, etc.) in compliance with framework and regulations (CSRD, TCFD, Taxonomy, etc.) and in line with the expectations of stakeholders (our colleagues, clients, society, etc.). This is also an important part of The New Equation strategy.	High	- PwC Corporate Sustainability plan - Net Zero implementation plan - Sustainable Aviation Fuels, renewable energy, internal carbon price, supplier engagement, mobility policy, offsets and removals, etc. Inclusion & diversity policies and actions, set-up of I&D council - Brand promise	Medium to high

Focus areas	Main risk areas (no. in heat map)	Description	Gross risk	Response to mitigate the risk	Net risk and change compared to 2020/2021
Drive digital transformation	The New Equation strategy execution (summary) (4)	We contribute to solving important problems. Our strategy will address and help solve the scope and complexity of the challenges that organisations and society are struggling with. By bringing together a wide diversity of people with the latest technology.	Medium to high	- Continuous development and innovation of new technology - Embedding technology into the business model through acquisitions and partnerships	Medium to high
	Innovation/digitalisation (incl. embedding 'technology-enabled' into existing and new services) (4a)	The PwC Network and PwC NL aim to be(come) the leading technology-enabled professional services firm. The risk is that the market does not perceive PwC as such, that the speed of our innovation is too slow and new (disruptive) parties enter the market.		- PwC Network investments - Your tomorrow plan Europe (including NL), 'Digitising the Network' - Roll-out Digital Innovation projects (PwC Global, PwC Europe and local) - Cooperation with/participation in 'high-tech innovation' initiatives - Citizen and business-led digital innovation programme - Manage and monitor 'time-to-market' of strategic technology initiatives - Digital Assets proposition	
	Acquisitions execution (4b)	Strategic acquisitions are aimed for as part of PwC NL's The New Equation strategy. There is a risk that on the one hand we have insufficient capacity and coordination for the realisation of the acquisition, while on the other hand differences in culture cause the acquisition to fail and staff from the acquired concern to leave PwC.		- Set up investment office for the coordination of possible acquisitions - Attention to and specific plans for embracing cultural differences	
	Transformation and change (8)	Risk of doing (too) many things at the same time (risk of change overload, lack of focus and priorities, partner and staff 'fatigue').	Medium to high	- Communication about phasing of priorities - End-to-end Business Operating Solutions	Medium to high
Business partnering	Ensure/maintain licence to operate (1)	In the long-term we run the risk of losing our 'licence to operate' and societal relevance if we do not take our transformation (Journey) seriously.	High	- Continued focus on the PwC transformation and maintain focus on embedding the PwC purpose and values in our DNA amongst other through brand promise/media campaign - Ongoing awareness; leading by example - PwC Code of Conduct and mandatory e-learning ('Living the Code') - Tone at the top assessment - Embedding of values and behaviour in performance evaluations and accountability framework - Global People Survey and Values Survey - Contribution to sustainable integrated solutions for society at large	Medium to high
	Global cooperation with differences in size, maturity of markets, culture, macroeconomics, politics and societal content (9)	Risk of not being able to manage the multiple dimensions that apply to our firm: Clients & Markets (GRPs), industries, priority services, internationalisation, cultural differences, Mandatory Firm Rotation, (global) contracting versus PwC Europe and other network changes.	Medium	- PwC Network alignment on purpose, vision and strategic priorities - PwC Europe Executive Team/Europe Leadership team - Clear catalogue on collaboration in PwC Europe focussed on markets, business and operational synergies	Medium

A personal note from our chair

PwC in the Netherlands

Report of the Board of Management
What's happening around us
What stakeholders expect from us
How this affects society, our clients and PwC
Executing our strategy and adding value
Financial results for sustainable investments
Five-year summary of financial and operational performance
Corporate Governance
Risk Management
Status of legal proceedings
Statement by the Board of Management

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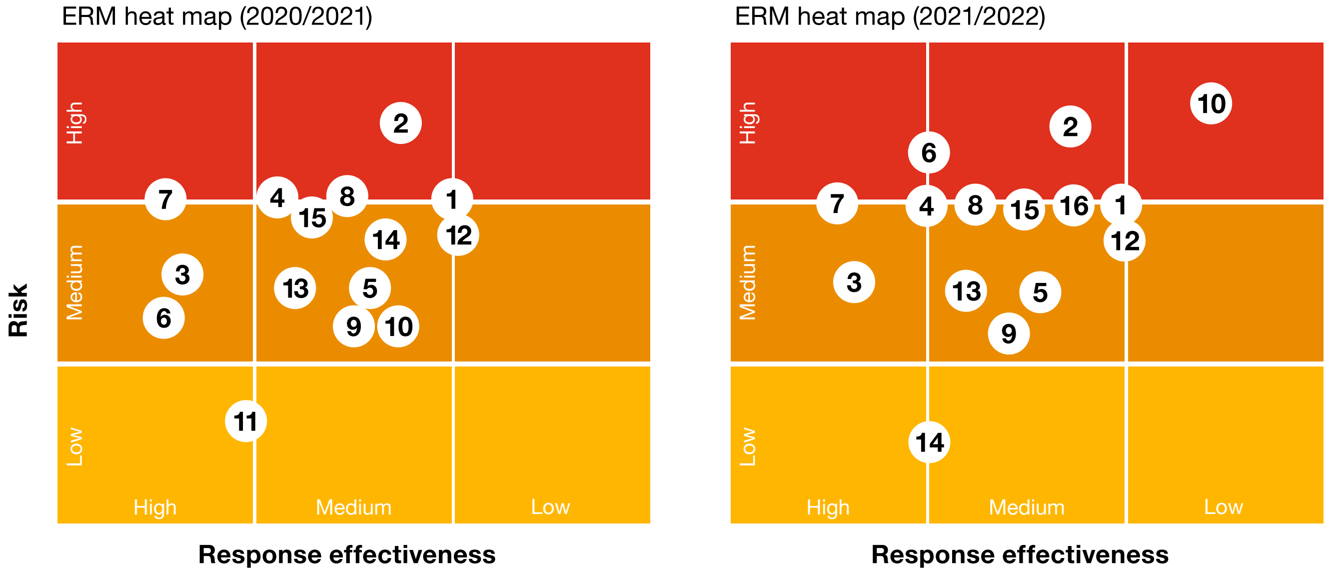
Financial statements

Appendices

ERM heat map

The heat maps below reflect the change in risk during the years 2020/2021 and 2021/2022, and the extent to which we can mitigate those risks. They reflect the response effectiveness and the changing world and expectations from society.



PwC NL's, main risk areas and change in net risk

1. Licence to operate, 2. Regulatory, 3. Quality, 4. The New Equation (2020/2021 Innovation/digitalisation), 5. Know Your Client, 6. People, 7. Information Protection and (Cyber) Security, 8. Transformation and change, 9. Complexity of the Network, 10. Geopolitical developments, (11. 2020/2021 Financing acquisitions/liquidity), 12. Claims, 13. Data strategy & governance maintenance, 14. Pandemic, 15. Independence, 16. ESG.

To identify, assess and disclose our own climate-related risks and opportunities, the PwC Network has published its first PwC Network Task Force on Climate-Related Financial Disclosures report. PwC NL's also responded to the impact of climate change on the business, published on our corporate sustainability website.

Acceptance of clients and engagements

The picture in the following appendix shows the main elements of our client and engagement acceptance process, which is applicable to all our Lines of Service. Our quality-control and risk management systems are embedded in our operational processes to provide clients with high-quality services. From the acceptance of clients and engagements to the delivery of the end product, our client-servicing professionals are supported by various internal functions.

Status of legal proceedings

PwC provides services to an extensive list of clients, and in a small number of cases this leads to legal proceedings. A brief explanation of the current cases is set out below.

Assurance
We are involved in the aftermath of some bankruptcies of companies where PwC was the external auditor. The more important ones are: Econcern and Phanos.

Econcern
The civil proceedings between an investor and PwC are ongoing. The court has rejected the investor's claim. However, the investor has appealed against this judgement. This procedure is still ongoing.

Phanos
The Disciplinary Court of Accountants considered some aspects of the complaint filed by the bankruptcy trustee to be justified and has issued a reprimand. Both the bankruptcy trustee and the auditor have appealed. On 14 June 2022 the appeal court of the Disciplinary Court of Accountants (the Trade and Industry Appeal Tribunal, hereafter 'CBb') justified two grievances of the bankruptcy trustee and confirmed the reprimand given by the Disciplinary Court of Accountants.

In addition, we are involved in the following legal and disciplinary proceedings:

SHV/Eriks
Negative publicity arose in February 2017 regarding possible irregularities at Econosto, an SHV/ Eriks group company. The Public Prosecutor's Office has been investigating these potential irregularities and made public that PricewaterhouseCoopers Accountants N.V. is considered a suspect within the context of its audit of the financial statements at that time. PwC and the Public Prosecutor's Office have entered into discussions about this case.

Brouwer groep
This civil proceeding against PwC was brought by a former shareholder of the Brouwer groep, claiming errors in a 2001 valuation of his shareholding as a result of which the former shareholder claims to have suffered damage. The court rejected the former shareholder's claim on 13 April 2019. The former shareholder has filed an appeal against this decision. Also the court of appeal rejected the claim (16 November 2021). The former shareholder appealed to the Supreme Court. This procedure is still ongoing.

Mijwo Beheer
On 23 May 2018, Mijwo Beheer filed a disciplinary complaint against an external auditor in connection with an alleged breach of the rules of conduct and professional practice. The allegation is that he was prepared to carry out the audit of the annual financial reporting for the purpose of an earn-out computation, while such an audit would not have been professionally possible and would have been in violation of independence requirements.

The Disciplinary Court of Accountants issued its decision on 20 September 2019 and dismissed the disciplinary complaint as unfounded. The complainant has filed an appeal against this decision.The CBb rejected all grievances of the complainant and confirmed the decision of the Disciplinary Court of Accountants.

On 28 October 2019, Mijwo filed a second complaint against the same auditor, addressing the same issues as addressed in the first complaint. On 7 August 2020, the Disciplinary Court also dismissed this complaint as unfounded. The complainant has filed an appeal against this decision. Once the CBb had rejected all grievances in the other – comparable – case, Mijwo withdrew its appeal.

Advisory
The liquidator of a bankrupt hospital has issued a summons in which the liquidator claims that PwC wrongfully settled its invoices shortly before the time of the bankruptcy. This procedure is still ongoing.

Tax & Legal
On 21 December 2015, the Dutch tax authority levied a fine on a PwC tax advisor in connection with alleged improper advice regarding a fiscal structure. This is being contested before the court. The court agreed to the objections and as a consequence, annulled the fine in its verdict dated 10 June 2021. The Dutch tax authority has appealed against this judgement. On 14 June 2022, the court of appeal reconfirmed the court's decision and annulled the fine. The Dutch tax authorities started a procedure at the Supreme Court. This procedure is still ongoing.

In August 2021, PwC concluded a transaction with the Public Prosecutor's Office, which relates to a case where PwC was suspected of deliberately providing incorrect information to the Dutch tax authorities. Disciplinary proceedings have been started against the partner and staff member involved. On 22 June 2022, the disciplinary court rejected the complaints. The Dutch tax authority has appealed to this decision. This proceeding is still ongoing.

On 24 July 2020, a client started a civil procedure relating to advice concerning an international tax structure and the settlement of an estate. On 21 September 2021, PwC reached a settlement with the client.

Other
On 14 May 2021, a former director of the NBA filed a complaint against five (former) board members of the NBA. According to the complaint, the former director is of the opinion that these members of the NBA board acted negligently in their investigation into the former director and his subsequent dismissal. One of these (former) NBA board members is a partner associated with PricewaterhouseCoopers Accountants N.V. The Disciplinary Court of Accountants considered one aspect of the complaint filed by the former director to be justified and has issued the five board members a warning. Both the former director and the five board members filed an appeal against the decision. This procedure is still ongoing.

Statement by the Board of Management

The Board of Management is responsible for the preparation of the financial statements in accordance with applicable reporting standards. The responsibility of the Board of Management includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Management also prepared the Report of the Board of Management in which we endeavour to present a fair view of the development and performance of our business. This contains a selection of the main developments in the financial year and is not limitative.

Our company has internal risk management and control systems that are suitable for the company and ensure we are in compliance with applicable laws and regulations. As a PwC member firm, we must comply with the PwC Network Standards and the Network Risk Management Policies. This has been described on pages 69-73 of this Annual Report. We have also implemented measures to prevent fraud and corruption within our organisation. The objective of the aforementioned systems is to manage, rather than eliminate, the risk of failure to achieve our business objectives and the risk of material errors to the financial reporting. Accordingly, these systems can only provide reasonable, but not absolute, assurance.

Our company has identified the main risks it faces. These risks can be found on pages 69-73 of this Annual Report. Developments that are currently unknown to the Board of Management or considered to be unlikely may change the future risk profile of the company.

The Board of Management monitors the operation of the internal risk management and control systems. Where necessary, improvements have been made to those systems. The results of the monitoring activities were shared with the Audit Committee, the Supervisory Board and PwC NL's external auditor.

With reference to best practice 1.4.3 of the Dutch Corporate Governance Code, the Board of Management confirms that to the best of our knowledge:

- No other material failings in the effectiveness of the company's internal risk management and control systems have been identified than we described in our Report of the Board of Management;
- The company's internal risk management and control systems are aimed to provide reasonable assurance that the financial reporting, as included in the financial statements, does not contain any errors of material importance;
- There is under, the current circumstances, a reasonable expectation that the company will be able to continue in operation and meet its liabilities for at least twelve months as from the date hereof, therefore it is appropriate to adopt the going-concern basis in preparing the financial statements;
- There are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of the company's business in the coming 12 months as from the date hereof.

Looking ahead

Against the background of the developments laid out in this report, we are confident that our future-focused strategy, The New Equation, addresses the two fundamental and interconnected needs every organisation faces – the need to build trust across a broader range of stakeholders and the need to deliver sustained outcomes. With our long history of building trust, our multidisciplinary model, our investment in technology and the diverse talent of our colleagues, PwC is uniquely positioned to deliver the solutions to help companies, organisations and governments fulfil these needs.

Amsterdam, 22 September 2022

The Board of Management:
Agnes Koops-Aukes (statutory director)
Maarten van de Pol*
Janet Visbeen*
Veronique Roos-Emonds*
Wytse van der Molen*

*Authorised executive director

Report of the Supervisory Board

Chris Buijink, chair of the PwC Supervisory Board:

‘Our role is to encourage, challenge and exchange ideas’

Early 2022 I took over from acting chair Jan Sijbrand and I would like to thank Jan for all the work he did in that role. It is a privilege to be chair of the Supervisory Board. PwC is a place where outstanding professionals work together to solve tomorrow’s problems and strengthen trust in the economy and the society at large.

The fact that PwC covers such a wide range of subjects that matter for our collective future is exceptional. A good example is the way we are helping facilitate the transition to sustainability for our clients. It is now increasingly important for companies and organisations to understand the impact they have on society and the environment. PwC provides these insights while also making its own impact tangible and measurable. It is genuinely fascinating to be able to be involved in this as chair of the Supervisory Board and I know my fellow board members feel the same.

Having worked in the past as a civil servant and chair of the Dutch Banking Association (NVB), I look forward to share my experience with PwC. Thirty-three years in the Dutch Ministry of Economic Affairs gave me a broad view of the public domain and the world of enterprise in the Netherlands and Europe. And I can now also leverage on the rich expertise that PwC has built up in the Public and private sector.

On a different note, I’m also a member of the Supervisory Board of the Hermitage Amsterdam Museum, which offers a wide range of art exhibitions. For a cultural enterprise like the Hermitage it is key to appeal to the general public with high-quality events. That requires creativity, talent, innovation, real teamwork and resilience, now especially since we cut ties with the State Hermitage in St Petersburg following the Russian invasion of Ukraine. The key to success here is to provide the right environment for creativity, talent, innovation and teamwork to flourish. The same applies at PwC, of course. A good example is the Morgen 2.0 initiative, a centralised platform where PwC colleagues meet with clients to develop services through co-creation.

In my time working in banking, regaining and maintaining public trust was a key issue, as is the case in accountancy these years. The focus was on how bankers do their work, fostering a culture in which employees feel a collective responsibility for safeguarding the organisation’s values and standards and achieving the chosen goals. Strengthening client-centricity was an important part therein. This entails developing an open and safe environment where people feel encouraged to call each other to account if the values and standards of the organisation are not being adhered to. This is also of great importance at PwC. Here we have the additional dimension of a partner organisation. The partners have a special commitment to developing the organisation and a responsibility to realise the long-term ambitions of PwC.

We all need to be determined to make a contribution to the greater whole. If you have knowledge that a colleague in another part of the firm could benefit from, reach out. The capacity to work together across business units and Lines of Service, is vital for the future of PwC. So too is attracting, developing and retaining talent, a major challenge now and in the future. It’s important to strengthen our brand, especially on the labour market. And this has a lot to do with how challenging and enjoyable working at PwC is and how that feeds through. Meeting various groups in the organisation has made clear to me how proud colleagues are to work here. Perhaps we could all do more to share these feelings with the outside world, so that people recognise this aspect of PwC.

PwC should make its voice heard more often in the public domain. Take, for example, developments in the economies of the Netherlands, Europe and the world. We have the ability and expertise to make important contributions to the understanding of important trends in economy and society.

This fits in well with PwC ambition to grow as a business, to offer even more value to society and be of greater public significance. Our role as Supervisory Board here is to question and inspire, to challenge and encourage. I am looking forward to play my part together with my colleagues in the Supervisory Board, the Board of Management and the whole PwC team in rising to all these exiting challenges.

About the Supervisory Board

The Supervisory Board supervises and advises the Board of Management and oversees the overall business affairs of PwC NL. Members of the Supervisory Board have a wide range of experience and knowledge in areas such as public administration, corporate governance, supervision, finance & reporting and behavioural science. More information on their backgrounds can be found on the PwC NL *website*.

The Supervisory Board Regulations, which can also be found on the PwC NL *website*, contain more detailed information on the duties and responsibilities of the Supervisory Board and its committees. The Supervisory Board's profile (detailing its size and composition) is also available on the PwC NL *website* (as Annex B to the Supervisory Board Regulations).

The Supervisory Board is pleased to present its report for the financial year 2021/2022, reflecting on its position within PwC NL and discussing the main principles and core values of its supervisory duties. The report also focuses on the work of the Supervisory Board during the past year, including the most important supervision-related themes and key discussion topics.[1]

The Supervisory Board within PwC NL and its strategic principles and core values

The task of the Supervisory Board is to fulfil the three roles associated with internal supervision (the supervisory, employer and consultancy) in accordance with the applicable legislation and regulations, including the Audit Firms (Supervision) Act (Wet toezicht accountantsorganisaties, Wta) and the Corporate Governance Code to which PwC is voluntarily committed. This framework means that public interest plays a key role in the Supervisory Board's activities.

The Supervisory Board is aware of its special position within PwC. PwC NL is part of a network of member firms in which strategic decisions can be taken that affect practices in the Netherlands. This requires the Supervisory Board to have a properly developed network role. In addition, PwC is a partner-led organisation whose partners are not only responsible for daily PwC business but also members (through partner BVs in which they operate under an association agreement with PwC) of the Coöperatie and therefore part of the organisation's corporate governance. The business is organised along three Lines of Service with partners as decentralised entrepreneurs. The result is a unique entrepreneurial dynamics which the Supervisory Board has to be responsive to.

With this context in mind, we formulated a number of strategic principles for good governance and supervision within PwC at an off-site meeting held during the past year. We also formulated three core values to guide our activities. To us, these values form a living framework to reflect on attitude, intention and conduct, especially in situations where the values are at stake.

Meetings of the Supervisory Board and its involvement in the organisation

The Supervisory Board held eight meetings in the 2021/2022 financial year. In addition to five regular meetings, there were three more informal meetings during which the Supervisory Board discussed a number of topics at length, including The New Equation strategy, and the structure, finance and governance of PwC. The Supervisory Board regularly holds a private meeting prior to meetings with the Board of Management. Besides this, several private sessions were held this year on current topics such as the TSP selection process.

The critical and engaged members of the Supervisory Board are in regular contact between meetings with members of the Board of Management and other PwC partners/specialists. Every year, the Supervisory Board also organises orientation sessions with partners and senior directors, the PwC Young Board and the Partner Council to discuss matters such as the cultural transformation, The New Equation and the retention, recruitment and development of talent. Supervisory Board members are also involved in dialogues with external stakeholders of PwC.

Throughout the year the (acting) chair of the Supervisory Board and chair of the Board of Management very regularly discuss current events at PwC both internally and externally. During the year, the chair of the Supervisory Board also maintains excellent contacts with, among others, the chair of the Works Council, the chair of the Partner Council and Governance Chairs within the PwC Network.

The Supervisory Board's strategic principles: quality as a key word in the context of supervision

1. The promotion and monitoring of sustainable and social long-term value creation by PwC NL.
2. A related basic principle is the promotion and monitoring of the public interest, while primarily served by Assurance, both Tax & Legal and Advisory are also increasingly involved in this issue.
3. The promotion and monitoring of compliance of the PwC standards and values, with the values of PwC as the recognisable frame of reference.
4. The key word and common thread of these basic principles is quality. Quality is a leading social principle for the supervision carried out by the Supervisory Board.

1 The legal structure of PwC NL changed during this fiscal year due to a restructuring of PwC Europe. As a result, the Coöperatie became the sole shareholder of the holding as of 24 March 2022. Since the Coöperatie is regarded as having been the group head of PwC NL from that date, the Supervisory Board was moved to the level of Coöperatie on the same date.

The core values of the Supervisory Board

Critical and engaged
Supervisory Board members have and display sincere interest in PwC's operations. We establish contacts widely within the organisation to properly understand what is going on in the organisation. In doing so, we are very aware of the fact that this needs to be done from the position of internal supervisor and that means we adopt a critical and constructive attitude and are not afraid to keep asking questions. The Supervisory Board dares to be critical, towards the organisation and amongst itself. Supervisory Board members are not afraid to express an opinion, even when it is difficult to do so.

Open and keen to learn
The Supervisory Board is transparent about its actions with regard to each other, the Board of Management and the organisation. We are sincere and clear in our considerations and argumentation. The Supervisory Board focuses on quality and its continuous improvement within PwC and among its members. Integrity and quality require an organisation that is keen to learn and in which it is possible to give and receive constructive feedback. The Supervisory Board is focused on innovation, testing and on the organisations learning from mistakes. The Supervisory Board shows that it is also able to learn, develop and continuously improve.

Respectful and challenging
There is lively dialogue with the Board of Management. The Supervisory Board holds up a mirror to the Board of Management and respectfully challenges its motivation, ambition and conduct in the light of the PwC values. The Supervisory Board is proactive and initiates investigations itself, in addition to responding to policy documents and reports. We question implicit assumptions and challenge policymakers to make a difference themselves and re-imagine the possible.

Themes of the supervision and key discussion topics

The supervision by the Supervisory Board largely follows PwC's strategic agenda and challenges. Over the past year the focus was on a number of themes and key discussion topics that will also require our attention in the time ahead. These themes are clarified in more detail below.

The New Equation
With The New Equation, PwC is aiming for a future that is human-led and technology-powered. It is a long-term strategy and a response to, among other things, the major consequences of technology both for clients and, potentially, PwC's internal organisation. Against that backdrop, the Supervisory Board believes there are certain challenges that PwC needs to confront, for example in terms of the innovation agenda, investments, the composition and competencies of the PwC teams and collaboration inside and outside PwC.

Over the past year, we challenged the Board of Management during discussions on these issues about their ambition and risk appetite. As regards the cooperation between the Lines of Service, we are convinced that the whole is greater than the sum of the parts and the Supervisory Board is encouraging the organisation to continue to invest in this. The New Equation also means making choices and setting priorities, which is why the Supervisory Board supported the divestment of the Global Mobility, Immigration and Expat Payroll business.

People and Culture
The issue of people and culture is demanding our attention in all kinds of ways. We realise that PwC is more dependent than ever on attracting, developing and promoting talent and we share the concerns of the Board of Management regarding work pressure and absenteeism. This year, we held extensive discussions with the Board of Management on, among other things, the cultural transformation, the attractions of PwC as an employer, changes to the employment conditions and career paths, with an eye on customisation, a focus on diversity and variety in terms of people, career paths and the type of performance delivered.

The basis for this is a safe culture in which the organisation learns from mistakes and continuously works on improving quality. The Supervisory Board fully supports the measures which the Board of Management has taken during the past year in this context and encourages the Board of Management to keep work pressure high on the agenda.

Governance
This year, the Supervisory Board has focused a great deal of time and attention on selecting a new chair of the Board of Management and the composition of the Board of Management and Assurance Board. At the start of the year, Ad van Gils stated his wish to step aside in favour of the next generation and that he would no longer be available for another term as chair after his term of office ended.

After an extensive selection process, the Supervisory Board made a binding nomination to the General Meeting for the appointment of Agnes Koops-Aukes as chair of the Board of

Management. We are delighted and grateful that the General Meeting proceeded with the appointment and have every confidence in Agnes and her team, which was appointed following approval by the Supervisory Board. In accordance with the Wta, the policymakers on the Assurance Board have also been appointed following approval by the Supervisory Board and in full confidence that they can meet the challenges facing the audit firm. On the basis of an evaluation of the selection process carried out together with the Partner Council, we believe there is room for further improvement, for example the drawing up of the profile for the chair of the Board of Management and the involvement of partners in this. This will be taken on board in the protocol for the next nomination process.

The Supervisory Board is extremely grateful to Ad van Gils and his team for their untiring effort and valuable contribution to the organisation in recent years. The Board of Management as a team has provided exceptional leadership to PwC throughout the difficult COVID-19 circumstances and its integrated approach to the transformation has created important long-term value for PwC.

More generally, an important governance theme for the Supervisory Board is that the organisation and the way in which it is governed will have to be brought in line with changing social expectations. Within the framework of the discussion about structure, finance and governance, we critically challenged the Board of Management on a future-proof and stress-resilient organisational structure.

Quality

The Supervisory Board has observed that social expectations are also changing with regard to quality. The definition of quality is shifting from compliance with legislation and regulations towards the provision of relevant services, whereby a societal gatekeeper function is in place for PwC with regard to areas such as fraud and continuity. Together with the Board of Management we believe that this development is continuing towards environmental, social and governance issues and we fully support the prioritisation of the ESG perspective for accountants, tax advisers and consultants.

Following the AFM assessment of the impact and working practices of supervisory boards of PIE audit firms, we have evaluated our own contribution to realising quality objectives. An important follow-up to this is the off-site meeting during which we formulated the above-mentioned strategic principles and core values for the supervision. We also discussed the findings of the AFM with regard to the internal quality review and three audit files that had undergone an internal quality review, with particular attention being paid to the PwC root cause analysis resulting from the file that was rated non-compliant by the AFM.

Ukraine

The Russian invasion of Ukraine at the beginning of 2022 shocked the world. We took note of the swift decision by the PwC Network of member firms to discontinue having a member firm in Russia and we appreciate humanitarian initiatives taken by PwC for colleagues affected by the war. The Supervisory Board is also keeping a close eye on the impact of the sanctions on the services provided by PwC. This is leading to in-depth discussions with the Board of Management on the subjects of public interest, client acceptance and continuance procedures and PwC's purpose and values.

Regular agenda items

In addition to the above-mentioned themes and discussion topics over the past year, there were recurring items on the agenda of Supervisory Board meetings. These included compliance, finance & reporting, independence, risk management & quality, the business planning cycle & budget (including the audit firm's budget), strategy & markets, cooperation within the PwC Network of member firms, the Code of Conduct (including complaints, notification and whistle-blowing procedures), human capital & partner affairs, external auditor appointment & signing authority, succession planning, evaluation of the performance of the Board of Management, the Compliance Officer and the Supervisory Board itself and remuneration in general. The discussions also featured topical issues relating to one or more of the Lines of Service, or to client and market developments.

Composition

In last year's Annual Report we wrote about the recruitment procedures for a new chair following the sad passing of Carel van Eykelenburg and a successor for Cees van Rijn (chair of the Audit Committee). The Supervisory Board is pleased to report that these procedures have concluded with two appointments:

- The appointment of Chris Buijink on 26 November 2021. Following a period of onboarding Chris succeeded Jan Sijbrand (acting chair) as chair of the Supervisory Board on 14 February 2022.
- The appointment of René van Schooten on 26 November 2021. Following a period of onboarding, René succeeded Cees van Rijn as chair of the audit committee on 11 February 2022.

This year, the following changes were made to the composition of the Supervisory Board:

- Annemarie Jorritsma resigned as of 31 January 2022 due to pressure of time on her various activities and to ensure continuity, given that several members of the Supervisory Board will be leaving in 2023 in accordance with the retirement schedule.
- Cees van Rijn resigned as of 10 February 2022, having completed his final reappointment period, after a successor had been found.
- Yvonne van Rooy resigned as of 30 June 2022, also with an eye on ensuring continuity, given that several members of the Supervisory Board will be leaving in 2023 in accordance with the retirement schedule.

We wish to express our sincere appreciation to Annemarie Jorritsma, Cees van Rijn and Yvonne van Rooy for their keen insights, commitment and contribution to the development of the Supervisory Board within PwC. At the time that this report was being finalised, the recruitment process for new members of the Supervisory Board was well underway.

Supervisory Board committees

The Supervisory Board has four committees, namely the Public Interest Committee, the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. These committees have an advisory role within the Supervisory Board.

The reports below show the composition and focus of each of the committees, together with a summary of the key matters on the committees' agendas.

Report of the Public Interest Committee

Members (2021/2022)	Focus/activities
All members of the Supervisory Board, chaired by Yvonne van Rooy as interim chair until 14 February 2022 and Jan Sijbrand from 14 February 2022 onwards.	- Focuses on the social aspects relevant to PwC, including safeguarding the public interest in the audit opinions issued by PricewaterhouseCoopers Accountants N.V., regulatory affairs, and risk and quality. - Each meeting is attended by the chair of the Board of Management, the chair of the Assurance Board and the member responsible for risk and quality, the Compliance Officer and Deputy Compliance Officer and the Public Affairs manager. - Meets regularly with other members of the Assurance Board.

Overview of key issues discussed by the Public Interest Committee in 2021/2022:

- The audit firm's quality management system and the design and operating effectiveness regarding the quality objectives, including the audit quality risk assessment and the reporting by Assurance on the quality indicators it uses to monitor the progress being made with respect to the quality agenda, together with the (final) evaluation of ROME.
- Updates on risk and quality, such as the Systematic Integrity Risk Analysis and KYC-processes, also in relation to sanctions issued after the start of the war in Ukraine.
- Developments of societal interest within PwC's practice, such as the situation of PwC partners who have an academic appointment next to their professional practice at PwC, the friction between the transparency demanded by society and the confidentiality obligations, as well as public engagement regarding the Line of Service Tax & Legal, and the challenges for accountants regarding statements about fraud, continuity, and climate.
- Developments relating to the audit profession, including the consultation of the Future of the Accountancy Sector Act (*Wet toekomst accountancysector*) and the update of the Corporate Governance Code, as well as reports of the *Kwartiermakers toekomst accountancysector*, and the development of audit quality indicators and the Corporate Sustainability Reporting Directive.
- Discussions between the Supervisory Board and the AFM regarding the audit firm.
- Internal and external quality reviews, such as (the follow-up to) the results of the inspection performed by the AFM in 2020 and 2021 into the quality of the audits, internal quality reviews and supervision by the Supervisory Board, as well as (the follow-up to) the results of the PCAOB inspection carried out in 2021.
- Evaluation of the external auditors' improvement plans and signing authority, based on the 2019 non-compliant file review results.
- Updates on incidents that have been notified to the AFM, troublesome practice matters and legal proceedings.
- Updates on the stakeholder dialogue and the ensuing possible dilemmas for PwC

The Public Interest Committee provides further insight into the past year in its contribution to the Transparency Report by PricewaterhouseCoopers Accountants N.V. (which can be found on the PwC NL website).

Report of the Selection and Appointment Committee

Members (2021/2022)	Focus/activities
Jan Sijbrand (acting chair until 14 February 2022), Chris Buijink (member as of 26 November 2021, chair as of 14 February 2022) Naomi Ellemers, Frits Oldenburg.	- Focuses on partner, senior director and director admissions, the appointment of policymakers, performance evaluations by the Board of Management and Assurance Board and human capital strategy and developments. - Has the chair of the Board of Management as the primary contact person. - Meets regularly with the CAD chair and member of the Board of Management responsible for Human Capital.

Overview of key issues discussed by the Selection and Appointment Committee in 2021/2022:

- Selection of the chair of the Board of Management and the composition of the Board of Management and Assurance Board (including attention for time spent on management and serving clients).
- Evaluation of the selection of the partner candidates, senior director and director candidates before appointment as external auditors within Assurance, including the selection process itself.
- Improvement plans and signing authority of external auditors after shortcomings were identified, including evaluation thereof and decisions about dismissal.
- Goal setting and performance evaluation of the members of the Board of Management, the members of the Assurance Board in their role as policymakers under the Wta, the Compliance Officer and the internal auditor.
- Human Capital strategy and developments, such as retention, absenteeism, career paths, talent review, safe working environment and the People and the Values Surveys.
- Partner affairs, including the process relating to evaluation, mapping, goal setting and the development of partners, leavers, joiners and improvement plans.

Report of the Audit Committee

Members (2021/2022)	Focus/activities
Cees van Rijn (chair until 11 February 2022), René van Schooten (chair from 11 February 2022 onwards) Frits Oldenburg, Annemarie Jorritsma (until 1 February 2022), Jan Sijbrand (from 14 February 2022 onwards).	- Focuses on finance and reporting, internal and external audits, risk and IT (security). - Has the CFO of the Board of Management as the primary contact. - Meets regularly with those responsible for internal audit, risk and finance, IT/information security and the Assurance Board member responsible for finance. - Holds a private discussion annually with the external auditor (not attended by the CFO and Internal Audit).

Overview of key issues discussed by the Audit Committee in 2021/2022:
- Periodic financial management reports and forecasts, the 2020/2021 results and the draft annual financial statements.
- Assessment of the internal risk management and control systems and the statement of the Board of Management.
- The external auditor's management letter and report, as well as discussions with the external auditor about the audit plan and approach. The effectiveness of the audit process was evaluated during the private discussion between the Audit Committee and external auditor.
- The business planning cycle for the budget, including the budget for Assurance.
- The internal audit charter, together with the internal audit year plan and internal audit reports. The (effectiveness of the) internal audit processes were evaluated via in-depth discussions of internal audit reports, as well as regular (private) meetings between the chair of the Audit Committee and the internal auditor prior to meetings of the Audit Committee.
- Updates on the implementation of a new engagement management and financial system (Da Vinci).
- Technology updates, including information security and data protection updates, as well as pricing of digital assets.
- With the KYC officer present, updates on the risks and effects of the war in Ukraine for PwC's service offerings and the KYC process.
- Enterprise risk management and the tax control framework.

Report of the Remuneration Committee

Members (2021/2022)	Focus/activities
Annemarie Jorritsma (chair until 1 February 2022), Naomi Ellemers (member and chair from 14 February 2022 onwards) Yvonne van Rooy, Jan Sijbrand and Chris Buijink (as of 26 November 2021)	- Focuses on the remuneration of the members of the Board of Management and Assurance Board, and of partners/directors and staff. - Has the chair of the Board of Management as the primary contact. - Meets regularly with the chair of the Partner Council.

Overview of key issues discussed by the Remuneration Committee in 2021/2022:
- Remuneration policy and the proposed remuneration of the members of the Board of Management and Assurance Board.
- Updates to the remuneration policy for partners and the process relating to their evaluation and remuneration, particularly in the area of quality.
- The amendment of the Recognition and Accountability Framework and the application of the framework for partners and directors. This Framework facilitates a common approach within PwC NL with regard to recognising and holding accountable all partners and staff for quality outcomes and quality behaviours.
- The evaluation and remuneration of assurance partners/directors who act as external auditors, in terms of quality.
- Remuneration policies and conditions of employment for staff and directors, including equal pay.
- The Remuneration Committee's Remuneration Report, as adopted by the Supervisory Board, is included as an appendix to this Annual Report 2021/2022 (pages 127-131).

Independence

All Supervisory Board members qualify as independent within the meaning of the Supervisory Board Regulations and the Dutch Corporate Governance Code. No conflict of interest occurred that required a Supervisory Board member to abstain from attending a meeting or from adopting a decision.

Self-assessment

At a separate meeting, which was not attended by the Board of Management, the Supervisory Board discussed its own performance and the performance of its committees and members in a self-assessment.

The performance of the Supervisory Board, its committees and members is generally viewed as positive. The relationship between the Board of Management and the Supervisory Board is good and constructive, while the Supervisory Board continues to have a critical attitude. A number of follow-up points have emerged to further strengthen the Supervisory Board's performance, such as intensifying the engagement with the boards of the three Lines of Service (Assurance, Tax & Legal and Advisory), a clearer focus on key aspects in the information provided by the Board of Management and taking more time for discussion of long term strategic subjects.

In keeping with the self-assessment in 2021, the Supervisory Board has continued to, amongst others, increase its focus on strategic subjects and succession planning.

Evaluation of the performance of the Board of Management and Assurance Board

As part of the performance evaluation process carried out by the Supervisory Board an annual performance review of the Board of Management, the Assurance Board and the individual members of both boards (all policymakers of PricewaterhouseCoopers Accountants N.V. according to the Wta) took place. This review process consists of three steps: (1) agreement regarding goal setting at both team and individual levels; (2) a mid-year evaluation interview involving policymakers and counterparties from the Supervisory Board; and (3) a year-end performance interview between policymakers and counterparties from the Supervisory Board, with the conclusions being reflected in the goals set for the coming year.

During this process, we observed that the policymakers despite the difficult COVID-19 circumstances pursued the change agenda and continued to focus on non-financial objectives, such as quality, inclusion and safety. This included setting the impetus for the next phase towards the purpose-led and values-driven organisation, focusing on the 'how' (culture, behaviour and connection) and 'leading by example'.

Remuneration Report

The Remuneration Report, included on pages 127-131, is an integral part of the Report of the Supervisory Board.

Annual Report

After discussing the Annual Report and financial statements, the Supervisory Board concluded that these present a fair view and have been prepared on a basis that is consistent with the previous year. The Supervisory Board would like to express its sincere thanks to everybody at PwC who, through their hard work, expertise and dedication, contributed to the achievements of PwC in the financial year 2021/2022.

Amsterdam, 22 September 2022

The Supervisory Board:
Chris Buijink (chair)
Naomi Ellemers
Frits Oldenburg
René van Schooten
Jan Sijbrand

	Chris Buijink	Naomi Ellemers	Annemarie Jorritsma	Frits Oldenburg	Cees van Rijn	Yvonne van Rooy	Jan Sijbrand	René van Schooten
Initial appointment	2021	2015	2015	2015	2015	2015	2019	2021
Re-appointment	n/a	2019	2019	2019	2019, 2021	2019	n/a	n/a
End of term	2026	2023	2022	2023	2022	2022	2023	2026
Independent	yes	yes	yes	yes	yes	yes	yes	yes
Attendance at Supervisory Board meetings	7/7 (100%)	8/8 (100%)	2/2 (100%)	8/8 (100%)	1/2 (50%)	7/8 (87%)	8/8 (100%)	7/7 (100%)
Committee memberships and attendance	- Public Interest (4/4) - Selection and Appointment (3/3) - Remuneration (2/2)	- Public Interest (5/5) - Selection and Appointment (6/6) - Remuneration (1/1)	- Public Interest (2/2) - Audit (3/3) - Remuneration (2/2)	- Public Interest (5/5) - Audit (7/7) - Selection and Appointment (6/6)	- Public Interest (0/2) - Audit (3/3)	- Public Interest (4/5) - Remuneration (3/3)	- Public Interest (5/5) - Audit (3/4) - Selection and Appointment (4/4) - Remuneration (2/2)	- Public Interest (4/4) - Audit (5/5)

Our Supervisory Board

Chris Buijink
(1954, male, Dutch)

Principal position
- Former chair of the Dutch Banking Association (Nederlandse Vereniging van Banken – NVB)

Other positions:
- Chairman of the Joint Consultative Committee ESTEC-NL Authorities
- Member and Vice Chairman of the Supervisory Board of the Foundation Hermitage aan de Amstel

Naomi Ellemers
(1963, female, Dutch)

Principal position:
- Distinguished University Professor at Utrecht University

Other positions:
- Honorary Professor at the University of Queensland, Australia
- Member of the Royal Netherlands Academy of Arts and Sciences (KNAW), British Academy for the Humanities and Social Sciences (FBA) and American Academy of Arts and Sciences
- Chair of the Committee on Roots and Prevention of Inappropriate Behaviour in Academia and Member of the advisory council of The Netherlands Board on Research Integrity (LOWI)

Frits Oldenburg
(1961, male, Dutch)

Principal position:
- Of counsel at FG Lawyers

Other positions:
- Member of the Board of the Vrouwe Groenevelt's Liefdegesticht Foundation
- Member of the Board of the Dutch Asthma Foundation
- Member of the Board of the Foundation for the Preservation of Rotterdam Heritage

Jan Sijbrand
(1954, male, Dutch)

Principal position:
- Former member of the executive board and chairman for supervision of De Nederlandsche Bank (DNB - the Dutch Central Bank).

Other positions:
- Independent non-executive member of the global oversight board of PricewaterhouseCoopers International Limited (up to and including 30 June 2022).
- Independent Non-Executive Director of AIB Group, plc and Allied Irish Banks, p.l.c.

René van Schooten
(1959, male, Dutch)

Principal position:
- Former member of the board of management of Philips Lighting N.V./ Signify N.V.

Other position:
- Chairman of the Supervisory Board of MUON B.V.

Financial statements

Coöperatie PricewaterhouseCoopers Nederland U.A.

1. Consolidated financial statements

1.1. Consolidated balance sheet at 30 June 2022 (before appropriation of result) (in € x 1,000)

		30 June 2022		30 June 2021	
Fixed assets					
Intangible fixed assets	[1]				
Goodwill		3,773		-	
Software		147		-	
			3,920		**-**
Tangible fixed assets	[2]				
Leasehold improvements		11,915		-	
Office furniture		8,108		-	
Office equipment		10,817		-	
Fixed assets under construction		341		-	
			31,181		**-**
Financial fixed assets	[3]				
Participating interests		-		57,600	
Other participating interests		5,938		167	
Deferred tax assets (non-current)		890		1	
Other receivables		18,230		-	
			25,058		**57,768**
Current assets					
Work in progress	[4]		**77,578**		**-**
Receivables					
Receivables from clients	[5]	186,681		-	
Receivables from participations		-		55,631	
Deferred tax assets (current)		657		-	
Other receivables	[6]	11,490		2,341	
Prepayments and accrued income	[7]	20,157		22	
			218,985		**57,994**
Cash and cash equivalents	[8]		**173,059**		**157,631**
Total			**529,781**		**273,393**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

		30 June 2022		30 June 2021	
Equity and liabilities					
Group equity	[9]		**88,318**		**64,477**
Provisions	[10]		**12,277**		**16**
Long-term liabilities					
Other loans	[11]	1,612		-	
Accrued expenses and deferred income (long-term)	[12]	1,091		-	
			2,703		**-**
Current liabilities					
Liabilities to suppliers	[13]	25,505		-	
Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A.	[14]	220,227		206,657	
Taxes and social security charges	[15]	53,467		1,183	
Other liabilities	[16]	101,555		1,060	
Accrued expenses and deferred income (current)	[17]	25,729		-	
			426,483		**208,900**
Total			**529,781**		**273,393**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

1.2. Consolidated profit and loss account for the year ended 30 June 2022 (in € x 1,000)

		2021/2022		2020/2021	
Net revenue	[18]	394,872		209,660	
Other revenue	[19]	33,061		-	
Total revenue			**427,933**		**209,660**
Cost of work contracted-out and other external costs	[20]	34,480		-	
Salaries	[21]	90,034		795	
Social security charges	[22]	18,701		286	
Amortisation and depreciation of fixed assets	[1, 2]	2,834		-	
Travel costs and other personnel costs	[23]	27,459		83	
Other operating costs	[24]	23,807		11,256	
Total operating costs			**197,315**		**12,420**
Operating profit			**230,618**		**197,240**
Interest and other financial income		1,410		-	
Interest and other financial expenses	[25]	-956		-1,657	
Profit on ordinary activities before tax			**231,072**		**195,583**
Corporate income tax	[26]	-10,459		-2,273	
Results of participating interests		-		561	
Management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A.	[27]	-189,095		-186,994	
Profit after tax			**31,518**		**6,877**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

1.3. Consolidated statement of cash flows for the year ended 30 June 2022 (in € x 1,000)

		30 June 2022		30 June 2021	
Cash flow from operating activities					
Operating profit			**230,618**		**10,246**
Adjustments for:					
Other revenue		-33,061			
Amortisation, depreciation and impairments	[1, 2]	2,834			
Movements in provisions	[10]	-1,064	-		5
			-31,291		**5**
Changes in working capital					
Receivables	[5-7]	-30,183		19,511	
Work in progress	[4]	-29,539		-	
Current liabilities	[13-17]	-100,057		62,192	
			-159,779		**81,703**
Cash flow from business operations			**39,548**		**91,954**
Interest paid	[25]	-956		-1,657	
Interest receive		1,410			
Corporate income tax		-2,465		-2,064	
			-2,011		**-3,721**
Management fee Coöperatie PricewaterhouseCoopers Nederland U.A.	[27]		**-189,095**		-
Cash flow from operating activities			**-151,558**		**88,233**

		30 June 2022		30 June 2021	
Cash flow from investing activities					
Disposals of intangible fixed assets	[1]	257		-	
Additions to tangible fixed assets	[2]	-2,754		-	
Disposals of tangible fixed assets	[2]	2,962		-	
Additions to financial fixed assets	[3]	-430		-400	
Acquisitions of group companies and disposal of activities		173,557		-	
Cash flow from financing activities			**173,592**		**-400**
Additions to member capital	[30]	3,800		4,200	
Repayment on member capital	[30]	-4,600		-3,600	
Paid member compensation	[31]	-6,877		-6,870	
Other loans	[11]	1,071		-	
			-6,606		**-6,270**
Net cash flow			**15,428**		**81,563**
Cash flow from financing activities		157,631		76,068	
Net cash flow		15,428		81,563	
Cash and cash equivalents - closing			**173,059**		**157,631**

1.4. Notes to the consolidated financial statements

Activities

Among other things, the activities of Coöperatie PricewaterhouseCoopers Nederland U.A. ('the Company') with its registered office in Amsterdam consist of the management and financing of the activities of its participations, as well as making available natural persons ('professional practitioners') who practice a profession as stated in the objective of the Company via the private limited companies ('partner-BVs') held by them either directly or indirectly, as well as making professionals available to Holding PricewaterhouseCoopers Nederland B.V. ('Holding PwC NL'). Its activities and those of its subsidiaries comprise Assurance, Tax & Legal and Advisory services. These activities are further described in the *Report of the Board of Management*. The Company is registered at the Chamber of Commerce under number 34344598.

Consequence of reshaping the form of the PwC Europe cooperation

A resolution was adopted last year to reshape the form of the PwC Europe cooperation, in order to better reflect the current needs of its participating firms. Due to this legal restructuring of PwC Europe the legal structure of PwC NL has changed during this fiscal year.

As part of this restructuring, Konsortium PwC Europe was dissolved, resulting in the Company having a direct shareholding in PwC Europe SE Wirtschaftsprüfungsgesellschaft ('PwC Europe'). PwC Europe consequently repurchased its own shares form the Company, in exchange transferring, among other things, all the ordinary shares in Holding PwC NL to the Company. As a result the Company became the sole shareholder of Holding PwC NL at 24 March 2022. Since the Company is considered to be the group head of PwC NL from that date, the Supervisory Board has been set up at the level of the Company from the same date.

As an additional consequence of the legal restructuring, the Company is required to prepare consolidated financial statements from 24 March 2022 onwards. For practical reasons consolidation of Holding PwC NL has taken place from 1 April 2022.

In addition to the financial reporting based on the requirements of Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standards ('Richtlijnen voor de jaarverslaggeving') as published by the Dutch Accounting Standards Board (see paragraph 2 - 4), a pro forma profit and loss account is prepared (paragraph 1.8). The pro forma profit and loss account reflects the situation if consolidation had applied from 1 July 2020. The comparative figures have also been prepared on that basis to enable comparison and insight.

Group relationships

In the current year the reshape of the PwC Europe cooperation has been executed. Up until 24 March 2022 the Company held the sole priority share in Holding PwC NL. As per 24 March 2022 100% of the ordinary shares in Holding PwC NL, as held by PwC Europe SE Wirtschaftsprüfungsgesellschaft were transferred to the Company and the sole priority share was withdrawn. As a consequence, the Company is required to prepare consolidated financial statements from 24 March 2022 onwards.

The private limited liability companies owned by the professional practitioners (the 'partner BVs') have each entered into an association agreement with the Company and Holding Pwc NL, under which the partner BV makes the professional practitioner available to practise one of the professions described under Activities in return for a management fee.

Basis of reporting

The consolidated financial statements have been prepared in accordance with the requirements of Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standards ('Richtlijnen voor de jaarverslaggeving') as published by the Dutch Accounting Standards Board. Where no specific accounting policy is noted, assets and liabilities are carried at the historical cost at which they were acquired or incurred, respectively.

Principles of consolidation

The consolidated financial statements include the financial statements of the Company and at 24 March 2022 of those group companies in which, directly or indirectly, it has a shareholding of more than one half of the voting rights or can otherwise exercise control. Together, these are referred to in the financial statements as 'the Group'.

Intercompany transactions and profits, and balances between group companies and other consolidated entities, are eliminated to the extent that the results have not yet been realised through transactions with third parties.

The entities included in the consolidation for the period of 1 July 2021 – 30 June 2022 are:
• Coöperatie PricewaterhouseCoopers Nederland U.A., Amsterdam (100%);
• PwC Business Solutions Holding (NL) B.V., Amsterdam (100%).

The entities included in the consolidation for the period 1 April 2022 – 30 June 2022 are the following:
- Holding PricewaterhouseCoopers Nederland B.V., Amsterdam (100%);
- PricewaterhouseCoopers B.V., Amsterdam (100%);
- PricewaterhouseCoopers Accountants N.V., Amsterdam (100%);
- PricewaterhouseCoopers Advisory N.V., Amsterdam (100%);
- PricewaterhouseCoopers Belastingadviseurs N.V., Amsterdam (100%);
- PricewaterhouseCoopers Certification B.V., Amsterdam (100%);
- PricewaterhouseCoopers Compliance Services B.V., Amsterdam (100%);
- PricewaterhouseCoopers Consulting Services Holding B.V., Amsterdam (100%);
- PricewaterhouseCoopers Consulting Services B.V., Amsterdam (100%);
- PricewaterhouseCoopers Consulting Services NL B.V., Amsterdam (100%);
- PricewaterhouseCoopers Deelnemingen B.V., Amsterdam (100%);
- PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V., Amsterdam (100%);
- PwC Strategy& (Netherlands) B.V., Amsterdam (100%);
- PricewaterhouseCoopers Academy Netherlands VOF, Amsterdam (100%).

Fiscal unities

Coöperatie PricewaterhouseCoopers Nederland U.A. and PwC Business Solutions Holding B.V. form a fiscal unity for corporation tax purposes.

Except for PricewaterhouseCoopers Academy Netherlands VOF and PricewaterhouseCoopers Deelnemingen B.V., all of the abovementioned consolidated entities form a fiscal unity for value-added tax purposes with Holding PricewaterhouseCoopers Nederland B.V. The abovementioned fiscal unity for value-added tax purposes was extended to include Coöperatie PricewaterhouseCoopers Nederland U.A. and PwC Business Solutions Holding B.V. on 1 April 2022.

All the abovementioned consolidated entities form a fiscal unity for corporation tax purposes with Holding PricewaterhouseCoopers Nederland B.V.

Acquisitions of group companies

The results and identifiable assets and liabilities of acquired entities are recognised in the consolidated financial statements from the date of acquisition, being the date on which control is obtained.

The purchase price is the monetary amount, or equivalent, agreed for the acquisition of the acquired entity plus any costs directly attributable to the acquisition. Where the acquisition cost exceeds the net fair value of the identifiable assets and liabilities, the excess is recognised as goodwill under intangible fixed assets.

Estimates

In applying accounting policies and financial reporting requirements, the Board of Management needs to make judgements and estimations that can be critical to the amounts reported in the financial statements. Where necessary to provide the insight required by Article 2:362, clause 1 of the Dutch Civil Code, the nature of these judgements and estimations, and details of the underlying assumptions, are provided in the note disclosures for the relevant balance sheet items.

Related parties

Related parties are defined as those legal entities that can be controlled, jointly controlled or significantly influenced by the Company and those legal entities that can control the Company. The director under the Articles of Association, the authorised executive directors, the members of the Supervisory Board of the Company and the close relatives of these board members are also defined as related parties.

The nature and extent of transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions, together with any other information necessary to provide sufficient insight.

Accounting policies for assets and liabilities

General

Considering our key financials and ratios and the current outlook of the market, the financial statements of the Company are prepared on the assumption that the Company is able to continue as a going concern. Unless otherwise indicated, all amounts in the financial statements are reported in thousands of euros. Amounts followed by ‘m’ are in millions of euros.

In the interest of transparency regarding amounts payable to the professional practitioners and as further described in the management fee policy in the Accounting policies for the profit and loss account, the Company has decided to deviate from the prescribed reporting formats (*Besluit modellen jaarrekening*) by including the management fee as the final line item prior to Profit after tax.

Comparison with prior year

The Group’s financial year runs from 1 July to 30 June.

The reshaping of the PwC Europe cooperation was completed during the current year. As a consequence, the Company is required to include the financial statements of the entities mentioned in “Principles of consolidation” in these consolidated financial statements. For practical reasons this is prepared as from 1 April 2022 onwards. Comparative figures have not been updated.

Foreign currencies
The financial statements are presented in euros, which is both the functional and the presentation currency of the Company. Foreign currency transactions in the reporting period are converted at the exchange rates prevailing on the transaction dates. Monetary amounts denominated in foreign currencies are converted into the functional currency at the exchange rates prevailing at the balance sheet date. Resulting exchange differences are taken to the profit and loss account, except where hedge accounting is applied. Non-monetary assets carried at acquisition cost in a foreign currency are converted using the exchange rates prevailing on the transaction dates.

Financial instruments
Financial instruments comprise other financial interests, receivables, cash and cash equivalents, subordinated loans, liabilities to suppliers and liabilities to related parties. The accounting policies for these items are set out individually below.

Goodwill
Goodwill is determined as the excess of the acquisition cost over the fair value of identifiable assets and liabilities acquired less accumulated amortisation and impairment provisions. Goodwill is amortised on a straight-line basis over its expected useful life.

Software
Software is carried at acquisition cost less accumulated depreciation and impairment provisions. Software is depreciated on a straight-line basis over its expected useful life.

Tangible fixed assets
Tangible fixed assets are carried at acquisition cost less accumulated depreciation determined on a straight-line basis over their expected useful lives and taking account of any residual values. Assets under construction are not depreciated.

Impairment of fixed assets
At each balance sheet date, the Company assesses whether there is any indication of asset impairment and, where there are such indications, the recoverable amount of the asset is determined, calculated as the higher of the fair value less costs to sell and the value in use. An asset is deemed to be impaired if its carrying amount, or the carrying amount of the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment is recognised as an expense in the profit and loss account.

Financial fixed assets
Participating interests over which significant influence is exercised are carried at net asset value, determined using the same accounting policies as used in these financial statements. Participating interests acquired are recognised initially at the fair value of the identifiable assets and liabilities on acquisition and subsequently on the basis of the accounting policies used for these financial statements using this initial value as a basis. If the measurement of a participating interest based on net asset value is negative, it will be stated at nil. If and insofar as the Company can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Other participating interests are carried at the lower of acquisition cost and, where there are indications of impairment, the best estimate of their recoverable amount.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses. The calculation of deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law. Deferred income tax is recognised at nominal value.

Other receivables presented under financial fixed assets include loans. These receivables are initially measured at fair value and subsequently carried at amortised cost. Impairments are deducted from amortised cost and expensed in the profit and loss account.

Work in progress
Work in progress comprises services delivered but not yet invoiced and is carried at the amounts expected to be recovered from clients. Where the net amount of work performed, provisions and invoiced amounts on any individual project is negative, this net amount is recognised under other liabilities.

Receivables
Receivables are recognised initially at the fair value of the service provided and subsequently at amortised cost, which for current receivables is the nominal amount, net of provisions for doubtful debts.

Other receivables all mature within one year.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and deposits with maturities of less than twelve months. Bank overdrafts are included in payables to credit institutions in current liabilities. Cash and cash equivalents are carried at their nominal amounts.

Provisions

Provisions are recognised for legally enforceable or constructive obligations which exist at the balance sheet date and of which the settlement is uncertain.

Personnel provisions relate to long-term disability benefit top-ups, long-service entitlements and severance pay. The provisions for commitments under non-activity arrangements and long-service entitlements are carried at present value using a discount rate of 2.2% (30 June 2021: 0.6%) and taking account of staff turnover probability. The provision for long-term unemployment benefit top-ups is carried at its present value using a discount rate of 2.2% (30 June 2021: 0.6%).

The provision for severance pay and other provisions are carried at the nominal amounts of the expected cost of settlement. Other provisions are measured at present value and include provisions for office vacancy, restoration obligations at the end of rental contracts and professional liability. Restoration obligations at the end of rental contracts are provided evenly over the rental period.

Accrued expenses and deferred income (long-term)

Long-term accrued expenses and deferred income include incentives received in connection with the rent of a number of office premises. These amounts are long term in nature and are taken to income on a straight-line basis over the term of the rental contracts.

Liabilities

Liabilities are recognised initially at fair value, increased by transaction costs directly attributable to the assumption of the liability, and subsequently at amortised cost. The difference between the carrying amount and the ultimate repayment is charged to income as interest expense over the term of the liability based on the effective interest rate. Bonus and untaken leave entitlements are carried at the amounts required for monetary settlement. The liability recognised for bonuses reflects the best estimate of the expenditure necessary to settle the obligation. Other current liabilities all mature within one year.

Prepayments and accrued income and Accrued expenses and deferred income (current)

Other assets and liabilities are carried at the amounts receivable and payable, respectively. Receivables are carried net of provisions for non-recoverability. Other assets and liabilities all have a remaining maturity period of less than one year.

Operating leases

Lease contracts under which the risks and rewards of ownership do not accrue to the Group are recognised as operating leases. Operating lease obligations are charged to profit and loss, net of any incentives received from the lessor, on a straight-line basis over the term of the contract.

Accounting policies for the profit and loss account

General

Profit after tax represents the difference between the recoverable value of services rendered and the costs and other charges incurred during the year. Losses are recognised as and when they occur and to the extent that they can be reliably estimated.

Net revenue

Net revenue represents the amounts chargeable for services rendered during the year. These are recognised when it becomes probable that they will be realised, with due recognition of arrangements made with clients regarding services and costs to be billed as the work progresses.

Where it becomes probable that total project costs will exceed total project revenues, the losses are recognised immediately in the profit and loss account and in work in progress in the balance sheet.

Other revenue

Other revenue includes revenue generated from non-core business-related activities and consists of the gross result of the divestment of business activities.

Operating costs

Operating costs are recognised at historical cost on an accrual basis.

Salaries and social security charges

Salaries and wages (including bonuses and holiday allowances) and social security charges are recognised in the profit and loss account when they are due.

Pensions

The Group has a number of pension schemes. For all schemes, the contributions are based on salary for the year in question (defined contribution schemes) and are payable to insurance companies or pension funds. Contributions are recognised when they become due. Under the schemes, the Group has no further legal or constructive obligation should a funding deficit arise at the insurance company or pension fund. The Group also has a so-called non-activity scheme. The annual cost of this scheme reflects the increase in the present value of the vested entitlements based on period of service, imputed interest and actuarial assumptions.

Amortisation and depreciation of intangible and tangible fixed assets

Intangible fixed assets, including goodwill, are amortised over their estimated useful lives from the date they are available for use. The effects of any changes in estimated useful economic lives are reflected prospectively in future amortisation charges.

Depreciation of tangible fixed assets is based on acquisition cost and is charged to the profit and loss account on a straight-line basis reflecting the estimated useful lives of the assets and their expected residual values.

Interest income and expenses

Interest income and expenses, including transaction costs relating to loans received, are recognised evenly over the periods to which they relate based on the effective interest rate inherent in the underlying assets and liabilities.

Exchange differences

Exchange differences arising on settlement or conversion of monetary items in foreign currency are recognised in the profit and loss account in the year in which they arise, unless hedge accounting is applied.

Dividends receivable

Dividends from other participating interests and securities are recognised when the Group becomes entitled to receive them.

Corporate income tax

Corporate income tax is determined based on the results of the Group reduced by the management fee. Corporate income tax on management fee is levied on the partner BVs as the ultimate recipients of the management fee.

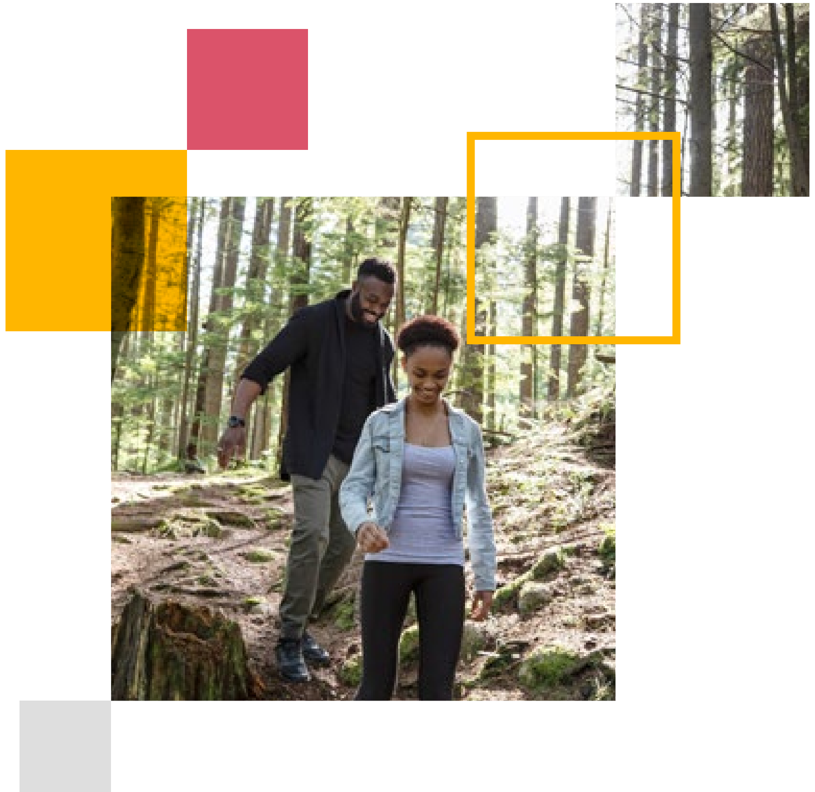
Management fee

The members of the Company are entitled to a management fee under the association agreements with the partner BVs of the professional practitioners (which are the members of the Company) and under the financial arrangements with the partners.

The Company charges this management fee to Holding PwC NL. To provide the necessary insight into the results allocated to the professional practitioners as profit share, the management fee is presented as a separate line item in the profit and loss account directly above Profit before tax. This is also addressed in Note 1.6. This treatment follows application of Article 2:362, clause 1 of the Dutch Civil Code and represents a deviation from the reporting formats prescribed by the Reporting Formats Decree (*Besluit modellen jaarrekening*).

Segment information

As the Group's operations are performed primarily through three Lines of Service (Assurance, Tax & Legal and Advisory) and one central support service line (Other), segment information is provided along these lines.



1.5. Notes to the consolidated balance sheet at 30 June 2022 (in € x 1,000 unless otherwise stated)

[1] Intangible fixed assets

The movements are as follows:

			2021/2022	2020/2021
	Goodwill	Software	Total	Total
Balance as at 1 July				
At cost	-	-	-	-
Accumulated amortisation	-	-	-	-
Carrying amount	**-**	**-**	**-**	**-**
Movements				
New consolidation	4,403	165	4,568	-
Disposals	-257	-	-257	-
Amortisation	-373	-18	-391	-
	3,773	**147**	**3,920**	**-**
Balance at 30 June				
At cost	4,146	165	4,311	-
Accumulated amortisation	-373	-18	-391	-
Carrying amount	**3,773**	**147**	**3,920**	**-**
Amortisation percentages	10-25	20-33		

New consolidation represents goodwill and software as a result of the acquisition of Holding PwC NL.

Goodwill on the acquisition of PricewaterhouseCoopers Technology Consulting (Netherlands) B.V. is amortised on a straight-line basis over four years. During the period from June 5, 2019 to June 30, 2024, the Company will share 30% in the revenues and costs of PricewaterhouseCoopers Technology Consulting Belgium B.V. In addition, 70% of the balance of income and expenses of the corresponding Dutch activities with PwC Belgium, Germany and Switzerland is settled during the same period. The receivable or debt arising from this right and this obligation are included in the balance sheet under other receivables, other payables and goodwill. As a result, the original goodwill was adjusted by € 257 in this year and this has been recognized as 'disposals' in the above statement of movements.

[2] Tangible fixed assets

The movements are as follows:

	Leasehold improvements	Office furniture	Office equipment	Fixed assets under construction	2021/2022 Total	2020/2021 Total
Balance as at 1 July						
At cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Carrying amount	**-**	**-**	**-**	**-**	**-**	**-**
Movements						
Additions	1,196	1,032	-	341	2,569	-
New consolidation	11,385	7,443	12,834	2,355	34,017	
Disposals	-46	-136	-606	-2,355	-3,143	-
Accumulated depreciation on disposals	46	135	-	-	181	-
Depreciation	-666	-366	-1,411	-	-2,443	-
	11,915	**8,108**	**10,817**	**341**	**31,181**	**-**
Balance at 30 June						
At cost	12,535	8,339	12,228	341	33,443	-
Accumulated depreciation	-620	-231	-1,411	-	-2,262	-
Carrying amount	**11,915**	**8,108**	**10,817**	**341**	**31,181**	**-**
Depreciation percentages	10	10	13-33			

New consolidation represents all tangible fixed assets as a result of the acquisition of Holding PwC NL.

Depreciation of leasehold improvements is based on the remaining term of the rental contracts adjusted, where necessary, for any early termination of rental contracts.

[3] Financial fixed assets

The movements are as follows:

	Partici-pating interests	Other participating interests	Deferred tax assets	Other receivables	2021/2022 Total	2020/2021 Total
Balance as at 1 July	**57,600**	**167**	**1**	**-**	**57,768**	**57,368**
Additions	1,000	53	276	1,321	2,650	400
New consolidation	-10,260	5,718	1,258	16,909	13,625	-
Repayment	-48,340	-	-	-	-48,340	-
Charge to the profit and loss account	-	-	-645	-	-645	
Balance at 30 June	**-**	**5,938**	**890**	**18,230**	**25,058**	**57,768**

Participating interests

These consist at 24 March 2022 of direct holdings in the following entities:
- PwC Business Solutions Holding (NL) B.V., Amsterdam (100% since 1 July 2020);
- Holding PricewaterhouseCoopers Nederland B.V., Amsterdam (100%).

On 1 April 2022 Holding PwC NL is fully consolidated and this change is stated under ‘New consolidation’.

As part of the reshaping of the PwC Europe cooperation, Konsortium PwC Europe was liquidated and its assets (loans) were allocated between its shareholders.

Other participating interests

Other participating interests include a number of participations, primarily participations in other PwC Network entities that operate for the benefit of the global PwC Network. None of these interests are held for trading.

The Group holds the following participations:

Name and location	Share in issued capital %
PwC Digital Technology Services B.V., Rotterdam	20.00
PwC Business Solutions B.V., Amsterdam	19.90
PricewaterhouseCoopers Europe GmbH, Frankfurt am Main	16.67
Lifeguard Finance B.V., Amsterdam	16.35
PricewaterhouseCoopers Services B.V., Rotterdam	12.50
PricewaterhouseCoopers IT Services Ltd., London	11.10
L & F Holdings Limited, Bermuda	7.14
PwC Network Holdings Pte Ltd., Singapore	3.00
S&H (Guernsey) Ltd., Guernsey	3.00
PwC Strategy& Parent (UK) Ltd., London	2.40

Deferred tax assets

Deferred tax assets relate to temporary tax differences of € 1.5 m arising mainly on differences in depreciation periods for tangible fixed assets and on the timing of recognition of office vacancy costs. An amount of € 0.7 m of the deferred taxes balance is expected to be recoverable within one year and is presented under current assets.

Other receivables

Other receivables at 30 June 2022 consist of four receivables. The fair value of other receivables does not differ materially from the carrying amount.

The first receivable is a Floating Rate Subordinated Unsecured Loan Note of € 1,733 provided to Lifeguard Finance B.V. The receivable is subordinated to all other creditors of Lifeguard Finance B.V. Interest is payable semi-annually at the end of February and August and is set at the end of August each year at six-month Euribor plus 0.75%. For the period from 28 February 2022 to 31 August 2022 interest has been set at 0.75%. The principal, together with any unpaid interest, is repayable in full on 31 December 2026.

The second receivable concerns a loan note of $ 2.8 m (€ 2.5 m) granted to a related party. The interest for the loan is set at twelve-month LIBOR plus 0.75%. Together with the accrued interest, the loan is repayable on 30 June 2023.

The third receivable concerns a loan of € 3.5 m granted to a related party, which gives an annual compensation based on the results of the related party and will be due for repayment no later than 2048. An impairment of € 3.5 m was recognised in relation to this receivable as a consequence of lower expected repayments.

The fourth receivable concerns loan notes of € 13.6 m provided to PwC Digital Technology Solutions B.V. at 30 June 2022. During the year, loan notes for in total € 3.3 m were granted. Interest of 3.5% is payable annually. The principal, together with any unpaid interest, is repayable in full on 31 December 2032.

[4] Work in progress

Work in progress at 30 June 2022 is stated net of on account billings amounting to € 306 m.

[5] Receivables from clients

Receivables are due within one year and are not interest-bearing. A provision for doubtful debts of € 6.1 m was carried at 30 June 2022. The fair value of the receivables from clients approximates the carrying amount, given the current nature of the receivables from clients and the fact that provisions for doubtful debt have been recognised where necessary.

[6] Other receivables

Other receivables are as follows:

	30 June 2022	30 June 2021
Receivables from related parties	1,057	699
Receivables from personnel	569	-
Stichting Verrekenfonds	192	4
Other	9,672	1,638
Total	**11,490**	**2,341**

Receivables from related parties comprise receivables from a number of PwC entities that are not part of the Group. Receivables from the international network consist of reimbursable costs.

[7] Prepayments and accrued income

Prepayments and accrued income, all due within one year, are as follows:

	30 June 2022	30 June 2021
Prepaid insurance premiums	6,213	-
Prepaid rental costs	4,525	-
Accrued income	2,354	-
Prepaid car lease cost	1,252	-
Other	5,813	22
Total	**20,157**	**22**

[8] Cash and cash equivalents

Of the cash and cash equivalents € 3.2 m was not freely available.

[9] Group equity

Disclosures regarding shareholders' equity are provided in the notes to the company financial statements.
A consolidated statement of comprehensive income is not presented, as there is no difference between profit after tax and comprehensive income (2020/2021: the same).

[10] Provisions

The movements are as follows:

			2021/2022	2020/2021
	Personnel	Other	Total	Total
Balance as at 1 July	**16**	**-**	**16**	**11**
Additions	362	319	681	5
New consolidation	5,347	7,975	13,322	-
Utilisation	-988	-679	-1,667	-
Releases	-75	-	-75	-
Balance at 30 June	**4,662**	**7,615**	**12,277**	**16**

Approximately € 10.6 m of provisions is long-term.

Personnel provisions include amounts for long-term disability benefit top-ups, long-service entitlements and severance pay.

Other provisions include the office vacancy provision of € 2.4 m in respect of leased premises. This provision is based on the lease costs for future periods during which it is expected that the premises will not be occupied. Other provisions include a provision for obligations to restore leased premises at the end of the lease period of € 1.3 m; this provision is recognised evenly over the lease period.

Other provisions also include professional liability provisions of € 3.3 m relating to work performed until the balance sheet date. Releases relate primarily to changes in the estimated costs of outstanding claims. All of the claims are disputed, and provisions have been formed for any loss still expected to be incurred by the Group in relation to ongoing claims. The Group is insured against any such claims. While the outcome of these disputes cannot be predicted with certainty, legal advice and other information received indicate that they will have no significant effect on the financial position of the Group.

[11] Other loans

PricewaterhouseCoopers Enterprise Advisory BV has provided PricewaterhouseCoopers Advisory N.V. a loan with respect to the purchase of the shares in PwC Technology Consulting (Netherlands) B.V. This loan will be repaid in four instalments. The interest rate is set at 3.5%. No security has been provided.

[12] Accrued expenses and deferred income (long-term)

Long-term accrued expenses and deferred income include the long-term element of incentives received under a number of office lease agreements released to the profit and loss account over the duration of the related rental contracts. The portion to be released to the profit and loss account in 2022/2023 is included in short-term accrued expenses and deferred income in current liabilities.

The deferred rental incentives are released as follows:

	30 June 2022	30 June 2021
From 1-5 years	1,091	-
Carrying amount	**1,091**	**-**

[13] Liabilities to suppliers

Liabilities to suppliers are all due within one year.

[14] Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A.

The liability to members of Coöperatie PricewaterhouseCoopers Nederland U.A. has a remaining term of less than one year and is interest-bearing. The average interest rate for 2021/2022 was 0.26% (2020/2021: 3.312%).

Part of this debt is an amount withheld as a claw-back from the profit share of partners who are auditors in public practice for 2021/2022. The claw-back withholding is remitted to Foundation Measure 3.5. The remittance of the deduction for 2021/2022 takes place after the balance sheet date.

The consequence of this claw-back scheme for partners who are auditors in public practice is that if certain events occur after 1 July 2015 and the procedural requirements have been met, PricewaterhouseCoopers Accountants N.V. will, under certain conditions, be entitled to part or all of the relevant partner’s profit share reserved under the claw-back scheme, for investment in quality improvement measures on behalf of PricewaterhouseCoopers Accountants N.V.

[15] Taxes and social security charges

Taxes and social security charges, all due within one year, are as follows:

	30 June 2022	30 June 2021
Value-added tax	30,182	860
Wage tax and social security charges	14,164	39
Corporation tax	9,121	284
Total	**53,467**	**1,183**

[16] Other liabilities

Other liabilities are as follows:

	30 June 2022	30 June 2021
Work in progress for which on account billings exceed the project revenue earned	47,988	-
Bonuses payable	27,865	88
Accrued leave entitlements and holiday allowances	23,738	68
Amounts due to related parties	1,056	-
Former members of Coöperatie PricewaterhouseCoopers Nederland U.A.	-	638
Other	908	266
Total	**101,555**	**1,060**

All other liabilities fall due in less than one year. The fair value of the other liabilities approximates the book value due to their short-term character.

[17] Accrued expenses and deferred income (current)

Accrued expenses and deferred income comprise accruals for invoices to be received and the current portion of incentives received under a number of office lease agreements.

	30 June 2022	30 June 2021
Invoices to be received	21,534	-
Current portion of incentives received under lease agreements for office premises	2,159	-
Other	2,036	-
Total	**25,729**	**-**

Off-balance sheet liabilities and commitments

- PricewaterhouseCoopers B.V. stands surety for the annual Group profit-linked periodic benefit payments administered by Stichting Verrekenfonds, for the beneficiaries of one of the legal predecessors of the legacy firm Coopers & Lybrand. In 2021/2022, the payments amounted to € 0.4 m. The payments are due for the lifetimes of the individual beneficiaries.
- Guarantees provided in relation to lease and other obligations amount to € 3.2 m at 30 June 2022, with the longest-running guarantee expiring on 30 September 2029.
- The Group has undertaken, in certain circumstances, to assume an obligation of up to $ 2 m of L & F Holdings Limited, an entity in which PricewaterhouseCoopers Deelnemingen B.V. holds a 7.1% participating interest.
- PricewaterhouseCoopers B.V. has undertaken to indemnify a third party for 2.4% of certain liabilities that that party may incur under an agreement to fund supplementary payments of non-Dutch pensions.
- PricewaterhouseCoopers Deelnemingen B.V. has undertaken to bear 2.4% of the damages certain third parties may suffer in relation to their responsibilities in a certain non-Dutch Retirement Medical Trust.
- PricewaterhouseCoopers Deelnemingen B.V. entered into a loan agreement with PwC Digital Technology Services B.V. of € 15.3 m. At 30 June 2022, an amount of € 13.6 m had been drawn down.
- PricewaterhouseCoopers Deelnemingen B.V. signed a joint venture agreement to acquire a 5% shareholding in a service delivery centre in Egypt for an initial amount of USD 50. In the joint venture agreement PwC Deelnemingen B.V. also agreed to a potential additional funding for a maximum amount of USD 450.
- As part of the divestment of the Global Mobility and Immigration & Expat business (GM), several holdbacks have been retained by PwC Global on the proceeds paid to PricewaterhouseCoopers Belastingadviseurs N.V. (€ 46.0 m) in May 2022. The potential additional proceeds to be distributed by PwC Global to PwC can add up to a maximum of € 3.6 m depending on whether any liabilities or unexpected costs arise from the GM divestment in the twelve months period following 29 April 2022.

The Group has long-term rental contracts, other operating lease obligations and facility services insourcing obligations totalling € 215 m.

These obligations mature as follows:

in € millions	30 June 2022	30 June 2021
< 1 year	58	-
From 1-5 years	119	-
> 5 years	38	-
Total obligations	**215**	**-**

1.6. Notes to the consolidated profit and loss account for the year ended 30 June 2022 (in € x 1,000 unless otherwise stated)

[18] Net revenue

Net revenue consists of the operations that are performed primarily through the three Lines of Service (Assurance, Tax & Legal and Advisory) for the period 1 April 2022 to 30 June 2022. The management fee represents the results of Holding PwC NL as charged by the Company to Holding PwC NL for the period 1 July 2021 to 1 April 2022.

	2021/2022	2020/2021
Management fee Holding PricewaterhouseCoopers Nederland B.V.	133,232	194,568
Assurance	100,884	-
Advisory	80,349	-
Tax & Legal	68,134	-
Charged costs	5,943	5,591
Car and expense reimbursement	5,629	8,164
Revenue Partner Advies Groep	1,000	1,321
Other	-299	16
Total	**394,872**	**209,660**

Net revenue is earned primarily in the Netherlands.

[19] Other revenue

In April 2022 the business activity Global Mobility, Immigration and Expat Payroll business (GM) was divested. The divestment is an asset deal. The amount presented under 'Other revenue' is the gross transaction result on the divestment.

Divestment of GM		
Gross result		45,963
Value transferred assets	-11,458	
Value transferred liabilities	1,421	
Net assets/liabilities transferred		-10,037
Transaction costs		-2,865
Gross transaction result		**33,061**
Corporate income tax (25,8%)		-8,530
Net result on transaction		**24,531**

[20] Cost of work contracted-out and other external costs

These relate to third-party services, including those from other members of the PwC Network, and out-of-pocket expenses directly attributable to engagements.

[21] Salaries

Salaries comprise gross salaries and bonuses.

[22] Social security charges

Social security charges are as follows:

	2021/2022	2020/2021
Social security charges	11,790	108
Pension premiums	6,911	178
Total	**18,701**	**286**

Pension costs are determined in accordance with the agreed pension schemes. Qualifying staff members are provided with an annual contribution to their pension scheme depending on their age and income.

[23] Travel and other personnel costs

Travel and other personnel costs are as follows:

	2021/2022	2020/2021
Travel costs	12,888	65
Other personnel costs	14,571	18
Total	**27,459**	**83**

A part of the travel costs in particular is reimbursed by clients. The other personnel costs consist of costs for well-being and other personnel-related activities and temporary staff.

[24] Other operating costs

Other operating costs are as follows:

	2021/2022	2020/2021
Occupancy costs	8,216	91
Car and expense reimbursements	5,629	8,164
Technology	4,021	18
Early-retirement benefits	554	639
External consultants' fees	2,640	12
Sales and business development	-374	-
Other costs	3,121	2,332
Total	**23,807**	**11,256**

Other costs include membership contributions to PricewaterhouseCoopers International Ltd., insurances and other costs related to professional liability.

[25] Interest and other financial expenses

Interest and other financial expenses are as follows:

	2021/2022	2020/2021
Interest paid to members of the Company	420	1,524
Other interest expense	536	133
Total	**956**	**1,657**

[26] Corporate income tax

Corporate income tax is as follows:

	2021/2022	2020/2021
Profit before tax	231,072	195,583
Management fee Coöperatie PricewaterhouseCoopers Nederland U.A.	-189,095	-186,994
Book/tax differences		
- Non-deductible items	2,607	-
- Temporary differences	-2,769	-
Taxable profit	**41,815**	**8,589**
Tax thereon	8,955	2,273
Adjustments relating to prior year deferred tax	645	-
Correction of previous years	859	-
Corporate income tax	**10,459**	**2,273**
Effective corporate income tax rate	4.5%	1.2%

Corporate income tax on the management fees is levied at the level of the members of the Company (the partner BVs). Permanent differences include non-deductible amortisation of goodwill. Temporary differences relate primarily to the timing of office vacancy provisioning and to different rates for the amortisation and depreciation of assets.

Corporate income tax paid and received is included in one aggregate net amount in the statement of cash flow.

[27] Management fee Coöperatie PricewaterhouseCoopers Nederland U.A.

The Company charges a management fee to Holding PwC NL for making available the professional practitioners who are associated with the members of the Company.

The Company normally distributes its entire net profit, after deduction of the return on members' capital contributions (*ledenvergoeding*) and its own operating expenses, as management fee to its members. This year the net result on the divestment of the Global Mobility and Immigration & Expat business is not part of the distribution to the members of the Company, as the Group wants to use the proceeds for reinvestment in other business areas. Consequently, an amount equal to the net result made on this transaction (of € 24.5 m) is included in profit after tax. The Company's Articles of Association prescribe that, after adoption of the financial statements, the net profit of the Company will be added to the member capital and reserve accounts.

The aggregate remuneration accruing from the Dutch PwC entities to the members of the Company, is as follows:

	2021/2022	2020/2021
Management fee payable by the Company to its members	189,095	186,994
Return on capital contributions paid to members of Coöperatie*	6,924	6,841
	196,019	**193,835**
Average number of partners (FTE)	284	281
Average management fee per partner**	690.3	690.4
Allocation of net profit to capital and reserve accounts (per partner)*	86.4	-

* After adoption of the financial statements.
** Includes return on members' capital contributions as part of the profit appropriation.

In addition to their management fee, the members of Coöperatie also receive car and expense allowances, aggregating € 7.7 m (2020/2021: € 8.2 m), and interest on their current accounts, aggregating € 0.4 m (2020/2021: € 1.5 m).

1.7. Other notes (in € x 1,000)

External auditor's fees

The following pro rata fees were charged to and borne by the Group for work performed during the year by the auditor and the auditor's firm as defined in Section 1 (a and e) of the Audit Firms Supervision Act. The fees charged in 2020/2021 refer to the Company.

	2021/2022	2020/2021
Audit of the financial statements	90	12
Other audit engagements	7	-
Total	**97**	**12**

Operating leases

The Group charged € 11.5 m to the profit and loss account for operating lease costs during the year, relating to office premises and the leased car fleet and parking space.

Financial instruments and risk management

Foreign exchange risk

The Group operates primarily within the European Union. Foreign exchange risks arise mainly on positions and transactions in US dollars. The Board of Management's policy is to hedge foreign exchange positions and not to take speculative positions. The Group uses both primary and derivative financial instruments for hedging purposes.

Any significant foreign exchange risk relating to future cash flows from operating activities in foreign currencies is hedged by means of currency forward contracts under terms determined by the timing of the underlying receivables and obligations. Gains and losses on instruments used to hedge off-balance sheet positions are deferred until the hedged positions are recognised. There were no contracts outstanding at 30 June 2022.

At 30 June 2022, receivables in US dollars and other currencies amounted to € 8.6 m and € 2.8 m respectively. Liabilities in US dollars and other currencies amounted to € 7.8 m and € 4.4 m respectively.

Interest rate risk and cash flow risk

Interest-rate risk for the Group relates primarily to the following loans:

- Loan of € 1,733 m receivable from Lifeguard Finance B.V., with interest receivable semi-annually at six-month Euribor plus 0.75% at the end of August each year (for the period from 28 February 2022 to 31 August 2022: 0.75%).
- Loan of € 2.7 m receivable from PwC Business Solutions B.V., with interest receivable annually at twelve-month LIBOR plus 0.75% at the end of August each year.

Interest-rate risk on financial assets and liabilities is not hedged.

Credit risk

The Group is exposed to the risk of counterparty default, though this risk is limited due to the large number and diversity of the Group's receivables. There is concentration of credit risk only as a result of the limited geographical spread of receivables concentrated in the Netherlands. Credit risk is further mitigated by the application of client acceptance and credit control procedures.

Liquidity risk

Liquidity risk is mitigated by the fact that cash flow from operating activities generates sufficient liquidity to meet ongoing obligations. Furthermore, the Group has access to revolving credit facilities with two large Dutch banks of € 50 m in total, of which 50% is seasonal.

Fair value

The carrying amounts of financial instruments under receivables and liabilities carried at amortised cost do not differ significantly from fair values.

1.8. Additional disclosures to the profit and loss account (in € x 1,000 unless otherwise stated)

Full year pro forma profit and loss account for the year ended 30 June 2022

The pro forma profit and loss account reflects the financial performance of the Company in the situation that consolidation had applied for the entire fiscal year. The comparative figures have also been prepared on that basis to enable comparison and insight.

		2021/2022		2020/2021	
Net revenue	[a]	936,681		941,845	
Other revenue	[b]	33,861		-	
Total revenue			**970,542**		**941,845**
Cost of work contracted-out and other external costs		107,890		146,153	
Salaries		325,874		327,615	
Social security charges	[c]	70,391		71,560	
Amortisation and depreciation of fixed assets		10,692		12,914	
Impairment		-		898	
Travel costs and other personnel costs	[d]	110,139		82,196	
Other operating costs	[e]	111,938		97,210	
Total operating costs			**736,924**		**738,546**
Operating profit			**233,618**		**203,299**
Interest and other financial income		1,616		370	
Interest and other financial expenses	[f]	-1,765		-6,877	
Profit on ordinary activities before tax			**233,469**		**196,792**
Corporate income tax		-12,856		-3,482	
Results of participating interests		-		561	
Management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A.		-189,095		-186,994	
Profit after tax			**31,518**		**6,877**

[..] The letters in the square brackets refer to the corresponding letters in the disclosures to the profit and loss account.

1.8.1. Disclosures to the pro forma profit and loss account for the year ended 30 June 2022 (in € x 1,000)

[a] Net revenue

The net revenue of each segment (after elimination of internal revenue) is as follows:

	2021/2022	2020/2021
Assurance	348,340	341,719
Tax & Legal	287,754	308,101
Advisory	294,879	286,391
Other	5,708	5,634
Total	**936,681**	**941,845**

Net revenue is earned primarily in the Netherlands. In addition to work performed, revenue includes the charging of costs incurred (particularly travel costs) to clients. “Other” relates to recharges for partners on an international assignment in the PwC Network.

[b] Other revenue

Next to the divestment of GM with a gross transaction result of € 33.061 (see note 19) the Company divested Taxmarc/Taxolutions in January 2022 with a gross transaction result of € 800. Both divestments are asset deals. The amount presented under ‘Other revenue’ is the gross transaction result on these divestments.

Divestment of Taxmarc/Taxolutions		
Gross result	800	
Value transferred assets		-
Value transferred liabilities		-
Net assets/liabilities transferred	-	
Transaction costs	-	
Gross transaction result	**800**	
Corporate income tax (25,8%)	-	
Net result on transaction	**800**	

[c] Social security charges

Social security charges are as follows:

	2021/2022	2020/2021
Social security charges	43,256	46,380
Pension contributions	27,135	25,180
Total	**70,391**	**71,560**

Pension costs are determined in accordance with the agreed pension schemes. Qualifying staff members are provided with an annual contribution to their pension scheme depending on their age and income.

[d] Travel and other personnel costs

Travel and other personnel costs are as follows:

	2021/2022	2020/2021
Travel costs	47,918	46,268
Other personnel costs	62,221	35,928
Total	**110,139**	**82,196**

A part of the travel costs in particular is reimbursed by clients. The other personnel costs increased mainly as a result of increased costs for temporary staff, well-being and other personnel-related activities.

[e] Other operating costs

Other operating costs are as follows:

	2021/2022	2020/2021
Occupancy costs	31,717	30,520
Technology	29,051	26,412
Sales and business development	6,962	3,990
External consultants' fees	4,729	460
Other costs	39,479	35,828
Total	**111,938**	**97,210**

Other costs include membership contributions to PricewaterhouseCoopers International Ltd., insurances and other costs related to professional liability.

[f] Interest and other financial expenses

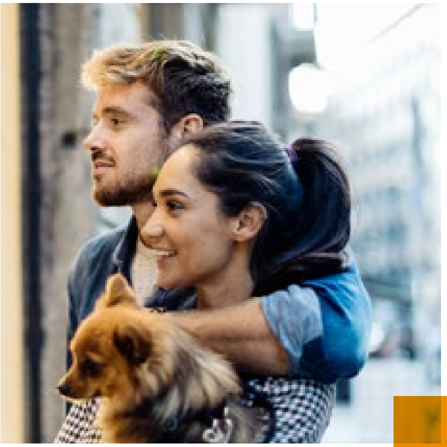
Interest and other financial expenses are as follows:

	2021/2022	2020/2021
Other interest expense	1,345	3,996
Interest paid to member of the Company	-	895
Exchange differences	-	462
Interest paid to members of Coöperatie	420	1,524
Total	**1,765**	**6,877**

External auditor's fees

The following fees were charged to and borne by the Group for work performed during the year by the auditor and the auditor's firm as defined in Section 1 (a and e) of the Audit Firms Supervision Act:

	2021/2022	2020/2021
Audit of the financial statements	361	301
Other audit engagements	26	25
Total	**387**	**326**



Segment information (in € x 1,000)

2021/2022	Assurance	Tax & Legal	Advisory	Other [1]	Eliminations	Total
Net revenue from external clients	348,340	287,754	294,879	5,708	-	936,681
Net internal revenue	16,486	23,967	26,201	198,150	-264,804	-
Other revenue	-	33,861	-	-	-	33,861
Total revenue	**364,826**	**345,582**	**321,080**	**203,858**	**-264,804**	**970,542**
Costs of work contracted-out and other external costs	43,451	45,618	73,782	41	-55,002	107,890
Staff costs	135,225	91,382	98,688	70,970	-	396,265
Amortisation and depreciation of fixed assets	-	333	1,596	8,763	-	10,692
Other operating costs	134,007	96,936	83,072	117,864	-209,802	222,077
Total operating costs	**312,683**	**234,269**	**257,138**	**197,638**	**-264,804**	**736,924**
Operating profit	**52,143**	**111,313**	**63,942**	**6,220**	**-**	**233,618**
Net financial income and expenses	-1,067	-713	104	1,527	-	-149
Corporate income tax	-786	-9,167	-592	-2,311	-	-12,856
Management fee Coöperatie	-	-	-	-189,095	-	-189,095
Profit after tax	**50,290**	**101,433**	**63,454**	**-183,659**	**-**	**31,518**

[1] Internal costs are charged to group companies and recognised as internal revenue under Other.

People employed in FTE [2]	Assurance	Tax & Legal	Advisory	Firm Services	Total
Average number in 2021/2022					
- Partners	106	100	78	-	284
- Other professionals	1,752	1,047	1,026	11	3,836
- Support staff	61	14	10	927	1,012
Total	**1,919**	**1,161**	**1,114**	**938**	**5,132**

[2] FTE (excluding trainees) means full-time equivalents.

2020/2021	Assurance	Tax & Legal	Advisory	Other [1]	Eliminations	Total
Net revenue from external clients	341,719	308,101	286,391	5,634	-	941,485
Net internal revenue	26,479	12,151	31,817	179,437	-249,884	-
Total revenue	**368,198**	**320,252**	**318,208**	**185,071**	**-249,884**	**941,845**
Costs of work contracted-out and other external costs	47,858	56,354	98,028	62	-56,149	146,153
Staff costs	141,464	94,779	93,592	69,340	-	399,175
Amortisation and depreciation of fixed assets	-	-	3,204	9,710	-	12,914
Impairment	-	-	-	898	-	898
Other operating costs	118,171	85,153	68,504	101,313	-193,735	179,406
Total operating costs	**307,493**	**236,286**	**263,328**	**181,323**	**-249,884**	**738,546**
Operating profit	**60,705**	**83,966**	**54,880**	**3,748**	**-**	**203,299**
Net financial income and expenses	-978	-855	-1,797	-2,877	-	-6,507
Corporate income tax	-468	-429	-314	-2,271	-	-3,482
Results of participating interests	-	-	-	561	-	561
Management fee Coöperatie	-	-	-	-186,994	-	-186,994
Profit after tax	**59,259**	**82,682**	**52,769**	**-187,833**	**-**	**6,877**

[1] Internal costs are charged to group companies and recognised as internal revenue under Other.

People employed in FTE [2]	Assurance	Tax & Legal	Advisory	Firm Services	Total
Average number in 2020/2021					
- Partners	108	100	73	-	281
- Other professionals	1,888	1,082	1,005	11	3,986
- Support staff	64	14	9	898	985
Total	**2,060**	**1,196**	**1,087**	**909**	**5,252**

[2] FTE (excluding trainees) means full-time equivalents.

2. Company financial statements

2.1. Company balance sheet at 30 June 2022 (before appropriation of result) (in € x 1,000)

		30 June 2022		30 June 2021	
Fixed assets					
Financial fixed assets					
Participating interests	[28]	10,259		57,599	
Deferred tax assets		-		1	
			10,259		**57,600**
Current assets					
Receivables					
Receivables from participating interests	[29]	48,340		55,799	
Receivables from group companies		225,788		-	
Taxes and social security charges		4,407		-	
Other receivables		1,288		2,341	
Prepayments and accrued income		9		22	
			279,832		**58,162**
Cash and cash equivalents			**28,151**		**157,631**
Total			**318,242**		**273,393**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

		30 June 2022		30 June 2021	
Equity and liabilities					
Equity					
Member capital accounts	[30]	56,800		57,600	
Distributable reserves	[31]	-		-	
Undistributed profit	[32]	31,518		6,877	
			88,318		**64,477**
Provisions			**11**		**16**
Current liabilities	[33]				
Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A.		220,227		206,657	
Taxes and social security charges		8,712		1,183	
Other liabilities		974		1,060	
			229,913		**208,900**
Total			**318,242**		**273,393**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

2.2. Company profit and loss account for the year ended 30 June 2022 (in € x 1,000)

		2021/2022		2020/2021	
Net revenue	[34]		**242,967**		**209,660**
Cost of work contracted-out and other external costs		1		-	
Salaries	[35]	755		795	
Social security charges	[36]	273		286	
Other operating costs	[37]	10,317		11,339	
Total operating costs			**11,345**		**12,420**
Operating profit			**231,622**		**197,240**
Interest and other financial income		427		-	
Interest and other financial expenses	[38]	-575		-1,657	
Profit on ordinary activities before tax			**231,474**		**195,583**
Corporate income tax		-10,861		-2,273	
Results of participating interests		-		561	
Management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A.	[27]	-189,095		-186,994	
Profit after tax			**31,518**		**6,877**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

2.3. Notes to the company financial statements (in € x 1,000)

Accounting policies for assets and liabilities and for the profit and loss account

General

The accounting policies used for the company financial statements are the same as those used for the consolidated financial statements. Participating interests over which significant influence or control can be exercised are carried at net asset value, determined in accordance with the accounting policies used for the consolidated financial statements. The accounting policies are included in the general notes to the consolidated financial statements.

2.4. Notes to the company balance sheet at 30 June 2022 (in € x 1,000 unless otherwise stated)

[28] Participating interests

These consist of direct holdings in the following entities:
- PwC Business Solutions Holding (NL) B.V., Amsterdam (100%);
- Konsortium PwC Europe, Frankfurt am Main (Duitsland) (30.07% until 24 March 2022);
- Holding PricewaterhouseCoopers Nederland B.V., Amsterdam (100% at 24 March 2022).

Movements during the year are as follows:

	2021/2022	2020/2021
Balance as at 1 July	**57,599**	**57,199**
Add: investments	11,260	-
Movement equity rights Konsortium PwC Europe	-58,600	400
Balance at 30 June	**10,259**	**57,599**

Up until 24 March 2022 the Company held the sole priority share in Holding PwC NL. On 24 March 2022 100% of the ordinary shares in Holding PwC NL, as held by PwC Europe SE Wirtschaftsprüfungsgesellschaft were transferred to the Company and the sole priority share was withdrawn. The investments reflect the value of the purchase price of 100% of the ordinary shares in Holding PwC NL.

[29] Receivables from participating interests

Receivables from participating interests are as follows:

	2021/2022	2020/2021
Holding PricewaterhouseCoopers Nederland B.V.	48,340	55,070
Konsortium PwC Europe	-	561
PwC Business Solutions Holding (NL) B.V.	-	168
Balance at 30 June	**48,340**	**55,799**

[30] Member capital accounts

At 30 June 2022, the balance of the member capital accounts is € 56,8 m divided into 284 capital contributions of € 0,2 m each (30 June 2021: € 57,6 m divided into 288 contributions).

Movements during the year are as follows:

	2021/2022	2020/2021
Balance as at 1 July	**57,600**	**57,000**
Add: capital deposit	3,800	4,200
Less: repayment of capital	-4,600	-3,600
Balance at 30 June	**56,800**	**57,600**

[31] Distributable reserve

Movements during the year are as follows:

	2021/2022	2020/2021
Balance as at 1 July	**-**	**-**
Add: profit distribution	6,877	6,870
Less: payment to members	-6,877	-6,870
Balance at 30 June	**-**	**-**

[32] Undistributed profits

Movements during the year are as follows:

	2021/2022	2020/2021
Balance as at 1 July	**6,877**	**6,870**
Add: result current financial year	31,518	6,877
Less: profit distribution	-6,877	-6,870
Balance at 30 June	**31,518**	**6,877**

[33] Current liabilities

All current liabilities are due within one year. Given the short-term nature of the liabilities, the fair values of current liabilities approximate their carrying amounts.

Off-balance sheet assets and commitments
The Company is jointly and severally liable for remittance of the corporate income tax and value-added tax due under the fiscal unities for these taxes and for the revolving credit facility.

2.5. Notes to the company profit and loss account for the year ended 30 June 2022 (in € x 1,000 unless otherwise stated)

[34] Net revenue

Net revenue is as follows:

	2021/2022	2020/2021
Management fee Holding PricewaterhouseCoopers Nederland B.V.	228,003	194,568
Car and expense reimbursement	7,693	8,164
Charged costs	5,943	5,591
Revenue Partner Advies Groep	1,328	1,337
Total	**242,967**	**209,660**

[35] Salaries

Salaries comprise gross salaries and bonuses.

[36] Social security charges

Social security charges are as follows:

	2021/2022	2020/2021
Social security charges	89	108
Pension premiums	184	178
Total	**273**	**286**

Pension costs are determined in accordance with the agreed pension schemes. Qualifying staff members are provided with an annual premium, depending on age and income, for contribution to their pension plans.

[37] Other operating costs

Other operating costs are as follows:

	2021/2022	2020/2021
Car and expense reimbursements	7,693	8,164
Early-retirement benefits	554	639
Other costs	2,070	2,536
Total	**10,317**	**11,339**

[38] Interest and other financial expenses

Interest and other financial expenses are as follows:

	2021/2022	2020/2021
Interest paid to members of Coöperatie	420	1,524
Other interest expense	155	133
Total	**575**	**1,657**

2.6. Other notes

Remuneration of the members of the Board of Management and the Supervisory Board

	2021/2022	2020/2021
Members of the Board of Management	7,319	6,099
Members of the Supervisory Board	445	452
	7,764	**6,551**

Members and former members of the Board of Management

The remuneration of the Board of Management, comprising the director under the Articles of Association and the six authorised executive directors, amounted to € 7.3 m for 2021/2022 (2020/2021: € 6.1 m for the director under the Articles of Association and the six authorised executive directors). In addition to their remuneration, the members of the Board of Management also receive car and expense allowances, amounting to € 0.2 m (2020/2021: € 0.2 m).

As of 1 July 2022, A.L. Koops-Aukes RA was appointed director under the Articles of Association, replacing drs. A.H.M. van Gils RA.

As of 30 June 2022, mr. drs. M.M. Borggreven, mr. M.J.M. Diepstraten, drs. M.P. de Lange-Snijders and drs. J.D. Lamse-Minderhoud RA stepped down as authorised executive members of the Board of Management.

As of 1 July 2022, drs. W.J. van der Molen RA, drs. V.A.P.M. Roos-Emonds and drs. J. Visbeen were appointed as authorised executive members of the Board of Management.

Members and former members of the Supervisory Board

The Company has a Supervisory Board since 24 March 2022. The Supervisory Board currently has five members. Reference is made to the Remuneration Report of the Supervisory Board included on pages 127-131 of this Annual Report.

As of 30 June 2022, mr. Y.C.M.Th. van Rooij stepped down as member of the Supervisory Board.

Reference is made to the Remuneration Report of the Supervisory Board included on pages 127-131 of this Annual Report.

Amsterdam, 22 September 2022

The Board of Management:
A.L. Koops-Aukes RA (director under the Articles of Association)
Drs. M.C.W. van de Pol RA *
Drs. J. Visbeen *
Drs. V.A.P.M. Roos-Emonds *
Drs. W.J. van der Molen RA *

The Supervisory Board:
Drs. C.P. Buijink (Chair)
Mr. F.W. Oldenburg
Dr. J. Sijbrand
Prof. dr. N. Ellemers
Ir. C.L. van Schooten

* Authorised titulair member

3. Other information

3.1. Provisions of the Articles of Association governing the appropriation of result

Article 27

27.1 After adoption of the Annual Accounts by the General Meeting, the net profits of the Cooperative shall be allocated in equal shares to the Capital and Reserve Accounts of the members as of the end of the fiscal year.

The "net gains" or "net losses" of the Cooperative, shall be the gains or losses of the Cooperative determined by applying the accounting methods and principles used to prepare the Annual Accounts of the Cooperative.

27.2 The net losses of the Cooperative for each fiscal year of the Cooperative shall be charged to the Capital and Reserve Accounts of the members in proportion to the entitlement to profits, as referred to in the preceding paragraph.

27.3 The General Meeting is authorized to decide on distributions to members – each for an equal share – from their respective Capital and Reserve Accounts and is authorized to decide on one or more interim distributions by way of advance payment.

27.4 The resolutions of the preceding paragraph may be passed only if and to the extent that the balance of the Members' Capital and Reserve Accounts does not become less than the amount of the Capital Contribution times the number of Members.

27.5 Payments made by the Cooperative to a member under this Article shall be made to a bank account designated for that purpose by the member.

3.2. Combined independent auditor's and assurance report

To: the members and Supervisory Board of Coöperatie PricewaterhouseCoopers Nederland U.A.

Summary

We have summarized our opinions and the main features of our audit for the year ended 30 June 2022 of Coöperatie PricewaterhouseCoopers Nederland U.A. below. The full text of the independent auditor's report, which includes the audit opinion on the financial statements and the reasonable assurance report on the other (integrated) information included in the Annual Report is included on the following pages.

The other (integrated) information in scope of our assurance engagement is included in 'PwC in the Netherlands', the Report of the Board of Management (excluding 'Outlook 2022/2023' as per the textbox on page 63 and 'Statement by the Board of Management on page 75), and the appendices to this Annual Report (hereafter: other (integrated) information in the annual report).

	Financial statements	Other (integrated) information in the Annual Report
Opinion	Unqualified audit opinion on financial statements (see page 119)	Unqualified reasonable assurance opinion on other (integrated) information in the Annual Report (see page 119)
Materiality	• Materiality of € 9,300,000 • 1.0% of reported revenues (see page 106)	Based on our professional judgement, we determined materiality levels for each relevant part of the *other (integrated) information* and for the *other (integrated) information* as a whole (see page 120).
Fraud risks	Based on the audit procedures Based on the audit procedures performed, we considered the potential fraud risks sufficiently addressed (see page 121).	Based on our assurance procedures performed, we considered the potential fraud risks sufficiently addressed.
Going Concern	Based on the audit evidence obtained up to the date of our auditor's report, we support management's assumption that the entity is a going concern (see page 121).	N/A
Key audit and assurance matters	• Valuation and existence work in progress (see page 122) • Impact of the implementation of Da Vinci project (see page 122)	• Materiality analysis (see page 123) • Fair view on material theme quality (see page 123)

A. Report on the audit of the financial statements and other (integrated) information included in the Annual Report 2021/2022

Our opinion

We have audited the financial statements and other (integrated) information in the Annual Report for the year ended 30 June 2022 of Coöperatie PricewaterhouseCoopers Nederland U.A. based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

We have audited	Our opinion
Financial statements The financial statements comprise: 1. the consolidated and company balance sheet as at 30 June 2022; 2. the consolidated and company profit and loss account for the period from 1 July 2021 to 30 June 2022; and 3. the notes comprising a summary of the accounting policies and other explanatory information.	*Financial statements* In our opinion, the accompanying financial statements give a true and fair view of the financial position of Coöperatie PricewaterhouseCoopers Nederland U.A. as at 30 June 2022 and of its result for the period from 1 July 2021 to 30 June 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.
Other (integrated) information in the Annual Report The other (integrated) information in the Annual Report comprise: 4. 'PwC in the Netherlands', Report of the Board of Management (excluding 'Outlook' as per the textbox on page 63 and 'Responsibility statement by the Board of Management' on page 75), and the appendices to this Annual Report (hereafter: other (integrated) information in the annual report). The other (integrated) information in the Annual Report includes prospective information such as ambitions, objectives, targets and expectations. Inherent to this information is that the actual results may differ in the future and are therefore uncertain. We do not provide any assurance on the achievability of the prospective information in the Annual Report.	*Other (integrated) information in the Annual Report* In our opinion the other (integrated) information in the Annual Reports presents, in all material respects, a reliable and adequate view of: • the policy and business operations with regard to corporate responsibility; and • the thereto related events and achievements for the year ended 30 June 2022 in accordance with the Sustainability Reporting Standards 2021 of the Global Reporting Initiative (GRI) and the supplementary internally applied reporting criteria as disclosed on page 133 and in the *Appendix Definitions other integrated information*.

Basis for our opinion

We conducted our audits in accordance with Dutch law, including the Dutch Standards on Auditing and the Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports), which is a specific Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000: 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements and the other (integrated) information in the Annual Report' section of our report.

We are independent of Coöperatie PricewaterhouseCoopers Nederland U.A. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements and the other (integrated) information in the Annual Report as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality financial statements

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 9,300,000. The materiality is based on a benchmark of revenues (representing 1.0% of pro-forma consolidated revenues on page 106), which we consider to be one of the relevant factors for members of the company in assessing the financial performance of the company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of € 465,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Materiality other (integrated) information in the Annual Report

Based on our professional judgement, we determined materiality levels for each relevant part of the *other (integrated) information* and for the *other (integrated) information* as a whole. For the information that we identified as most significant we used a lower materiality than for the other information. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

We agreed with the supervisory board that misstatements which are identified during the audit and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Scope of the group audit

Coöperatie PricewaterhouseCoopers Nederland U.A. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements. The *other (integrated) information* in the Annual Report incorporates the consolidated information of this group of entities.

Our group audit mainly focused on significant group entities. We consider an entity significant when:
- it is of individual financial significance to the group; or
- the component, due to its specific nature or circumstances, is likely to include significant risks of material misstatement, whether due to fraud or error of the group financial statements.

We have:
- performed audit procedures ourselves at group entities:
  - Holding PricewaterhouseCoopers Nederland B.V.;
  - PricewaterhouseCoopers B.V.;
  - PricewaterhouseCoopers Accountants N.V.;
  - PricewaterhouseCoopers Belastingadviseurs N.V.; en
  - PricewaterhouseCoopers Advisory N.V.
- performed review procedures or specific audit procedures at other group entities.

For clarification purposes we hereby show our scope:

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach going concern

As explained in the section 'Going concern' on page 92 of the financial statements, the board has carried out a going concern assessment and identified no going concern risks. Our procedures to evaluate the going concern assessment of the board include:
- We discussed and evaluated the assessment with management exercising professional judgment and maintaining professional skepticism. We specifically focused on the process followed by management to make the assessment, management bias that could represent a risk, the impact of current events and conditions have on the Company's operations and forecasted cash flows, with a focus on whether the Company will have sufficient liquidity to continue to meet its obligations.

- We took notice of the budget for the upcoming year 2022/2023, the most recent results in 2022/2023 and discussed recent developments regarding the going concern assumption with several relevant bodies (finance management, Management Board and Supervisory Board) within the organization.

We concluded that management's use of the going concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. We found the disclosure in section 'Going Concern' on page 92 of the financial statements to be adequate.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. As described on page 52, PwC conducts an internal fraud risk analysis every year.

We evaluated the design and relevant aspects of the system of internal control and in particular the internal fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial and non-financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We considered available information and made enquiries of relevant executives, directors, internal audit, the Audit Commitee and the supervisory board.

We identified the following fraud risks and performed the following specific procedures:

Management override of internal controls
As in all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was possible bias by management that may represent a risk of material misstatement due to fraud.
We have performed the following procedures to address the risk of management override:
- Evaluation of the design, existence and operative effectiveness of internal controls which mitigate the fraud risk;
- Performing a retrospective analysis of estimates which management made within the preparation of the Annual Report;
- Performing journal entry testing procedures regarding unexpected or unusual journal entries;
- Assessment of significant extraordinary events outside of the normal course of business;
- Furthermore we incorporated elements of unpredictability in our audit.

We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
Based on these procedures, we have no indications of the breach of internal control and subsequent material fraud as a result of management override.

Valuation and existence work in progress as a result of estimates
This is part of the key audit matters, for this we refer to the key audit matters 'valuation and existence work in progress'.

Accuracy and existence accounts receivable
We assume a fraud risk with regard to the accuracy and existence of the accounts receivable.
Our audit procedures included an assessment of the effectiveness of the internal controls within PwC as described in the internal fraud risk analysis to the extent relevant for the audit of the financial statements, testing relevant controls and performing substantive procedures.

We concluded that the internal control system regarding the accuracy and existence of the accounts receivable is sufficient. As described in the internal fraud risk analysis, the controls are also designed to prevent fraudulent reporting.

The substantive procedures consisted of an analysis of the aging of the accounts receivable, we have tested the collectability of the accounts receivable after the year end and took notice of the credit rating of the accounts receivable in relation with the accounted provision for bad debts.

Our procedures did not result in material findings with respect to accuracy and existence of the accounts receivable at 30 June 2022.

Our key audit and assurance matters

Key audit and assurance matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements and non-financial information. We have communicated the key audit and assurance matters to the Supervisory Board. The key audit and assurance matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements and non-financial information as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER Valuation and existence work in progress *Refer to note 4 of the financial statements*	Our audit approach
Valuation of work in progress is an important focus area during our audit due to significant accounting estimates where management makes significant judgements. Both the valuation and existence of work in progress are a potential fraud risk due to the significant accounting estimates. The valuation of work in progress at balance sheet date requires a high degree of judgement due to inherent uncertainty about the accuracy of the expected results of current engagements which is based on an estimate of time and costs to be incurred in comparison with the fee received.	Our audit procedures included an assessment of the effectiveness of the internal controls within PwC as described in the internal fraud risk analysis to the extent relevant for the audit of the financial statements, testing relevant controls and performing substantive procedures. We concluded that the internal control system regarding the existence and valuation of work in progress and revenue recognition is adequate to mitigate the identified risks and we relied on some internal key controls during our audit. As described in the internal fraud risk analysis, the controls are also designed to prevent fraudulent reporting of work in progress. The substantive procedures consisted of an analysis to determine whether the balance of the work in progress at year-end is invoiced in the next financial year, reconciliation of confirmations received from the responsible partners, analysis of average hourly rates during the year (retrospective review) and analysis of the recovery-rate of each partner in relation to the recognized valuation allowance. We tested the provision by comparing the realization for each partner during the year with the realization for each project included in work in progress at year-end. We discussed the findings of these analysis' with the responsible LoS controllers. Our procedures did not result in material findings with respect to the valuation work in progress at 30 June 2022.

THE IMPLEMENTATION OF THE DA VINCI PROJECT *Refer to page 26*	Our audit approach
Since 2016 PwC has been working on implementation and harmonizing the Business Operating Solutions. During 2021/2022 a major step has been realized with the implementation of the Da Vinci project. With the Da Vinci project a number of relevant IT systems for the audit of the financial statements have been changed during the fiscal year. As a result of these system implementations, controls regarding IT and controls within the financial reporting cycle, revenue / work in progress cycle and purchase cycles have been changed and had a significant impact on the operations and the audit. Also there has been a migration of the data from the old IT systems to the new IT systems that poses a risk to the integrity of the data.	First of all we audited the changes within the system of internal control as a result of the system implementations within the Da Vinci project. This includes the General IT Controls for the new IT applications and changes within the internal controls of the financial reporting process, the cycle regarding revenue and work in progress and the purchase cycle. Furthermore we audited the data migration from the old IT systems to the new IT systems, for example from the financial administration from SUN to SAP. Finally we have performed substantive procedures to determine that the data migration of the relevant data for the financial statements has been accurate and complete, by reconciling the data from the old SUN system to the new SAP system. We did not identify any significant control deficiencies in internal control regarding IT General Controls for the new IT applications or within the financial reporting process, revenue and work in progress cycle and purchase cycle. Furthermore, no material findings were identified regarding the data migration for the relevant data for the financial statements.

KEY ASSURANCE MATTER **Materiality analysis** *(refer to page 12 what stakeholders expect from us)*	**Our audit approach**
A materiality matrix as included on page 12 is a representation of the themes (and their relative importance) that are crucial ('material') to PwC's long-term strategy. This year PwC has composed a new materiality matrix. As a result the materiality analysis is one of the most important parts of our audit of the other (integrated) information in the Annual Report. To put together the new materiality matrix PwC conducted the following activities: - Perform a sector analysis; - Perform a media analysis; - Online surveys send out to stakeholders; - Scoping themes internally; - Discussion of material themes in one-on-one conversations with key stakeholders.	During our audit we performed the following audit procedures on the materiality matrix: - We verified, by taking a non-statistical sample, whether the outcomes of the sector and media analysis are in accordance with supporting documentation like publications about the sector PwC operates in and from PwC itself; - We determined that the results of the 17 material themes defined by the media- and sector analysis were included in the survey. We analyzed the outcomes of the survey and determined that calculations to prepare the matrix are correct; - We verified the supporting documentation regarding the scoping of the themes internally and determined that the scoping was discussed by the board of management of PwC. We also verified that the scoping of the themes by management is reflected correctly in the matrix; - We performed a non-statistical sample on the notes of one-on-one conversations to determine whether the outcomes of these conversations are taken into account by defining the 17 material themes. We conclude that the Materiality matrix has been created through an adequate process for determining the most material themes for the stakeholders of PwC and for PwC itself.

KEY ASSURANCE MATTER **Material theme quality** *(refer to page 23 Build high quality service)*	**Our audit approach**
According to the materiality matrix as included on page 12 one of the most material themes in the Annual Report is Quality. As a result, this theme is one of the most important parts of our audit of the other (integrated) information in the Annual Report.	We determined what information in the other (integrated) information in the Annual Report refers to the material theme Quality. We made a distinction between quantitative and qualitative information. With respect to this information, we determined the design and operating effectiveness of the internal control framework regarding the creation of the information on this theme. Regarding the figures, we reconciled the figures with information from underlying databases. We determined the reliability of the information in these databases by reconciling the information with supporting external and internal information. For the text claims, we examined a selection, based on professional judgement, of the texts and made a reconciliation with supporting external and internal information. The numbers- and text claims give a faithful representation of the material theme quality, in accordance with the internally applied reporting criteria.

Limitations to the scope of our audit

The other (integrated) information in the Annual Report includes prospective information such as ambitions, strategy, plans, expectations, estimates and risk assessments. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the other (integrated) information in the Annual Report.

The references to external sources or websites in the other (integrated) information in the Annual Report are not part of the other (integrated) information in the Annual Report as audited by us. We therefore do not provide assurance on this information.

C. Report on other information included in the Annual Report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- A personal note from our chair;
- PwC in the Netherlands;
- Report of the Board of Management;
- Report of the Supervisory Board;
- Appendices;
- the other information on page 118.

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

D. Report on other legal and regulatory requirements

Engagement
We were engaged by the Supervisory Board as auditor of Coöperatie PricewaterhouseCoopers Nederland U.A. on 17 June 2016, as of the audit for financial year ended 30 June 2017 and have operated as statutory auditor ever since that financial year.

E. Description of responsibilities regarding the financial statements and the other (integrated) information in the Annual Report

Responsibilities of the Management Board and the Supervisory Board for the financial statements and the other (integrated) information in the Annual Report
The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. The Management Board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code, the other information as required by Part 9 of Book 2 of the Dutch Civil Code and the reporting criteria of PwC, based on the Sustainability Reporting Standards 2021 of the Global Reporting Initiative (GRI). Furthermore, The Management Board is responsible for such internal control as The Management Board determines is necessary to enable the preparation of the financial statements and the other (integrated) information in the Annual Report that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, The Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, The Management Board should prepare the financial statements using the going concern basis of accounting, unless The Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements and the other (integrated) information in the Annual Report
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.
We apply the 'Nadere voorschriften kwaliteitssystemen)' (NVKS, regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing and the Dutch assurance standard 3810N, ethical requirements and independence requirements.

Our audits included among others:
- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Management Board;
- concluding on the appropriateness of The Management Board use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our audit of the other (integrated) information in the Annual Report in accordance with the Dutch assurance standard 3810N included among others:
- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the organization;
- Identifying and assessing the risks of material misstatement of the other (integrated) information, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of the reporting criteria used and its consistent application, including the evaluation of the results of the stakeholders' dialogue, and the reasonableness of estimates made by management and related disclosures;
- Evaluating the overall presentation, structure and content of the other (integrated) information, including the disclosures;
- Evaluating whether the other (integrated) information represents the underlying transactions and events free from material misstatement;
- Evaluating the procedures performed by the internal audit department of PwC.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determine the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

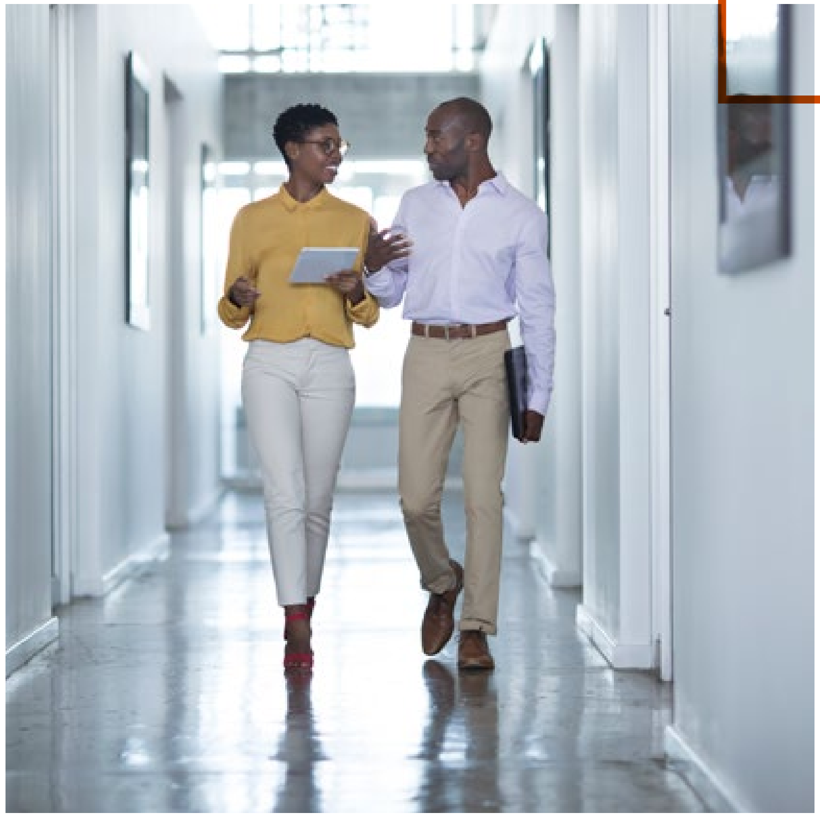
We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Utrecht, 22 September 2022

For and on behalf of BDO Audit & Assurance B.V.,

drs. J.F. van Erve RA



Appendices

Remuneration Report Coöperatie PricewaterhouseCoopers Nederland U.A. for the financial year ended 30 June 2022

This Remuneration Report was prepared by the Remuneration Committee of the Supervisory Board on 22 September 2022 and adopted by the Supervisory Board on 22 September 2022. It is part of the Report of the Supervisory Board, included in the Annual Report of Coöperatie PricewaterhouseCoopers Nederland U.A. The Annual Report is published on the website

This report sets out PwC's remuneration framework and addresses the 2021/2022 remuneration of partners, staff, Board of Management and Supervisory Board. General information about the remuneration within PwC has also been included in this Remuneration Report.

Partner remuneration – Quality is the heart of our remuneration policy

Given the public importance of PwC's work, the remuneration policy for partners and directors is designed in such a way that quality, independence, the Code of Conduct and compliance with internal and external rules and regulations have an impact on performance evaluation and remuneration. The partner evaluation and remuneration process is supervised by the Supervisory Board and its Remuneration Committee.

Partner remuneration varies with the financial performance of PwC NL and is based on a points system in which the euro value per point is determined as the profit available divided by the aggregate number of points in circulation.

The points allocated to partners are 50% fixed as equity and responsibility-based ('mapping') and 50% variable as performance-based ('rating').

The variable element is determined based on individual partner performance in the areas of Clients (weighting: 50%), People (weighting: 25%) and Firm/Strategy (weighting: 25%). Quality is a significant element in all three components. An on-target performance means full partner entitlement to the variable 50% element. A positive or negative outcome to the annual evaluation process can lead to an adjustment to the variable 50% element. An unsatisfactory rating of the performance of an individual partner on quality can therefore significantly affect the amount of the remuneration. Quality is also rewarded positively. A rating of above average on quality may result in additional remuneration.

PwC uses a Recognition and Accountability Framework to facilitate a common approach in holding partners and directors accountable for quality outcomes and quality behaviours. The framework applies to all Lines of Service and sets expectations of the right quality outcomes and behaviours. It also puts in place the right interventions and recognition for the behaviours that are commensurate with quality outcomes (such as internal and/or external quality reviews) and quality behaviours (such as the attitude to quality, personal behaviour and other important compliance matters).

Minimally required conduct (i.e. the behaviour that we at least expect from everyone) does not result in additional remuneration. We refer to this as 'baseline expectations'. Baseline expectations represent conduct in line with the Code of Conduct, complying with all applicable internal and external regulatory requirements and with proactive involvement within the firm. Non-compliance with baseline expectations can negatively affect total remuneration by 12.5-50%.

In short, the partner evaluation and remuneration process can be described as follows:

Table I

Start of the financial year		End of the financial year		
Mapping	**Goal setting**	**Evaluation**	**Rating**	**Remuneration**
Based on proposals by the different Lines of Service Boards or the Markets Leader, the Board of Management defines the role and responsibilities of individual partners at the start of the financial year. In this process, partners are placed in categories, and on a specific position within the category. The Remuneration Committee reviews the outcome of this process.	In consultation with the primary reviewing partner, individual partners set personal goals related to quality, the strategy and the transformation of PwC NL.	At the end of the financial year, a development and evaluation review takes place in which the personal goals are assessed within the components Clients, People and Firm/Strategy. In preparation, partners evaluate amongst others the extent to which their contribution is in line with PwC's transformation to a purpose-led and values-driven organisation.	The outcome of the assessment is expressed in a performance rating on a scale of 1 to 5 for each of the three components (Clients, People and Firm/Strategy). The Lines of Service Boards or the Markets Leader submit the proposed ratings to the Board of Management. The Board of Management decides on the individual performance ratings, after obtaining the assessment of the Remuneration Committee regarding the quality and correct execution of the remuneration process.	As a result of this process, partners receive a profit share that reflects the role/responsibilities of the individual partner (50% fixed) and that is performance-based (50% variable). Partners receive their profit shares in the partner BVs through which they operate under an association agreement with PwC NL. These partner BVs bear the costs of pension provisioning, insurances and taxation.

In this context, the Remuneration Committee and the Supervisory Board evaluate the performance ratings and mapping of all partners based on stratifications. With the assistance of the Partner Council, the Remuneration Committee monitors the quality and correct execution of the remuneration process in accordance with the applicable requirements, and reports its findings to the Supervisory Board. The Remuneration Committee and the Supervisory Board specifically focus on how compliance infringements are dealt with and the results of the quality reviews, both of that may affect partner remuneration based on the Recognition and Accountability Framework. Where a partner evaluation results in an unsatisfactory rating, the Board of Management assesses whether the unsatisfactory performance is incidental or whether there are indications of longer-term issues which need follow-up. The Remuneration Committee and the Supervisory Board also supervise this process.

In the year under review, the Remuneration Committee and Supervisory Board continued challenging the Board of Management to improve and simplify the evaluation and remuneration process, including the mapping criteria. Furthermore, on the advice of its Remuneration Committee, the Supervisory Board approved policy-related changes and updates to the financial regulations for partners. The most significant changes are related to the sustainability of the car policy and insurance.

Assurance
The audit firm's Transparency Report sets out the evaluation and remuneration policies of Assurance partners and directors in particular. The Remuneration Committee and Supervisory Board reviewed the FY22 outcomes of this process.

Partners who act as external auditors are subject to a clawback scheme. Under this scheme the payout of one sixth of each individual partner's annual remuneration after corporate tax, is deferred and held for a period of six years in a bank account with an independent foundation. When an external auditor issues an incorrect opinion for which the auditor is culpable and which has resulted in societal damage, part or all of the deferred remuneration is withheld from the partner and invested in measures to improve quality in PwC NL. The proposal to withhold remuneration is subject to approval by the Supervisory Board. No clawback was required under this scheme in 2021/2022.

Staff remuneration and evaluation based on performance and behaviour

The remuneration process for staff is based on two elements: impact and progression. 'Impact' (which is the basis for the bonus) reflects the business and behavioural impact someone has made during the performance year and is linked to the goal setting agreed at the start of the year. It relates to aspects such as contribution to quality, business development and innovation and personal aspects such as commitment, flexibility, team spirit, proactivity and sense of responsibility (both to colleagues and to PwC) or some other exceptional achievement. 'Progression' (which is the basis for salary increase) relates to someone's growth and development as a person and professional in relation to the PwC Professional competency framework.

Along the same lines as for the partners and directors, PwC's staff sets out their objectives for the coming year with their immediate superior. Halfway through the year, based on individual appraisals and other feedback, they determine the progress to date. The extent to which the objectives have been met is assessed at the end of the year.

The Remuneration Committee and the Supervisory Board discussed the distinctive features of the PwC NL salary structure in the year under review. The proposed changes to the remuneration policies and conditions of employment for staff and directors were also assessed, resulting in the approval of a balanced package of employment benefits with a focus on flexibility, well-being, sustainability & mobility, and appropriate remuneration, that reflects PwC's ambition to be an attractive and inspiring employer.

Equal pay
The Annual Report section 'Recruit, develop and retain diverse talent', provides insight into the Equal Pay certification and the outcomes of the internal analysis of equal pay and bonus income of all staff, including partners.

Pay ratios
Reference is made to Table II of this Remuneration Report for the relationship of the highest remuneration within PwC NL to the median and the average of the total remuneration within PwC NL (including partners).

Table II

Management fee, salary and emoluments

	2021/2022	2020/2021	Δ%
Available for distribution to partners (€ millions)	196.0	193.8	+1.1
Average partner management fee * (€'000)	690.3	690.4	-0.1
Staff bonuses (€ millions)**	27.3	41.6	-34.4
Average salary cost per FTE (€'000)**	81.7	80.7	+1.3
Average bonus per FTE (€'000)**	5.6	8.4	-33.2

* Payments are made from the management fee relating to items such as goodwill rights, pension contributions, social security and disability contributions, life insurance premiums, etc.

** Following a partial switch from variable to fixed remuneration during 2021/2022, the staff bonuses and average salary numbers are not wholly comparable with previous year.

Relationship of the highest remuneration within PwC NL to the median and average of the total remuneration within PwC NL (including partners)

	2021/2022	2020/2021
Ratio highest remuneration – median [1]	26.2	25.9
Ratio highest remuneration – average [1]	16.6	16.0

Relationship of the remuneration Chair Board of Management within PwC NL to the median and average of the total remuneration within PwC NL (including partners)

	2021/2022	2020/2021
Ratio remuneration Chair Board of Management – median [1/2]	25.2	21.8
Ratio remuneration Chair Board of Management – average [1/2]	16.0	13.4

1 Based on annual income, including bonusses and excluding non-monetary elements of remuneration such as private use of mobile telephone, lease car and expense allowances.

2 The factor remuneration of the Chair of the Board of Management increased during 2021/2022 compared to 2020/2021. The increase is due to a non-recurring bonus awarded to the members of the Board of Management.

Remuneration of the Board of Management

As set out in the Report of the Supervisory Board, the performance of the members of the Board of Management is evaluated by the Supervisory Board. The Supervisory Board sets long-term goals for the Board of Management as a whole as well as for the individuals. These are based on the key elements of the PwC strategy, linked to the PwC values, and geared to delivering our purpose while embedding the ESG objectives. For this fiscal year, these goals have been linked to The New Equation, People, Technology, the New Way of Working, Collaboration and certain financial targets; ESG provides a crucial role when setting targets, with elements linked to the Net Zero ambition, responsible investment, health & safety, diversity & inclusion, people & client satisfaction and human capital development. The performance and progress made during the financial year was monitored on a regular basis by the Supervisory Board; this includes an assessment of the time spent by members of the Board of Management in their various roles.

The Supervisory Board determines the remuneration of individual members of the Board of Management in compliance with the Dutch Audit Firms Supervision Act and in line with criteria set by the General Meeting. This means that the members of the Board of Management do not receive the points based remuneration as other partners do, but they receive a fixed non-profit-related remuneration. In addition, the Supervisory Board is authorised to levy a remuneration penalty on a member of the Board of Management, up to a maximum of 20%, when justified by the quality aspects of their performance as a professional practitioner.
The Supervisory Board is also authorised to determine a bonus of up to 20% of fixed remuneration based on the achievement of long-term goals set by the Supervisory Board within the context of PwC's societal role, with the bonus only being awarded where the goals have been exceeded, i.e. for exceptional achievement.

The Remuneration Committee and Supervisory Board felt that the upcoming changes to the Board of Management as of 1 July 2022 represented a good opportunity to assess the performance of the Board of Management for their whole term of office. Their conclusion was that the performance of the Board of Management as a team over multiple years has resulted in the creation of important long-term value for PwC. Specifically during the unprecedented and unforeseen circumstances caused by the worldwide COVID-19 crisis, which made the Board of Management's task significantly more complex and resulted in unexpected challenges. Nevertheless, even in this situation, the Board of Management pursued the change agenda and continued to focus on non-financial objectives, such as quality, inclusion and safety. This included setting the impetus for the next phase towards the purpose-led and values-driven organisation, focusing on the 'how' (culture, behaviour and connection) and 'leading by example'. With an integrated transformation agenda, the Board of Management has made significant progress on firm-wide market themes, identifying the theme of connection (with yourself, each other, clients and society) as the key pillar in the transformation and intensifying people engagement.

We therefore conclude that the Board of Management as a team has provided exceptional leadership to PwC throughout these difficult circumstances and its integrated approach to the transformation has created important long-term value for PwC. Reflecting this, the Supervisory Board has adopted the advice of the Remuneration Committee and awarded members of the Board of Management a bonus of 20 % of the fixed annual remuneration with respect to 2021/2022.

The Supervisory Board has determined the remuneration of the individual members of the Board of Management in 2021/2022 as set out in Table III.

The amounts are determined before taxes, social charges, pensions and similar items. In accordance with the association agreements the remuneration is paid to the partner BVs, and the members of the Board of Management are responsible for the payment of taxes, pension arrangements and insurances. No personal loans or guarantees have been provided to, or on behalf of, the members of the Board of Management.

Table III

Remuneration for the Board of Management (€) (1)	2021/2022	2020/2021
Marc Borggreven	960,000	800,000
Marc Diepstraten	1,097,400	914,500
Ad van Gils (chair)	1,284,000	1,070,000
Agnes Koops-Aukes	960,000	800,000
Jolanda Lamse-Minderhoud	1,097,400	914,500
Renate de Lange-Snijders	960,000	800,000
Maarten van de Pol	960,000	800,000

(1) Total remuneration before the obligatory Foundation Verrekenfonds deductions and before the amounts withheld annually in connection with any clawback for members of the Board of Management who have been authorised by the Supervisory Board to act as external auditor.

In addition to the fixed non-profit related remuneration, members of the Board of Management receive expense allowances in line with those set for all partners. The net result on the divestment of the Global Mobility and Immigration & Expat business will not be distributed to the partners. The Board of Management will in the same way as the other partners receive an amount on their capital and reserve accounts (which form part of the equity of Coöperatie). Finally, the members of the Board of Management receive an annual member fee on capital contributed, as do all PwC NL partners.

Because of the fixed non-profit-related basis for the remuneration, the scenario analyses provided for by the Dutch Corporate Governance Code do not apply.

Clawback applying to the Board of Management

The Supervisory Board is authorised to claw back bonuses from individual members of the Board of Management if the information (financial or non-financial) supporting the bonus proves to be inaccurate. The clawback for partners who act as external auditor also applies to members of the Board of Management who act as external auditor as agreed with the Supervisory Board. No clawback was made relating to the financial year 2021/2022.

Assurance Board

As from 1 July 2018, the Supervisory Board also determines the remuneration of the members of the Assurance Board in accordance with the remuneration policy for the members of the Board of Management as set out above.

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board consists of a fixed annual amount, determined by the General Meeting. The annual remuneration for the chair of the Supervisory Board amounts to € 70,000, for a member of the Supervisory Board € 45,000, for a chair of a committee € 10,000, and for a member of a committee € 7,500. Remuneration of the members of the Supervisory Board for their periods of office in 2021/2022 is set out in Table IV. The members of the Supervisory Board are also entitled to claim expenses incurred. No personal loans or guarantees have been provided to, or on behalf of, the members of the Supervisory Board.

The Supervisory Board Regulations require that remuneration is proportionate to the responsibilities involved and the time needed to discharge the responsibilities properly and that it is independent of the company's results. The remuneration for each member is based on roles in the Supervisory Board and in committees, as set out in the individual member's appointment agreements. The member is responsible for discharging the role agreed and for managing time to achieve this. Each member gives due consideration to the roles, jurisdiction and responsibilities allocated to the Supervisory Board and its members as prescribed by law, the Articles of Association, the applicable principles of the Dutch Corporate Governance Code, the Supervisory Board Regulations, and the individual member's appointment.

Table IV

Remuneration for the Supervisory Board for 2021/2022 (€)	Remuneration for chairmanship or membership of the **Supervisory Board**	Remuneration for chairmanship or membership of the **Audit Committee**	Remuneration for chairmanship or membership of the **Remuneration Committee**	Remuneration for chairmanship or membership of the **Selection and Appointment Committee**	Remuneration for chairmanship or membership of the **Public Interest Committee**	**Total remuneration for 2021/2022**	**Total remuneration for 2020/2021**
Chris Buijink	36,137	-	4,459	5,397	4,459	50,452(1)	-
Naomi Ellemers	45,000	-	3,753(2)	7,500	7,500	63.753	60,000
Annemarie Jorritsma	26,507	4,418	5,890	-	4,418	41,233(3)	70,000
Frits Oldenburg	45,000	7,500	-	7,500	7,500	67,500	67,500
Cees van Rijn	27,616	6,137	-	-	4,603	38,356(4)	62,500
Yvonne van Rooy	45,000	-	7,500	-	9,062(5)	61,562	60,877
Jan Sijbrand	60,616	2,815	7,500	6,247	8,438	85,616(6)	73,897
René van Schooten	26,753	5,397	-	-	4,459	36,610(7)	-

Notes remuneration 2021/2022
(1) Joined the Supervisory Board on 26 November 2021, chair as from 14 February 2022
(2) Chair of the Remuneration Committee as from 14 February 2022
(3) Up to and including 31 January 2022
(4) Up to and including 10 February 2022
(5) Interim chair Public Interest Committee up to and including 13 February 2022
(6) Interim chair Supervisory Board and Selection and Appointment Committee and member of the Public Interest Committee (instead of chair) up to and including 13 February 2022, member of the Audit Committee from 14 February 2022
(7) Joined the Supervisory Board on 26 November 2021, chair of the Audit Committee from 14 February 2022

Code of conduct

PwC has a global Code of Conduct that concisely and clearly sets out what we stand for and what is expected of us. It is based on our values and provides guidance to staff and partners as to how they should behave and conduct themselves in a variety of circumstances and situations.

Compliance with the Code of Conduct is not voluntary. It is an integral part of all our contracts, whether it is our employment contracts, the engagement letter for clients or the supplier conditions for our suppliers.

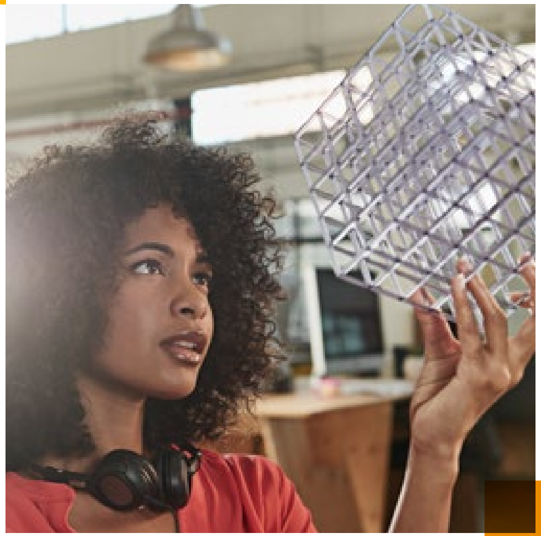
The Code of Conduct is a mandatory element of our training and development programmes. Every new staff member is given an e-learning course, which specifically addresses the handling of dilemmas.

Ethics Helpline, complaints and notification procedures

Being a respectful workplace is essential to creating a culture that empowers and facilitates colleagues to speak up and raise concerns or questions. The Ethics Helpline is in place to support this, offering a safe, secure and confidential environment for partners and staff to report online or by phone (anonymous) complaints or situations involving behaviour that is not in line with our Code of Conduct and values or ask a question on a matter that needs clarification. Besides this helpline our employees and partners can also report via other channels, namely our confidential counsellors (both internal and external), the Complaints Committee and the Business Conduct Committee.
The Code of Conduct provides a complaints procedure (covering complaints in the personal area) and a notification and whistleblower procedure (covering suspicions of professional misconduct).

Complaints in the personal area cover, for instance, intimidation, aggressive behaviour or discrimination, and are dealt with by the Complaints Committee. Notifications of suspected professional misconduct (for instance improper acceptance of gifts or deliberate mis-invoicing) are dealt with by the Business Conduct Committee. Depending on the nature and severity of the case, sanctions vary from a written warning or reprimand to suspension and dismissal for employees or, for partners, to termination of the association agreement. The Complaints Committee and the Business Conduct Committee submit (possible) proposals for sanctions to the Code of Conduct partner respectively the Board of Management.

Those who may or do have complaints in the personal area or who suspect professional misconduct can confide in one of 17 confidential internal counsellors within our organisation. There is also an external counsellor available. The counsellors look into how issues that arise in the workplace can be resolved and can provide guidance to those contemplating filing a complaint.



Complaints from external parties

External parties can also file a complaint or make a report by the Ethics Helpline. Information on how to do this is set out on our website.

Reports

Three times a year, the Code of Conduct Partner compiles integrated Code of Conduct reports (including summary results reports from counsellors, the Complaints Commission and the Business Conduct Commission), which are discussed with the Board of Management and annually with the Supervisory Board.

'Act for the Protection of Whistleblowers'

The European directive on the protection of whistleblowers is aimed at ensuring better protection against negative consequences for whistleblowers. To implement this directive, the former Dutch House for Whistleblowers Act will be amended to the Dutch Whistleblower Protection Act after consideration by the House of Representatives and the Senate. PwC is currently reviewing the Code of Conduct Complaints Procedure and the Code of Conduct Reporting & Whistleblowing Procedure in line with the upcoming legislation.

About this report

Level of reporting

We report at the level of Coöperatie PricewaterhouseCoopers Nederland U.A. for the financial year ended on 30 June 2022. The Annual Report is made public within three months after year end on 22 September 2022. There have been no significant changes in terms of size, structure, ownership or supply chain within PwC Netherlands (PwC NL).

Scope

The scope of this report is PwC NL. In other words, all information about our policies, strategy, procedures and systems, and about the related performance indicators, relate to PwC NL.

Quantitative information

The majority of the quantitative information contained in this report has been extracted from our systems and are exact numbers. Any information that has been obtained by other means (for instance by estimation or extrapolation) is identified as such. To the extent possible, all quantitative information in this report is accompanied by comparative information for the prior year.

External audit

Besides auditing the financial statements, we requested that our external auditor provides a reasonable level of assurance on the highlights, the Report of the Board of Management (excluding 'Where do we go from here' per pillar in the section 'Executing our strategy and adding value' and the 'Responsibility statement' on page 75) and the appendices to this Annual Report (excluding the Remuneration Report), which is called the other integrated information in the assurance report. The external auditor's assurance report, including details of the work carried out, is presented on pages 119-125. In this process, the external auditor relies on the audit work performed by our Internal Audit Department.

Integrated reporting

This report follows the framework developed by the International Integrated Reporting Council (IIRC). Integrated reporting is a form of reporting that links the entity's strategy, governance and financial performance with the societal, sustainability and economic context in which it operates.

Global Reporting Initiative

The GRI table in the appendix (on pages 142-146) sets out the matters that are relevant to our stakeholders and strategy based on this materiality analysis. The table follows the newly updated 2021 GRI Standards of the Global Reporting Initiative (GRI) guidelines and lists the pages where information concerning each indicator can be found.

Transparency Benchmark criteria

To the extent possible, we also apply the Transparency Benchmark criteria for non-financial reporting as determined by the Ministry of Economic Affairs. In the most recent benchmark of 2021 – the assessment only occurs biennially – we were awarded 62 points out of a maximum of 100 points.

Materiality

Materiality analysis and stakeholder dialogue process

To create value for our stakeholders, it is essential for us to know which issues they find important. This has been ascertained by conducting a materiality analysis (see pages 12-13 and 133-137). In this report, we focus on those aspects that are of the greatest significance to our strategy and to our stakeholders. The materiality analysis is the starting point of our integrated report.

How do we identify stakeholders?

We identify our most important stakeholders based on the question: who are the stakeholders that have the greatest influence on us? We see three categories (see table below): people (internally), clients and society. Stakeholders can have a direct influence on us – such as legislators, oversight bodies and regulators – but also an indirect influence, for example the next generation by means of youth organisations.

How do we enter into dialogue with stakeholders?

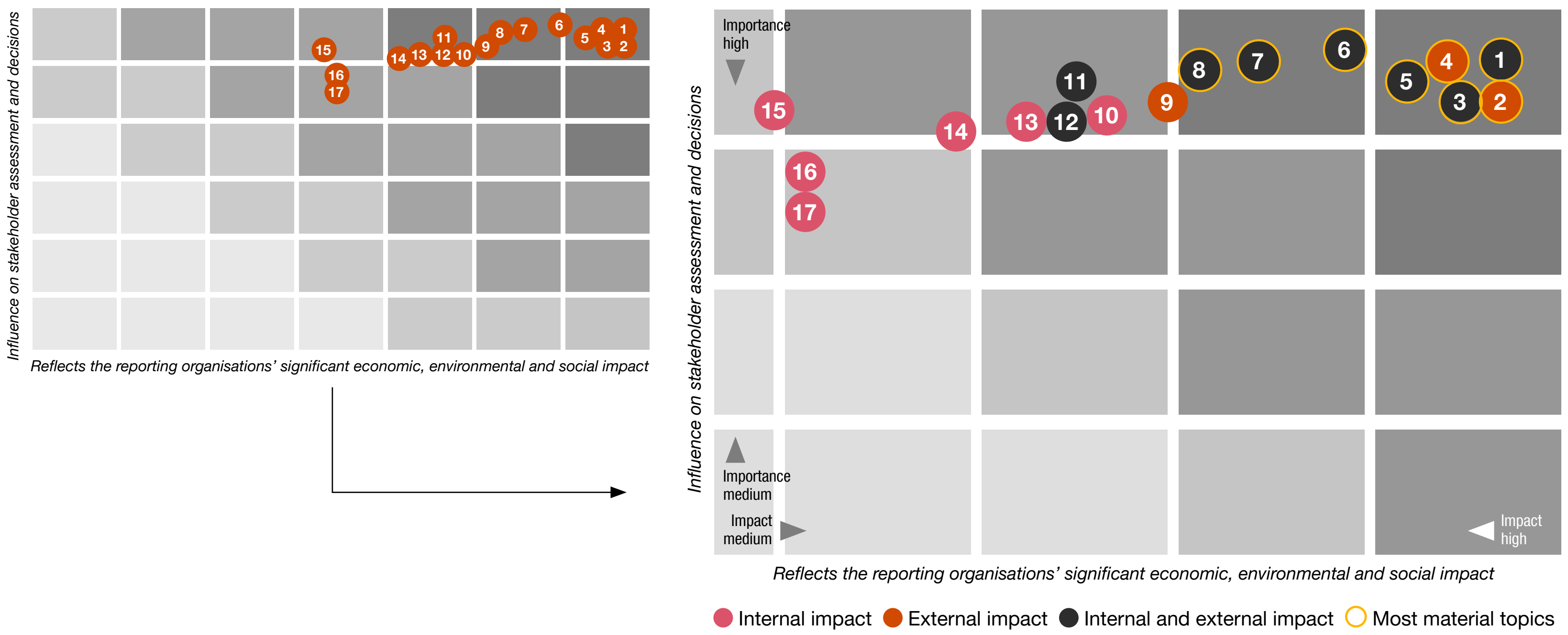
	Form of dialogue
People	- Survey on the relative importance of strategic themes to PwC - One-on-one discussion with Works Council representatives (1 meeting) - Internal stakeholder dialogue meeting (1 group session with colleagues) - One-on-one meeting with colleagues who were leaving PwC (2 meetings)
Clients	- Survey on the relative importance of strategic themes to PwC - Conversations with clients (8)
Society	- Survey on the relative importance of strategic themes to PwC - Conversations with civil servants (5), supervisory board members (4), umbrella organisations (5), NGOs and social partners (3), opinion makers (4), politicians (3), oversight bodies and regulators (1) and scientists (8).

How we put together a materiality matrix?

A materiality matrix is a representation of the themes that are crucial ('material') to our long-term strategy. We survey a broad range of stakeholders, requesting that they indicate the importance of themes we have identified as strategically relevant ('material') and present any other themes they believe to be relevant. This forms the y-axis of the materiality matrix. Thereafter, we ask our Board of Management to assess the impact we have per material theme on the economy, environment and/or society. This comprises the x-axis of the materiality matrix. This results in a graphic representation of the materiality matrix.

This year, we have composed a new materiality matrix. We do so every other year. In the second year (fiscal year 2022/2023), we will validate the materiality matrix.

Materiality matrix



This materiality matrix has been put together on the basis of input from stakeholders and an internal assessment as to how much impact PwC makes per theme on the economy, environment and/or society. Please note this does not mean PwC finds topics on the left hand side non-important (if so they would not be part of this matrix at all), but that the impact we make with these themes is lower than with themes on the right hand side. We also visualised the differences by indicating per theme whether the impact PwC makes is internal, external or both.

1. Quality, 2. Long-term value creation for clients, 3. Knowledge development and sharing, 4. Impact on society, 5. Acting values driven, 6. Integrity, 7. Independence, 8. Transparency, 9. Fraud, 10. Inclusion and diversity, 11. (Data) security and privacy, 12. Innovation and digitalisation, 13. Recruiting, developing and retaining PwC employees, 14. Environmental sustainability, 15. Governance, 16. Well-being, 17. Financial results.

How did we put together our new materiality matrix this year?

- Conducting a sector analysis to see which themes stakeholders consider important for PwC and the sectors in which we are active.
- Conducting a media analysis of the topics on which the media reported regarding PwC to gain a better understanding of the expectations that society has of PwC and our services.
- Assessing how the material themes fit the SDGs. This helps us to demonstrate our impact from multiple perspectives. Our material themes and IIRC capitals framework form the strategic inputs for our impact measurement. The SDGs are the measuring tool with which we assess the impact made by our business activities. For the 17 SDGs and their underlying targets (169 in total), we assessed whether or not these were relevant to PwC. A target could be relevant to PwC based on one or more of the following categories: our service offering and delivery, our business operations, our value chain (suppliers and/or our value chain: societal role). We indicated whether each relevant target fits in with an existing material theme and its definition or whether changes are required.
- Checking the list of material themes with our stakeholder dialogue expert panel, which consists of partners, directors and senior managers from our different Lines of Service. They each view our plans for the stakeholder dialogue and material themes from their own perspective and make suggestions for further improvements.
- Checking the list of material themes with our Board of Management. After completing the steps above, the Board of Management makes changes, if applicable, and approves the themes and definitions.
- After the approval of the Board of Management, the material themes become part of our Integrated Dashboard. The Board of Management monitors the progress in each of the themes every quarter and makes adjustments wherever necessary.
- Receiving surveys from more than 700 respondents (internal and external stakeholders and a representative sample of Dutch citizens) asking them to score 17 material themes on their relevance to PwC and – if applicable – point out additional themes that are in their opinion missing.
- Having the Board of Management score the themes by assessing the impact PwC has per material theme on the economy, environment and/or society.
- Discussing the material themes in one-on-one conversations with our stakeholders. These were led and attended by a member of the Board of Management or Supervisory Board. In some cases, a member of one of our Young Professional boards, Supervisory Board or a specialist partner or director accompanied the member of the Board of Management.
- Holding meetings with the PwC Works Council, PwC colleagues and PwC colleagues who were leaving the firm, led by a member of the Board of Management.

Changes in our material themes

To establish which themes are material to us and whether we need to make changes in the themes and/or definitions, we follow the steps outlined in the section above. Based on this, we made the following changes in comparison with the previous year:

- We have added the theme of governance for two reasons. Firstly, our sector and media analyses have shown the growing importance of ESG. The G was only covered in our material themes implicitly and we therefore made this explicit. Secondly, during the cross-check between the SDG targets and material themes, we noticed that the SDG targets that are relevant to PwC but do not fit under a current material theme were all related to governance.
- We have changed the theme ‘digital’ to ‘innovation and digitalisation’ and also specified this in the definition.
- We have changed ‘diversity & inclusion’ to ‘inclusion & diversity’ to emphasise our focus (which is inclusion) and added equality to the definition.
- We have changed ‘sustainability’ to ‘environmental sustainability’ to make it clearer on which aspect of sustainability this material theme focuses, and we included this in the definition.
- We have changed the theme ‘impact on clients’ to ‘long-term value creation for clients’ because impact is the result of what we (aim to) do for clients: create long-term value. We also clarified this in the definition.
- In the definition of the theme ‘financial results’, we have clarified that this is used to enable sustainable investments.
- In the definition of ‘knowledge development and sharing’, we have clarified the importance of co-creation, in addition to working together, as co-creation is an important part of how we work together with clients.
- In the definition of ‘acting values driven’, we have emphasised the importance of connection, as this is in line with our transformation and new strategy: The New Equation.

Material themes and definitions

We indicated 17 material themes in the fiscal year 2021/2022. The themes including their definitions are listed below in alphabetical order.

Acting values driven	The shared behaviour and norms and values that guide how PwC employees connect with themselves, the organisation, clients and society. PwC's values are to act with integrity, make a difference, care, reimagine the possible and work together.
(Data) security and privacy	PwC's responsibility for ensuring cybersecurity and privacy for its organisation and stakeholders, including its employees and clients. This corresponds with the PwC value 'act with integrity'.
Environmental sustainability	Having a responsible interaction with the planet to conserve natural resources and ensure future generations can meet their needs. This includes efforts in areas like climate action, circularity, the energy transition and preserving biodiversity. This corresponds with the PwC value 'make a difference'.
Financial results	The financial results of PwC (turnover minus operating costs) and the extent to which PwC is using this for sustainable investments, including in the areas of employees, innovation and technology. This corresponds with the PwC value 'make a difference'.
Fraud	The extent to which accountants recognise fraud risks during an audit, conduct audit work focused on this and take action when they suspect fraud. This corresponds with the PwC value 'act with integrity'.
Governance	Guaranteeing and reporting on the mutual coherence of the method of steering, controlling and supervising the PwC organisation. This is aimed at an efficient and effective realisation of policy objectives, which also takes into account the interests of internal and external stakeholders. This corresponds with the PwC value 'act with integrity'.
Impact on society	The direct and indirect impact PwC has on society by providing advisory and assurance services, expertise, manpower, facilities and networks, and by contributing to important themes within the public domain. This corresponds with the PwC value 'make a difference'.
Inclusion and diversity	PwC strives for an inclusive culture where everyone is treated equally and where we embrace diversity. 'Inclusive' means that everyone feels involved and appreciated. Diversity includes all possible differences that can be encountered between people in terms of, for instance, ethnicity, culture, gender and sex. This corresponds with the PwC value 'work together'.
Independence	Implementing professional judgement that has not been compromised by prejudices, conflicts of interest or improper influence from third parties, as well as acting in accordance with applicable laws and regulations. This corresponds with the PwC value 'act with integrity'.
Innovation and digitalisation	The extent to which PwC innovates and digitises its business operations and services, upskills its employees on those themes, and helps clients to innovate and digitise. PwC does this by itself as well as in partnerships. This corresponds with the PwC value 're-imagine the possible'.
Integrity	The character traits and behaviour of PwC employees, in which priority is given to honesty, trustworthiness and incorruptibility in (business) relationships. This corresponds with the PwC value 'act with integrity'.
Knowledge development and sharing	The extent to which PwC develops and shares knowledge with employees, clients and society. PwC can do this on its own and by co-creating with clients and collaborating with other organisations through partnerships. This corresponds with the PwC value 'work together'.
Long-term value creation for clients	The extent to which PwC, through its services (audit, tax advice, consulting), is building trust and sustained outcomes (creating value that persists over the long-term) for clients and stakeholders of those clients. This corresponds with the PwC value 'make a difference'.
Quality	The extent to which PwC's service offerings and way of working comply with applicable laws and regulations and create added value for employees, clients and society. This corresponds with the PwC value 'act with integrity'.
Recruiting, developing and retaining PwC employees	The extent to which PwC is successful in its recruitment, development and retention activities. This corresponds with the PwC value 'care'.
Transparency	The openness, visibility and accessibility of PwC as an organisation. This applies both to matters that are going well and to those that can be improved. This corresponds with the PwC value 'act with integrity'.
Well-being	The extent to which PwC employees can develop their physical, mental, emotional and spiritual well-being within PwC and the tools PwC offers to do so. This corresponds with the PwC value 'care'.

Outcome of our materiality assessment

Stakeholders consider integrity, independence and quality the most material themes for PwC. Stakeholders have placed integrity and quality in the top 3 since the moment we started composing materiality matrices. Independence is new in the top 3 this year. Stakeholders link this theme with two topics on which PwC received media coverage: investigating problems related to the child care benefit system on behalf of the Dutch Ministry of Finance and auditing NOW applications. This year, we put forward a new theme of governance and stakeholders confirmed its importance. We also asked stakeholders whether relevant themes for PwC were missing. This did not produce any new themes.

After stakeholders ranked the material themes – which forms the y-axis of the materiality matrix – the Board of Management assessed PwC's impact for each theme on the economy, environment and/or society in line with the GRI guidelines. To do so, each individual board member filled out a template to rank the material themes from little to great impact. The average resulted in the ranking of the 17 themes. This resulted in a draft x-axis.

The Board of Management held a meeting to discuss the draft materiality matrix. They made no changes to the positions on the x-axis, meaning that the materiality matrix was final. The Board of Management emphasised that all material topics are important to PwC, which is why we monitor our progress on all 17. The matrix shows we have more impact with topics that are externally focused (such as knowledge development and sharing) than with topics that are internally focused (such as our governance). To emphasise the difference between internal and external, we placed a coloured circle next to each material theme in the matrix, indicating its category.

After the materiality assessment

Our Board of Management discussed the material themes with stakeholders in one-on-one dialogues. These conversations provided us with more in-depth information about what stakeholders expect from PwC on the material themes and, more generally, on the SDGs. This led to three key messages (see pages 12-13). PwC uses these messages in its strategic policy-making process in order to incorporate them at the heart of our organisation. We communicate how we address the expectations of our stakeholders through this Annual Report, through a page on our external website dedicated to the stakeholder dialogue and through one-on-one contact with our stakeholders.

How we manage the execution of our strategy

The Board of Management is responsible for the formulation of our values and goals, our strategy and its achievement. They discuss this with both internal and external stakeholders (the latter through our stakeholder dialogue). The seven members of the Board of Management each have their own individual portfolio with specific focus areas and responsibilities for managing impact. The required areas of expertise and competences (the same applies to the Supervisory Board) are included in profile descriptions.

Members of the Board of Management, both individually and collectively, develop the needed technical and other skills to perform their role. Each member is responsible for his/her development and knowledge building by attending relevant meetings and seminars. As a collective, the Board of Management dedicates time with each other on specific topics like sustainability, inclusion and diversity, digital and BXT with (internal) experts in these fields. The Board of Management also spends time on the transformation, strategy and their personal and team skills. We are integrating sustainability into our entire organisation moving from a separate team with an advisory role to being assimilated into all the different functions and departments as part of the daily practice.

One of the members is specifically tasked with responsibility for quality and risk management, leading the Risk & Quality Platform and all boards and Business Units have a partner specifically tasked with the ongoing improvement of quality.

All Line of Service Boards and Business Units also have a partner or member of management tasked with Human Capital responsibilities.

In a number of specific strategic areas such as corporate sustainability, inclusion & diversity, innovation, integrity (Code of Conduct), IT, and business transformation, the Board of Management is supported by teams that further develop and execute the strategy and plans. These teams report directly to the (portfolio holder in the) Board of Management and, as part of the annual business planning cycle, they present a plan to the Board of Management and periodically report back on progress. We also include the expectations of our stakeholders in the business planning cycle, and periodically update them on our progress. In addition, we have an Environmental Steering Committee to evaluate and anticipate our progress in becoming Net Zero.

Reporting

We yearly report about sustainability performance as an integral part of our Annual Report. In executing our strategy, we focus on five strategic objectives or enablers to help achieve the goals set in our strategy.
The Board of Management uses both qualitative and quantitative indicators to measure progress on strategy execution. The progress we make is reported on in our so-called Integrated Dashboard on a quarterly basis. This dashboard allows us to monitor and evaluate the full spectrum of our strategic agenda. And is quarterly reported to the Supervisory Board.

We believe that the standards and expectations for sustainability reporting should be as high as they are for financial standards. Reliable, comparable, consistent and trustworthy information for stakeholders about a company's enterprise value and impact are key. With our SDG IM, we prepare to transparently report on our impact in line with the CSRD. We believe this will help us to make decisions that positively contribute to achieving the SDGs and collect the data that we need to report in compliance with future regulations.

The SDG IM is executed on a yearly basis. We align the indicators of the SDG IM with the Integrated Dashboard and targets set by the Board of Management of PwC. The refinement of the framework including new indicators are discussed with the steering committee of the project and approved by the board. Throughout the project, issues are reported to the steering committee and where necessary, mitigating actions are taken.

For the definitions of our other integrated information we refer to *Appendix Definitions other integrated information*.

Our sustainability measures

PwC aims to be Net Zero by 2030 and to integrate environmental thinking into all our service offerings. By Net Zero we mean no waste, no emissions and optimal (re)use of products and materials. We report our emissions according to the Greenhouse Gas Protocol and our reduction targets have been validated by the Science Based Targets Initiative (SBTi).

Our emissions are reported in three scopes: direct emissions, indirect emissions and upstream emissions. Our base year is 2018/2019 as required by the SBTi standard. Our 25% reduction per FTE prior to 2018/2019 is excluded from our current SBTi targets. This appendix sets out our main (new and continued) environmental measures and policies in 2021/2022.

The data for environmental reporting is owned by several departments. The responsible data owners are requested to submit their data on an annual and/or quarterly basis as part of the environmental reporting cycle. In the following step, this data is processed by the Finance team to calculate the emissions generated per reporting quarter. The Corporate Sustainability team is responsible for the timely delivery and correct emissions calculation process.

The scope of our non-financial reporting follows our financial scope and all office locations from which our business processes are coordinated and supported, as presented on our website and in our Annual Report. We use FTE for our intensity ratio because the amount of carbon emissions is directly related to the number of employees. We annually review our emissions accounting and reporting methodology and, where necessary, provide an update to increase reporting transparency and accuracy.

Many reduction policies were set in motion in our base year 2018/2019, and this is reflected in our emissions pre-pandemic, up till the beginning of 2020. As mobility came almost to a halt due to COVID-19 restrictions, our GHG emissions steeply declined in 2020/2021. We expected a rebound once the restrictions were lifted and have therefore set an additional target to maintain a 25% reduction of our pre-COVID-19 motorised mobility. While we see an increase in mobility in 2021/2022, with 66% fewer kilometres the figure is still well below the pre-pandemic figures.

Scope 1: Direct emissions from owned/controlled operations

We aimed for a minimum reduction of 27% based on our science-based targets but ultimately achieved a 79% reduction compared to our 2018/2019 baseline year. This steep reduction is caused by COVID-19, which led to most colleagues working from home. The kilometres travelled by car have less direct emissions, since over 60% of our lease fleet is electric. The impact from charging those vehicles is reflected under scope 2.

Our other source of direct emissions was the natural gas combustion in our buildings. The switch to 100% biogas led to a significant fall in our emissions and our purchase is reported under scope 1. Other developments this year and continued environmental measures include:

- For the first time we purchased biogas to cover 100% gas consumption and ensure most of our energy comes from a renewable source.
- All 14 of our office buildings have BREEAM certification and outstanding scores on their operational usage.
- We extensively monitored the use of energy in our buildings and looked for new opportunities together with the building owners. As a first step in moving towards Paris Agreement-proof buildings we have renovated our meeting floors and the entrance of Westgate II in Amsterdam, implementing circular design principles.
- We created incentives (financial and other) for using electric vehicles and promoting efficient driving.
- We have discontinued the diesel car option for lease, and reduced the lease terms for petrol cars so we stay on track for our 2025 fossil-free lease fleet ambition.
- We have made lease bikes available for employees and included them in the regular lease car policy.

Scope 2: Indirect emissions from use of purchased electricity, steam, heating and cooling

The total indirect emissions remained low in 2021/2022, with a reduction of 85% compared to baseline year 2018/2019. Our transition to a fully electric lease fleet increases our electricity consumption, but this remains low due to less travel and the greening of our electricity usage.

Other developments in the year under review include:
- Guarantees of Origin were purchased to green our electricity where we do not hold the contract ourselves, also for our electric vehicles. This measure helped us achieve our RE100 100% renewable electricity ambition in 2020/2021, one year earlier than anticipated.
- Following the path of our Eindhoven office, we extended the implementation of biodynamic LED lighting to our offices in Rotterdam and Amsterdam, saving electricity and bringing more comfort and productivity to our employees.
- Solar panels were installed at the Utrecht office to generate renewable electricity.

Scope 3: Upstream emissions

In 2021/2022, upstream emissions were responsible for 82% of our CO_2 emissions. We aimed for a 27% reduction compared to baseline year 2018/2019, and 2021/2022 resulted in a 48% reduction compared to this baseline year. We saw our mobility-related emissions slightly increase compared to last year, reflecting the removal of COVID-19 restrictions and return back to offices and business travel. For the first time, we included the emissions related to the use of taxis and rental vehicles in our scope 3 calculations with retrospective effect from 2018/2019. Capital goods emissions have increased in 2021/2022 as new laptops were distributed to all employees.

In 2021/2022 we continued/introduced a wide range of measures to reduce our GHG emissions caused upstream:
- In a firm-wide effort we continued using Environmental Footprint Insights, which informs our employees and leadership of their mobility-related GHG emissions and helps them make informed decisions about sustainable travel.
- In line with our zero waste ambition we conducted internal research into waste separation, based on which we implemented several measures like swapping disposable materials with reusables in our catering and initiating the use of reusable/compostable bags for all waste streams.
- The Corporate Sustainability department is included in the procurement process in the specification and selection phase, with a set of mandatory ESG procurement criteria used for procurements larger than € 25,000.
- We have set a target to ensure at least 50% of our suppliers (by emissions) have a Net Zero ambition in 2025.
- The environmental impact of our paper use, phones, laptops and second screens is included in our reporting and we will steer proactively on reduced impact and optimal use.

Outside of GHG protocol scope 1, 2, 3 and other environmental measures:

- As of 2022, we have committed to 100% Sustainable Aviation Fuels. In 2022/2023, we procured 98mt of SAF. Due to the steep increase in travel in Q4 and the low availability of Sustainable Aviation Fuels in the market, not all SAF could be delivered in 2022/2023. PwC will make additional purchases in 2023/2024 to meet our ambition. See for more information our website.
- We have been awarded the EcoVadis Platinum Certificate and are ranked among the top 1% of sustainable companies.
- We compensated for 100% of our carbon emissions with CO_2 certificates.
- We increased the amount of Carbon Removal certificates purchased to 30% (10% in 2020/2021) to align with our Net Zero commitment. Carbon Removal offsetting is based on capturing and storing atmospheric carbon dioxide (e.g. in plants, soils or ocean), whereas regular offsetting helps prevent emissions elsewhere (e.g. coal power plants and forest preservation).
- With the support of experts from the field, such as the WWF and Staatsbosbeheer (Dutch forestry management organisation), we organised multiple opportunities to raise awareness and activate employees on biodiversity.

Breakdown of headcount

Headcount			**Contract**				
LoS	Gender	Level	Permanent employees	Temporary employees	Workers who are not employees	Non-guaranteed hours employees	Total
Assurance	Male	Partner	82	0	0	0	82
		Professional staff	965	93	3	0	1,061
		Support staff	8	1	87	0	96
	Male total		**1,055**	**94**	**90**	**0**	**1,239**
	Female	Partner	21	0	0	0	21
		Professional staff	640	72	2	0	714
		Support staff	45	8	52	0	105
	Female total		**706**	**80**	**54**	**0**	**840**
	Prefer not to say	Partner	0	0	0	0	0
		Professional staff	1	0	29	0	30
		Support staff	0	0	4	0	4
	Prefer not to say total		**1**	**0**	**33**	**0**	**34**
Assurance total			**1,762**	**174**	**177**	**0**	**2,113**
Tax	Male	Partner	73	0	0	0	73
		Professional staff	527	75	3	0	605
		Support staff	4	0	7	7	18
	Male total		**604**	**75**	**10**	**7**	**696**
	Female	Partner	14	0	0	0	14
		Professional staff	388	45	2	0	435
		Support staff	12	1	9	3	25
	Female total		**414**	**46**	**11**	**3**	**474**
	Prefer not to say	Partner	1	0	0	0	1
		Professional staff	0	1	39	0	40
		Support staff	0	0	1	0	1
	Prefer not to say total		**1**	**1**	**40**	**0**	**42**
Tax total			**1,019**	**122**	**61**	**10**	**1,212**
Advisory	Male	Partner	63	1	0	0	64
		Professional staff	652	25	7	0	684
		Support staff	2	0	27	0	29
	Male total		**717**	**26**	**34**	**0**	**777**
	Female	Partner	15	0	0	0	15
		Professional staff	402	23	0	0	425
		Support staff	9	0	14	0	23
	Female total		**426**	**23**	**14**	**0**	**463**
	Prefer not to say	Partner	1	0	0	0	1
		Professional staff	3	2	25	0	30
		Support staff	0	0	0	0	0
	Prefer not to say total		4	2	25	**0**	31
Advisory total			**1,147**	**51**	**73**	**0**	**1,271**
Firm Services	Male	Partner	1	0	0	0	1
		Professional staff	0	0	0	0	0
		Support staff	313	39	37	6	395
	Male total		**314**	**39**	**37**	**6**	**396**
	Female	Partner	0	0	0	0	0
		Professional staff	0	0	0	0	0
		Support staff	597	99	23	3	722
	Female total		**597**	**99**	**23**	**3**	**722**
	Prefer not to say	Partner	0	0	0	0	0
		Professional staff	0	0	0	0	0
		Support staff	0	0	213	0	213
	Prefer not to say total		**0**	**0**	**213**	**0**	**213**
Firm Services total			**911**	**138**	**273**	**9**	**1,331**
Grand total			**4,839**	**485**	**584**	**19**	**5,927**

Headcount			**Permanent and temporary employees**		
LoS	Gender	Level	Full-time employees	Part-time employees	Total
Assurance	Male	Partner	80	2	82
		Professional staff	979	79	1,058
		Support staff	4	5	9
	Male total		**1,063**	**86**	**1,149**
	Female	Partner	17	4	21
		Professional staff	558	154	712
		Support staff	20	33	53
	Female total		**595**	**191**	**786**
	Prefer not to say	Partner	0	0	0
		Professional staff	1	0	1
		Support staff	0	0	0
	Prefer not to say total		**1**	**0**	**1**
Assurance total			**1,659**	**277**	**1,936**
Tax	Male	Partner	73	0	73
		Professional staff	479	123	602
		Support staff	2	2	4
	Male total		**554**	**125**	**679**
	Female	Partner	13	1	14
		Professional staff	274	159	433
		Support staff	2	11	13
	Female total		**289**	**171**	**460**
	Prefer not to say	Partner	1	0	1
		Professional staff	0	1	1
		Support staff	0	0	1
	Prefer not to say total		**1**	**1**	**2**
Tax total			**844**	**297**	**1,141**
Advisory	Male	Partner	63	1	64
		Professional staff	611	66	677
		Support staff	0	2	2
	Male total		**674**	**69**	**743**
	Female	Partner	11	4	15
		Professional staff	352	73	425
		Support staff	6	3	9
	Female total		**369**	**80**	**449**
	Prefer not to say	Partner	1	0	1
		Professional staff	5	0	5
		Support staff	0	0	0
	Prefer not to say total		6	0	6
Advisory total			**1,049**	**149**	**1,198**
Firm Services	Male	Partner	1	0	1
		Professional staff	0	0	0
		Support staff	270	82	352
	Male total		**271**	**82**	**353**
	Female	Partner	0	0	0
		Professional staff	0	0	0
		Support staff	320	376	696
	Female total		**320**	**376**	**696**
	Prefer not to say	Partner	0	0	0
		Professional staff	0	0	0
		Support staff	0	0	0
	Prefer not to say total		**0**	**0**	**0**
Firm Services total			**591**	**458**	**1,049**
Grand total			**4,143**	**1,181**	**5,324**

Global Reporting Initiative (GRI) index

GRI 1	
Statement of use	Coöperatie PricewaterhouseCoopers Nederland U.A. has reported in accordance with the GRI Standards for the financial year 2021/2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Commercial services: not available yet

GRI 2: General Disclosures 2021			
Disclosure	**Location**	**Omission/reason/explanation**	**Page**
2-1 Organisational details			
Legal name	Our legal structure		147
Nature of ownership and legal form	Our legal structure		147
Location of headquarters	Acknowledgements		151
Countries of operation	PwC in the Netherlands, our legal structure		3-7, 147
2-2 Entities included in the organisation's sustainability reporting	Notes to the consolidated financial statements, About this report		91-92, 133
2-3 Reporting period, frequency and contact point			
Reporting period and cycle of sustainability and financial reporting	About this report		133-140
Contact point for questions regarding the report	Acknowledgements		151
2-4 Restatement of information	About this report	No restated information in 2021/2022.	133
2-5 External assurance	About this report		133
2-6 Activities, value chain, and other business relationships	PwC in the Netherlands, Financial results for sustainable investments, Financial statements Coöperatie PricewaterhouseCoopers Nederland U.A., Breakdown of headcount, Appendix The value we add(ed)		3-7, 58-63, 86-125, 141, Appendix The value we add(ed)
2-7 Employees	Five-year summary of financial and operational performance, Breakdown of headcount	The breakdown of employees by age and region, such as city, does not contribute to the insight in our approach to employment and is therefore not reported. There is no seasonality in our employment numbers.	64, 141
2-8 Workers who are not employees	Five-year summary of financial and operational performance, Breakdown of headcount	The breakdown of employees by age and region, such as city, does not contribute to the insight in our approach to employment and is therefore not reported. There is no seasonality in our employment numbers.	64, 141
2-9 Governance structure and composition	Corporate Governance, Report of the Supervisory Board		65-68, 76-84
2-10 Nomination and selection of the highest governance body	Corporate Governance, Report of the Supervisory Board	https://www.pwc.nl/nl/onze-organisatie/assets/pdf/supervisory-board-regulations.pdf	65-68, 76-84
2-11 Chair of the highest governance body	Corporate Governance, Report of the Supervisory Board		65-68, 76-84

GRI 2: General Disclosures 2021			
Disclosure	**Location**	**Omission/reason/explanation**	**Page**
2-12 Role of the highest governance body in overseeing the management of impacts			
Role of highest governance body in setting purpose, values, and strategy	Corporate Governance, About this report (How we manage the execution of our strategy)		65-68, 133-138
Role of the highest governance body in overseeing the management of impacts including engaging with stakeholders and considering the outcomes	Corporate Governance, What's happening around us, How this affects society, our clients and PwC, about this report (stakeholder analysis and how we manage the execution of our strategy)		65-68, 9-11, 14-16, 133-138
Effectiveness of processes	About this report (How we manage the execution of our strategy)		138
2-13 Delegation of responsibility for managing impacts	About this report (How we manage the execution of our strategy)		138
2-14 Role of the highest governance body in sustainability reporting	Corporate Governance, About this report		65-68, 133-140
2-15 Conflicts of interest	Corporate Governance		65-68
2-16 Communication of critical concerns	Executing our strategy and adding value (Building high-quality services), Code of Conduct		23-26, 132
2-17 Collective knowledge of the highest governance body	Report of the Supervisory Board, About this report (How we manage the execution of our strategy)		76-86, 138
2-18 Evaluation of the performance of the highest governance body	Report of the Supervisory Board, Remuneration Report		76-84, 127-131
2-19 Remuneration policies	Remuneration Report		127-131
2-20 Process to determine remuneration	Remuneration Report		127-131
2-21 Annual total compensation ratio	Remuneration Report		127-131
2-22 Statement on sustainable development strategy	A personal note from our chairman, PwC in the Netherlands, what's happening around us, How this affects society, our clients and PwC		2, 3-7, 14-16
2-23 Policy commitments	A personal note from our chairman, How this affects society, our clients and PwC, Executing our strategy and adding value, Corporate Governance, Risk management, Code of Conduct	We commit to the policies on a global level, reported in the Global Annual Review. We are currently making an overview that brings together all our policy commitments, how these cover the information needed for the new disclosure requirements and potential gaps that we might still need to work on.	2, 14-16, 17-57, 69-73, 132
2-24 Embedding policy commitments		We commit to the policies on a global level, reported in the Global Annual Review. We are currently making an overview that brings together all our policy commitments, how these cover the information needed for the new disclosure requirements and potential gaps that we might still need to work on.	
2-25 Processes to remediate negative impacts	Appendix The value we add(ed)		Appendix The value we add(ed)
2-26 Mechanisms for seeking advice and raising concerns	Executing our strategy and adding value (Build high-quality services), Code of Conduct		23-26, 132
2-27 Compliance with laws and regulations	Risk management		69-73
2-28 Membership associations	PwC in the Netherlands, Executing our strategy and adding value		3-7, 17-57
2-29 Approach to stakeholder engagement	What's happening around us, About this report (stakeholder analysis)		9-11, 133-137
2-30 Collective bargaining agreements		Not applicable, no bargaining agreement.	

GRI 3: Material topics				
Disclosure		**Location**	**Omission/reason/explanation**	**Page**
3-1 Process to determine material topics		About this report		133-137
3-2 List of material topics		What stakeholders expect from us, About this report		12-13, 136
Material topic	**(GRI) aspect**	**Location**	**(GRI) indicators**	**Page**
3-3 Management of material topics		What stakeholders expect from us, About this report (How we manage the execution of our strategy), Appendix - The value we add(ed) - Build high-quality service	No omissions	12-13, 138, 39-45, 23-26, Appendix The value we add(ed)
Integrity				
	GRI 205 Anti-corruption 2016	Executing our strategy and adding value (Building high-quality services), Risk management, Code of Conduct	205-1: Operations assessed for risks related to corruption	23-26, 69-73, 132
			205-2: Communication and training about anti-corruption policies and procedures	
			205-3: Confirmed incidents of corruption and actions taken	
3-3 Management of material topics		What stakeholders expect from us, About this report (How we manage the execution of our strategy), Appendix - The value we add(ed) - Build high-quality service	No omissions	12-13, 138, Appendix The value we add(ed)
Quality				
	Building quality	Executing our strategy and adding value (Building high-quality services), Risk management	Outcomes of external and internal quality reviews (Assurance)	23-26, 69-73
			Outcomes of internal quality reviews (Tax & Legal and Advisory)	
	GRI 404 Training and education 2016	Executing our strategy and adding value	404-1: Average hours of training per year per employee	17-57
			404-2: Programmes for upgrading employee skills and transition assistance programmes	
			404-3: Percentage of employees receiving regular performance and career development reviews	
			Training hours per FTE	
	Fraud	Executing our strategy and adding value (Building high-quality services)	Number of fraud consultations	23-26, 52
	Agility	Executing our strategy and adding value (Building high-quality services)	Percentage outsourced work to delivery and competence centres (audit)	23-26, 50
	(Data) security & privacy	Executing our strategy and adding value (Building high-quality services), Risk management	Number of data breaches	23-26, 52, 69-73
	GRI 418 Customer Privacy 2016	Executing our strategy and adding value (Building high-quality services), Risk management	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	23-26, 69-73
3-3 Management of material topics		What stakeholders expect from us, Executing our strategy and adding value (Building high-quality services), About this report (How we manage the execution of our strategy), Appendix - The value we add(ed) - Build high-quality service	No omissions	12-13, 23-26, 51, 147, Appendix The value we add(ed)
Independence				
	Independence	Executing our strategy and adding value (Building high-quality services), Corporate Governance, Risk management, Code of Conduct	Number of independence sanctions	23-26, 51, 69-73, 132

GRI 3: Material topics				
Material topic	**(GRI) aspect**	**Location**	**(GRI) indicators**	**Page**
3-3 Management of material topics		What stakeholders expect from us, Executing our strategy and adding value (Drive digital transformation), About this report (How we manage the execution of our strategy), Appendix - The value we add(ed) - Drive digital transformation and Build high quality service	No omissions	12-13, 23-26, 31-35, 53, 56-57, 138, Appendix The value we add(ed)
Long-term value creation for clients				
	Innovation & digitisation	Executing our strategy and adding value (Drive digital transformation)	Number of digital acumen badges	31-35, 56-57
			Number of digital accelerators trained	
	Value creation for clients	Executing our strategy and adding value	Client recommendation	17-57
			Client satisfaction	
3-3 Management of material topics		What stakeholders expect from us, How this affects society, our clients and PwC, Executing our strategy and adding value (Recruit, develop and retain diverse talent), About this report (How we manage the execution of our strategy), Appendix - The value we add(ed) - Recruit, develop and retain diverse talent	Equal pay is the norm (whereby we consider a range of up to 5% acceptable). The identified differences on overall PwC level fall within the range of 5%, on job level there are some larger differences. We continue to analyse the current gaps in order to understand the root cause of these differences, allowing us to improve policies where necessary. As of next year we will report the ratios of equal pay on job level.	12-13, 14-16, 17-22, 46-49, 138, Appendix The value we add(ed)
Acting values-driven				
	GRI 405 Diversity and equal opportunity 2016 (inclusion & diversity)	Executing our strategy and adding value (Recruit, develop and retain diverse talent), Breakdown of headcount	405-1: Diversity of governance bodies and employees	17-22, 46-49, 141
			405-2: Ratio of basic salary and remuneration of women to men	
			% Intake, turnover and promotions gender/cultural	
			% Intake STEM	
			Percentage of women in new partner/director appointments	
			Ratio female/male and Dutch/western/non-western migration origin in partner and director positions (SDG10)	
3-3 Management of material topics		What stakeholders expect from us, About this report (How we manage the execution of our strategy), Executing our strategy and adding value (Create long-term value), Appendix - The value we add(ed) - Create long-term value	No omissions	12-13, 146, 27-30, 54-56, Appendix The value we add(ed)
Impact on society				
	GRI 305 Emissions 2016 (environmental sustainability)	Executing our strategy and adding value (Create long-term value), Our sustainability measures by impact area	305-1: Direct (Scope 1) GHG emissions	27-300, 54-56, 139-140
			305-2: Energy indirect (Scope 2) GHG emissions	
			305-3: Other indirect (Scope 3) GHG emissions	
			305-4: GHG emissions intensity	
			305-5: Reduction of GHG emissions	
			305-6: Emissions of ozone-depleting substances (ODS)	
			305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
			Environmental impact (tCO_2e) (SDG13)	
			Reduction GHG-emissions (% compared to 2018/2019)	

GRI 3: Material topics

Material topic	(GRI) aspect	Location	(GRI) indicators	Page
	Social involvement	Executing our strategy and adding value (Create long-term value)	% of people involved in CS projects	27-30, 56
	Well-being	Executing our strategy and adding value (Recruit, develop and retain diverse talent), Risk management	Overall results people survey	17-22, 46, 69-73
			People Engagement Index	
	GRI Economic Performance 2016 (financial results)	Financial results for sustainable investments, Risk management, Financial statements Coöperatie PricewaterhouseCoopers Nederland U.A.	201-1: Direct economic value generated and distributed	58-63, 69-73, 86-125
			201-2: Financial implications and other risks and opportunities due to climate change: No risks related to climate change have been identified, hence there are no foreseeable financial implications. Explicit information about the financial impact is not available. We are going to explore how we can meet this indicator in the future	
			201-3: Defined benefit plan obligations and other retirement plans	
			201-4: Financial assistance received from government:	
			Not applicable	
			Average number of FTE	
			Net revenue and operating profit	
3-3 Management of material topics		What stakeholders expect from us, Executing our strategy and adding value (Recruit, develop and retain diverse talent and Business partnering), About this report (How we manage the execution of our strategy), Appendix - The value we add(ed) – Recruit, develop and retain diverse talent, Business partnering	No omissions	12-13, 17-22, 35-39, 46, 57, 138, Appendix The value we add(ed)
Knowledge development and sharing				
	Development talent	Executing our strategy and adding value (Recruit, develop and retain diverse talent)	Turnover rate top talent (%)	17-22, 46
	Knowledge sharing	Executing our strategy and adding value (Business partnering)	Hours invested in Chief Economist Office	35-39, 57
3-3 Management of material topics		What stakeholders expect from us, , Executing our strategy and adding value (Recruit, develop and retain diverse talent and Business partnering), About this report (How we manage the execution of our strategy), Appendix - The value we add(ed) – Business partnering	No omissions	12-13, 35-39, 138, Appendix The value we add(ed)
Transparency				
	GRI 207 Tax 2019 (transparency)	What is happening around us, Executing our strategy and adding value (Build high-quality services, Business partnering), Risk management, Code of Conduct	207-1: Approach to tax. *Refer to tax strategy reporting*	9-11, 23-26, 35-39, 69-73, 132
			207-2: Tax governance control, and risk management. 102-56: External assurance. *Refer to tax strategy reporting*	
			207-3: Stakeholder engagement and management of concerns related to tax. *Refer to tax strategy reporting*	
			207-4: Country-by-country reporting. Refer to this *Annual Report*	

Our legal structure

The legal structure of PwC NL has changed during this fiscal year due to the legal restructuring of PwC Europe. As part of this restructuring, Konsortium PwC Europe was dissolved, resulting in Coöperatie PricewaterhouseCoopers Nederland U.A. having a direct shareholding in PwC Europe. PwC Europe subsequently repurchased its own shares from the Coöperatie, in exchange transferring, among other things, all the ordinary shares in Holding PricewaterhouseCoopers Nederland B.V. (the Holding) to the Coöperatie. As a result, the Coöperatie became the sole shareholder of the Holding as of 24 March 2022. Since the Coöperatie is considered to be the group head of PwC NL from that date, the Supervisory Board has been set up at the level of Coöperatie from the same date.

The Holding and Coöperatie have concluded association agreements with each of the private limited liability companies owned by the professional practitioners ('partner BVs'). Under these agreements, the professional practitioners are made available by the partner BVs to practice one of the professions within the Lines of Service (Assurance, Tax & Legal and Advisory) in exchange for a management fee.

Coöperatie has the following wholly-owned operational subsidiaries:
- PwC Business Solutions Holding B.V.
- Holding PricewaterhouseCoopers Nederland B.V.
- PricewaterhouseCoopers Deelnemingen B.V.
- PricewaterhouseCoopers B.V.
- PricewaterhouseCoopers Accountants N.V. ('Assurance')
- PricewaterhouseCoopers Belastingadviseurs N.V. ('Tax & Legal')
- PricewaterhouseCoopers Advisory N.V. ('Advisory')
- PricewaterhouseCoopers Compliance Services B.V.
- PricewaterhouseCoopers Certification B.V.
- PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V.

PwC Europe

Last year, members of Konsortium PwC Europe decided to restructure PwC Europe and reshape PwC Europe's collaborative association, which ultimately resulted in the incorporation of a new company called PwC Europe GmbH, which facilitates internal coordination and other support services to its members. The shares in PwC Europe GmbH are equally divided among the members.*

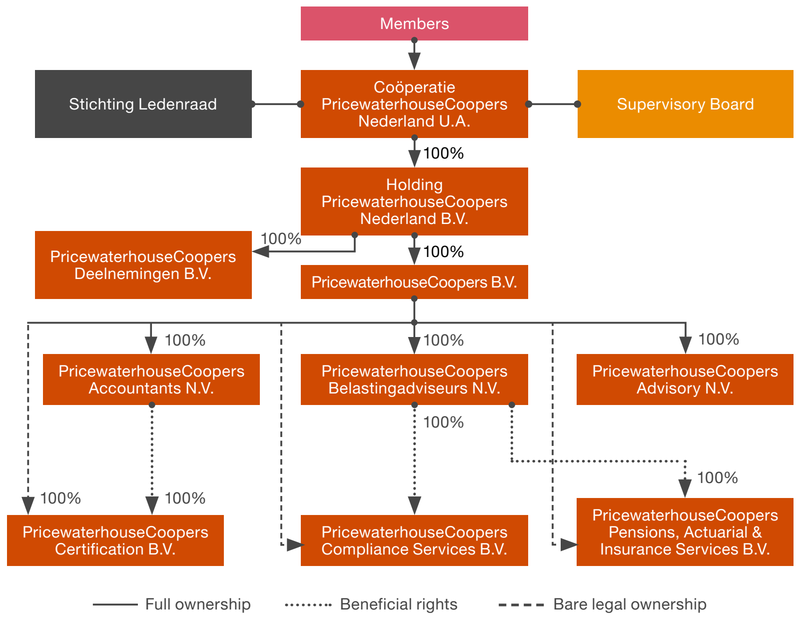
PwC Network

PwC NL is part of a global network of separate and independent member firms operating locally in countries around the world (the PwC Network). The member firms that comprise the global PwC Network are members of PricewaterhouseCoopers International Limited (PwCIL), a United Kingdom-based private company limited by guarantee. The PwC Network, therefore, is not an international partnership and the member firms do not constitute any form of legal partnership or group of companies, except in a very limited number of cases that have been agreed upon for specific purposes.

PwCIL has a coordinating role, including for example issuing standards in the areas of risk and quality management. It does not provide services to clients, but focuses solely on reinforcing and supporting the network in the areas of strategy, knowledge development and expertise of the professionals, and protection of the PwC brand. PwCIL does not own any of the member firms.

All services are delivered by the individual member firms for their own account and risk. PwCIL is not responsible or liable for any actions or omissions of any of its member firms, nor can it exercise control over their professional opinions or bind them in any way. Member firms may not act as an agent for or representative of PwCIL or any other member firm, and are responsible solely for their own actions or omissions.

Simplified legal structure as of 30 June 2022



* PricewaterhouseCoopers AG, PricewaterhouseCoopers Belgium BV, PricewaterhouseCoopers Deelnemingen B.V., PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, PwC Beteiligungsgesellschaft mbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and Pwc Yönetim Danismanligi Anonim Sirketi

Our client and engagement acceptance process

The acceptance of a new client and/or engagement

The acceptance of a new client and/or engagement
Know Your Customer (KYC) acceptance procedures for (new) clients and engagements are carried out in accordance with Wwft (Anti-Money Laundering and Anti-Terrorist Financing Act) requirements. PwC NL has appointed a dedicated Wwft and KYC Officer for oversight of Wwft-obligations within PwC NL. The Wwft requires PwC to have an adequate client due-diligence policy and procedures in place in order to know its customers and avoid entering into business relationships that could damage trust in the company. Client due-diligence processes include the risk-based identification and verification of the client, its representative(s) and the UBOs (Ultimate Beneficial Owners). In the event that specific risk indicators are present, enhanced due diligence is performed. Adverse media screening both at the onboarding stage and throughout the client life cycle, are used to monitor and follow up on any changes/risks that could impact the KYC risk that a client relationship poses to PwC.

PwC NL, partners, directors and staff must be independent of the clients to whom they provide audit and assurance services. The PwC Global Independence Policy (GIP) extends this requirement for partners to all PwC audit clients worldwide. In the Netherlands, we extended this to all directors too. Compliance with additional independence regimes may be required based on the country of domicile and/or listing of an assurance client. Dutch law, for example, prohibits all services other than defined assurance services for an EU PIE (OOB) audit client and related entities thereof domiciled in the Netherlands. PwC assesses compliance with applicable independence regimes through a number of globally operated systems. The pre-approval process of non-audit services is managed by responsible audit partners through the Authorisation of Services (AFS) application.

Before carrying out the engagement, we lay down the terms and conditions in an engagement letter. This contract sets out exactly what services, related activities and deliverables we will provide. It also includes the responsibilities of PwC NL and the client, the fee, and the applicable terms and conditions. The engagement partner and the client both sign this agreement to avoid potential misunderstandings as to what was agreed.

Carrying out the acceptance

PwC NL starts this phase with planning the engagement. We determine the capabilities, roles and responsibilities required to complete the engagement as agreed with the client. The engagement leader (who is always a partner, senior director or director) is responsible for the adequacy and quality of the performed work. In order to meet the quality requirements, our Assurance department ensures that independent reviews (real time reviews) are carried out during the engagement to support and coach the audit teams, in addition to our quality management system. Our other Lines of Service also have quality management systems in place.

As a PwC member firm, we are required to comply with the PwC Network Standards and to ensure that all partners and staff comply with the PwC Network Risk Management Policies. Compliance with the PwC Network Standards is annually validated by self-assessments, which are reviewed by network specialists. Compliance with the PwC Risk Management Policies is assessed through Quality Management (System) Reviews (QMRs) and Engagement Compliance Reviews (ECR). In addition, ad hoc reviews are carried out internally as deemed necessary in view of circumstances or as follow-up to the outcome of earlier internal and external reviews.

The Internal Audit Department (IAD) carries out a risk-specific programme of work throughout the year and reports its findings to the Board of Management, the Audit Committee (AC) and the Supervisory Board.

Testing of the quality of management systems and individual engagements

By law, the Compliance Officer (see page 69 – How we manage the execution of our strategy) has a legal supervisory responsibility regarding auditor compliance with laws and regulations and regarding the operation of the quality management systems. PwC NL has extended this responsibility to include its entire organisation. The Compliance Officer reports his or her findings to the Chair of the Board of Management, the Board of Management, the Public Interest Committee and the Supervisory Board.

Assurance
The majority of the services provided by Assurance are regulated. Statutory audits fall under the supervision of the AFM. The AFM reviews our System of Quality Management (SoQM) periodically and reviews a sample of our statutory audit engagements. National Office (NO) provides professional support to the Assurance practice in a number of ways. It develops and supports the implementation of policies and procedures in the areas of accounting, auditing and risk management and this plays a key role in ensuring our compliance with legislative and regulatory requirements. A more detailed description of Assurance's SoQM is provided in the *Transparency Report*.

Tax & Legal
Our focus on quality is foundational to building trust in society and solving important problems. The overall Tax, Legal & People quality objective is to have the necessary capabilities in our organisation and to deploy our colleagues to use our methodologies, processes, technologies and insights in the delivery of our services to consistently achieve the expectations of our stakeholders and to comply with all applicable standards and policies. Our Quality Management System (QMS) specifies the expected key activities in Quality Requirements aimed at consistently achieving this overall quality objective.

Advisory
As quality is key to building trust and solving important problems, we monitor and review the quality of our services as part of our wider Advisory Quality Management System. Our Advisory practice is also ISO 9001:2015-certified for its Quality Management System. External audits are carried out periodically to assess this system in connection with this certification.

Lines of Service
Next to the elements mentioned above, each of our Lines of Service also has its own specific requirements and procedures due to the difference in legislation, regulatory requirements and professional standards.

Assurance, Tax & Legal and Advisory carry out their own periodic reviews and have their own extensive monitoring programmes to assure quality in service offerings and delivery and, where necessary, to implement improvements where shortcomings are noted.

Glossary

AFM	The Dutch Authority for the Financial Markets, the external independent body responsible for the supervision of financial institutions and of audit firms with a PIE licence
AQI	Audit Quality Indicators
BMG&D	Beoordeling, Mapping, Goal setting & Development (Evaluation, Mapping, Goal setting & Development), the PwC process surrounding the evaluation and remuneration of partners and directors
BU	Business Unit, the sub-units of the Assurance, Tax & Legal and Advisory Lines of Service, determined on the basis of geography and/or professionalism/specialism
CAD	Country Admission Committee, the body that advises the Supervisory Board on the appointment of new partners and directors
CEO	Chief Executive Officer, the chair of the Board of Management
CFO	Chief Financial Officer, the member of the Board of Management tasked with all financial matters
CMAAS	Capital Markets and Accounting Advisory Services
COO	Chief Operating Officer, the member of the Board of Management tasked with the operational aspects of the business
Compliance Officer	The officer responsible for overseeing the quality management systems
CS	Corporate Sustainability, doing business on a sustainable basis that reflects the interests of society, employees and the environment
DRP	Data Responsibility Programm
ECR	Engagement Compliance Review, internal review carried out by the global network into the quality of client engagements
FTE	Full-time equivalent
GRI	Global Reporting Initiative, the organisation that is responsible for the ongoing development of reporting standards for non-financial information
HC	Human Capital, the term used for the department or persons responsible for PwC's staffing policies and the implementation thereof
HR	Human Resources
IIRC	International Integrated Reporting Council, the international organisation, comprising standard setters, investors, companies, auditors and NGOs, that is responsible for the promotion and development of the framework for integrated reporting
KPI	Key Performance Indicator, a measurable variable that provides insight into progress on meeting objectives
KYC	Know Your Client
LoS	Line of Service, one of three divisions in which PwC offers and delivers its services: Assurance, Tax & Legal and Advisory
NBA	The Netherlands Institute of Chartered Accountants
NZa	Nederlandse Zorgautoriteit
PCAOB	Public Company Accounting Oversight Board
PIE	Public Interest Entity, an organisation that, because of its scope or role in society, impacts a wide range of stakeholder groups (for instance, listed companies, insurers and financial institutions) and for the audit of which audit firms are required to have a licence from the AFM
PwC Europe	The collaborative association of six European PwC member firms in Austria, Belgium, Germany, Switzerland, the Netherlands and Turkey.
QMS	Quality Management System
RAS	Risk Assurance
RCA	Root Cause Analysis
RTA	Real Time Assurance
ROME	Relationship between the Causes ('Oorzaken' in Dutch), Measures and Effects
SDGs	UN's Sustainable Development Goals. The SDGs address the most pressing global issues such as hunger, inequality and climate change
TSP	Territory Senior Partner
tRBS	Responsible Business Simulator

Acknowledgement

PwC Annual Report 2021/2022

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PwC the Netherlands has more than 5,300 people operating from twelve offices and from three Lines of Service: Assurance, Tax & Legal and Advisory. We deliver sector-specific services and we seek innovative solutions, not only for national and international companies but also for public sector and civil society organisations.
'PwC' is the brand name under which member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and deliver services. Together, these firms make up the global PwC Network, within which over 327,000 people in 152 countries share their ideas, experience and solutions in developing new perspectives and meaningful advice. In this report, the terms 'PricewaterhouseCoopers' and 'PwC' also refer to PricewaterhouseCoopers B.V. and, depending on the context, its consolidated Dutch group companies. Together, these are also referred to as 'PwC the Netherlands', 'PwC NL' or 'the Group'.