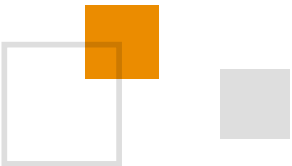


# Appendices

Transparency Report 2021/2022



# Our system of quality management



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## Focus on quality

Delivering quality is our number one priority. It touches on our very reason for existence and improving the quality of our audits is essential within a culture that puts serving the public interest first. That's why we invest continuously and in a wide variety of areas, including training (professional technical training and behavioural and ethical training), and the development of methodologies and technologies. It is important that we are transparent both in what we do and deliver in terms of quality improvement and our cultural change as well as in the results and impact of these endeavours.

Investments in quality are done both at local and network level. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support member firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems. Each firm is responsible for utilising the resources provided by the network.

## How we define quality

For an audit firm, service quality starts with compliance with legislation and regulation. The fundamental principles of professionalism, integrity, objectivity, competence, carefulness and confidentiality are paramount in order to fulfil our responsibility to act in the public interest. But more is needed for us to help solve important problems and deliver sustained outcomes.

For quality in the broader sense, we need to create value for our stakeholders that goes beyond compliance and that differentiates us as a firm. This includes, for example, providing insight through public benchmarks, participating in the public debate, contributing to the development of our people, and contributing to our clients' business processes through, for instance, management letters and improved financial statements and reporting.

In this context, we define quality as:

1. compliance with legislation and regulation; plus
2. delivering added value to society, our people, and our clients.

The objective of a system of quality management is to ensure compliance with all applicable legislation and regulation and to assure continuous delivery of and improvement in the quality of our assurance services.

## Our system of quality management

As a member firm of the global PwC network, we are required to comply with the PwC network standards and the PwC Network Risk Management Policies. These are designed to assure consistency of service quality across the PwC network. Our Assurance Risk Management Database (Matrisk) sets out our internal risk management requirements. This database is accessible to all our professionals, for instance via Assurance Assist (our central system for professional technical information).

Our policies and procedures for quality are consistent with these international frameworks and are naturally also focussed on compliance with the applicable legislation and regulation in the Netherlands. The framework of standards that is applicable in the Netherlands for statutory audit can be divided into different levels (see table below).

### The audit firm

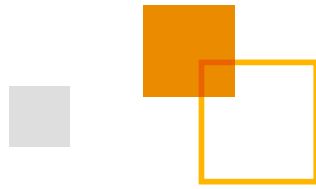
The Audit Firms Supervision Act (*Wet toezicht accountantsorganisaties (Wta)*), the Decree on the Supervision of Audit Firms (*Besluit toezicht accountantsorganisaties (Bta)*), and EU Regulations

set out requirements applicable to the operating structures of audit firms that are licensed to perform statutory audits. An audit firm is required to have a system of quality management and safeguards to ensure that work is performed in a managed environment and with integrity.

### The external auditor

All external auditors are required to comply with the Code of Ethics regarding professional competence (including continuing professional development training), objectivity, integrity, professionalism and confidentiality. The Audit Profession Act (*Wet op het accountantsberoep (Wab)*) gives the NBA the authority to prescribe professional requirements for auditors in the practice of their profession, and the NBA has issued instructions regulating the auditing profession in the form of so-called Regulations and Supplementary Requirements (*Verordeningen of Nadere Voorschriften*) and, in particular the Regulation Code of Ethics for Professional Accountants (*Verordening gedrags- en beroepsregels accountants (VGBA)*), the Regulation concerning the Independence of Auditors in Assurance Engagements (*Verordening inzake de onafhankelijkheid van accountants bij assurance-*

The Dutch regulatory framework for the statutory audit			
Who	What	Standards framework in short	Legislation and regulation
The Audit Firm	Operations	<ul style="list-style-type: none"><li>• System of quality management</li><li>• Performance in a managed environment and with integrity</li></ul>	Wta, Bta, EU regulations
External Auditors	Practice	<ul style="list-style-type: none"><li>• Rules of professional conduct</li><li>• Independence requirements</li><li>• National and international auditing standards (e.g. ISAs)</li></ul>	Wta, Bta, Wab (VGBA, ViO), EU Regulations



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*opdrachten (VIO)*), the Regulation concerning Audit Firms (Verordening accountantsorganisaties), and the Supplementary Requirements regarding Auditing and Other Standards (*Nadere Voorschriften controle- en overige standaarden (NV COS)*). The scope of these regulations extends beyond the statutory audit and also applies to other services provided by auditors.

A cohesive system of quality management needs to comply not only with this framework of standards but also with the international framework International Standard on Quality Control 1 (ISQC1) 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements' of the International Auditing and Assurance Standards Board (IAASB)). The ISQC1 standard defines the objective of the system of quality management as follows:

*The objective of the firm is to establish and maintain a system of quality control to provide it with reasonable assurance that:*

- a. the firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and*
- b. reports issued by the firm or engagement partners are appropriate in the circumstances.*

Our system of quality management, as set out in our Quality Management For Service Excellence (QMSE) framework, is focussed on this objective and is preparing us for the upcoming transition from ISQC1 to ISQM1 (International Standards on Quality Management 1).

Our QMSE framework is structured along fifteen so-called objectives with regards to:

- 1) Leadership and quality management process
- 2) Ethical requirements and values
- 3) Objectivity and independence
- 4) Client selectivity
- 5) New solutions
- 6) Engagement acceptance and continuance
- 7) Recruit, develop and retain
- 8) Learning and education
- 9) Assignment of people to engagements
- 10) Evaluation and compensation
- 11) Technological resources
- 12) Support for engagement performance
- 13) Direction, coaching and supervision
- 14) Expert knowledge
- 15) Quality controls in performing engagements

Our system of quality management must be designed and operated so that these objectives are achieved with reasonable assurance.

We have established clear objectives around audit quality. The system of quality management provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities. The use of the right colleagues, supported by methodologies, processes and technology, that are adequately implemented, maintained and monitored.

That's why our quality objectives focus on having the right capabilities and utilising the resources provided by the network – both at our firm and across the PwC network of member firms. Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by the company's management are free of "material misstatements" – reaching a professional judgement on whether the financial statements present a fair picture of the company's financial performance and position. The PwC network has developed and brought together practical guidelines and systems into a comprehensive and interrelated framework, which also describes a number of core activities deemed necessary to achieve the quality objectives. These include applying ethical behaviour in accordance with PwC's values and professional scepticism.

When describing our system of quality management, we use the structure of the fifteen quality objectives. On the following pages we have described per quality objective what the related risks are and how we have designed our system to meet the specific objective.

## The impact of external factors on our system of quality management

The past several years have seen unprecedented challenges. From the global COVID-19 pandemic to the Russian government's invasion of Ukraine (hereafter: 'the war in Ukraine'). These events are first and foremost human tragedies. Our system of quality management reflects our response to these events and changing risks based on impacts to our client, our colleagues and the way we operate, including new or revised procedures and controls in our firm that have been implemented. Our system of quality management is designed to consider changes in facts and circumstances resulting in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of our system, including the risk responses

The QMSE framework and the quality management process (refer to the main section of this Transparency Report, chapter 'Monitoring quality') help us navigate the changes in our environment and identifying any possible gaps.



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**Recent developments**

**COVID-19**

From the early stages of the pandemic, the PwC network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure we did not compromise on audit quality and more than two years into the pandemic, we have maintained our focus on those areas impacting our clients, our people and how we work. We have leveraged the guidance developed by our network to provide sustained, consistent leadership and guidance on audit quality and equip our teams to consider their client’s unique circumstances and respond accordingly.

The COVID-19 pandemic resulted in us facing a number of new challenges in our audits. This ranged from how we operate as a team to plan and complete the audit, to how we interact with our clients to obtain the necessary audit evidence and execute specific audit procedures such as completing physical inventory counts.

**The war in Ukraine**

Following the Russian government’s invasion of Ukraine, the PwC network’s main focus continues to be doing all we can to help our colleagues and support the humanitarian efforts to aid the people of Ukraine.

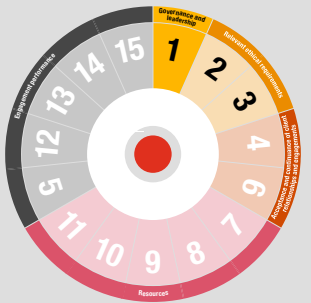
The PwC network’s response to the war in Ukraine resulted in several actions including the decision that, under the circumstances, PwC should not have member firms in Russia and Belarus and consequently PwC Russia and PwC Belarus have left the network as per July 2022.

In addition, the PwC network (excluding former PwC member firms in Russia and Belarus) will exit work for Russian entities or individuals subject to sanctions. Any sanction on Russian entities or individuals that is passed anywhere in the world will be applied everywhere in the PwC network. The PwC network will also not undertake any work for the Russian Federal Government or State-owned Enterprises and is also conducting reviews to identify engagements with non-sanctioned Russian clients and considering the appropriateness of any ongoing relationship.

Our network’s response to the conflict including the separation of PwC Russia and PwC Belarus and approach to sanctions, as well as consideration of the broader risks that impact our clients are being factored into our firm’s system of quality management through the identification of potential quality risks that have or may arise. Our firm is monitoring the actions we have and will take to address the identified risks to assess whether further changes are needed to our firm’s SoQM or how we perform our engagements and interact with our clients.



**Governance and leadership**  
1. Leadership and quality management process



**Objective: Leadership maintains effective assurance quality management which forms part of the business and operations of the firm.**

The most important risks that have been identified in relation to the quality objective are:

- An inadequate ‘tone-from-the-top’, as a result of which the focus on quality and on the public interest are not clear enough and not sufficiently experienced by our colleagues.
- Lack of alignment between assurance leadership and one-firm leadership as it relates to messages on growth strategies and quality.
- Insufficient (clear) quality objectives as part of the evaluation system of partners, directors and employees (including the application of the recognition and accountability framework (RAF).
- Inadequate review and monitoring of quality, deficiencies in the operating effectiveness of the system of quality management and/or subsequent follow-up.
- In addition, potential risks exist if regular communication and substantive involvement with our main stakeholders (our colleagues, society, the legislator, the regulator, the sector and our clients) is not sufficiently substantiated.

**Our culture**  
Our tone from the top reflects what we have set as our purpose, strategy and values (see page 13), and it provides leadership to our colleagues by demonstrating behaviour that is consistent with a quality-driven culture, a learning organisation and putting the public interest first.

Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects ‘why’ we do what we do, and our strategy provides us with the ‘what’ we do. ‘How’ we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

Key messages are communicated to our firm by the Board of Management and the Assurance Board and are reinforced by engagement leaders. These communications focus on what we do well and actions we can take to make enhancements. We track whether our colleagues believe that our leaders’ messaging conveys the importance of quality to the success of our firm.

Delivering service of the highest quality is core to our purpose and our Assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

To put this strategy into effect, the international PwC network has established the QMSE framework which introduces an overall quality objective for the Assurance practice that is supported by a series of underlying quality objectives. Our system of quality management must be designed and operated so that these objectives are achieved with reasonable assurance. The achievement of these objectives is supported by a quality management process established by the Board of Management, Assurance Board, business process owners, and partners and colleagues.

**Tone from the top**  
In its communication to the practice, the Assurance Board focuses on the PwC purpose, our values and the Assurance strategy. The communication takes place through digital newsletters, dedicated intranet pages, blogs, video messages, and the regular monthly Lessons Learnt email of current findings from the Real Time Reviews. We also communicate through public appearances, opinion papers and through this Transparency Report. In addition, our technical department (National Office) communicates on professional technical matters through our weekly Assurance-wide newsletter, and the Assurance Board is very closely involved in the design of the Summer School, an annual multi-day training programme, and in the audit transformation programme.

The Assurance Board is in continuous dialogue with our younger colleagues including through the so-called Young Assurance Board, a forum consisting of nine younger colleagues, each of them representing a business unit or a unit like the Workers’ Council. Once every six weeks they attend a meeting of the Assurance Board to discuss topics such as workload, quality, the future of the audit profession or social expectations with regard to our sector. Once every six weeks they discuss developments in their portfolios with the individual members of the Assurance Board.



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**Partners and directors setting the right example**

In addition to the Assurance Board, partners, directors, senior managers and managers play an important role in living our norms and values, particularly in demonstrating professional scepticism. Our partners and directors are responsible for the quality of each individual engagement they perform with their teams. There is emphatically room for professional judgment, but there are also clear frameworks and limits in which our colleagues must operate. Partners and directors set the tone for their team members. In our evaluation and remuneration methodologies for partners and directors, we look very specifically at how their behaviour has influenced the achievement of our strategic goals, with quality as the key driver.

**Stakeholder dialogue and sector involvement**

We are in constant contact with our more important stakeholders to hear from them what their key expectations are and to sound out our own ideas. We do this through a programme of stakeholder dialogues (see PwC NL Annual Report 2021-2022). The People Survey, our annual survey into staff satisfaction, provides input as to how people view aspects such as culture, behaviour and leadership within the organisation. In addition, the Public Interest Committee keeps us focused on how well we are attuned to the perceptions of society (see the ‘Report of the Public Interest Committee’ in the main section of this Transparency Report).

We participate in the public debate on the role of the external auditor and we contribute to the

sector-wide evolution of the profession through various forums such as NBA bodies, the Dutch Accounting Standards Board, the Dutch Financial Reporting Committee of the NBA (our Dutch professional body) and at universities. PwC is also an active participant in the Public Interest Steering Committee and the related working groups, set up in January 2017 by the large and medium sized firms together with the SRA and NBA to further encourage sustainable quality improvement in the audit. In addition, we discuss developments in the profession with politicians and specifically about legislative proposals.

**A vision for change, with focus on culture and behaviour**

To meet the expectations of our stakeholders and to build trust in society (our purpose), quality and continuous learning and innovation are key. It is essential in the rapidly changing world of today that we get our organisation fit and ready for the future. We transform into a purpose-led and values-driven organisation.

Our change programme within the Assurance practice is led by a central team consisting of an Assurance Board member, change partners from all business units, a programme manager, project managers and communication and change specialists. The team is also responsible for the rollout of the initiatives developed by the PwC NL transformation team within Assurance. This team is responsible for the implementation of the change programme for all of PwC NL under the direction of the Board of Management. This integrated management of the programme safeguards the synergies between the various

initiatives and assures a solid implementation and anchoring of the new techniques and behaviour. It is important that we are translating concepts like purpose, values and strategies into our daily practice and we bring about a change in mindset.

**Monitoring and follow-up**

Monitoring is a fundamental element of our learning organisation and continuous quality improvement. It includes our own internal monitoring as well as the monitoring by our external supervisory bodies. We take appropriate action based on our analysis of the underlying root causes of all the matters highlighted by these monitoring processes and we monitor whether the actions taken are effective.

**Internal monitoring**

Internal monitoring takes various forms. The whole set of instruments gives us continuous insight into the way in which we are in control of our quality and in which areas we can learn and improve.

**Quality management process**

The policymakers of the audit firm (being the members of the Board of Management and Assurance Board) are responsible for the design, existence and operation of the system of quality management and the quality management process.

Our system of quality management has been elaborated along fifteen so-called quality objectives. For each quality objective, a colleague is responsible for achieving the underlying quality objectives. This so-called functional

area leader draws up a bottom-up risk analysis. The risks relevant to the quality objective that emerged during the annual top-down audit quality risk assessment (AQRA) are added to this. Subsequently, mitigating procedures and controls are defined by the functional area leader and ongoing monitoring activities are carried out to determine whether the relevant quality objective can be met. Finally, quality indicators are linked to each quality objective for the purpose of analysing whether the quality objective is achieved.

The operational execution of the procedures and controls, and any findings from them, are reported quarterly to the central team that is responsible for coordinating and monitoring the coherence of the system of quality management. The Assurance Board also receives a quarterly report on the main findings, root cause analyses performed and any risk mitigation measures and an analysis of the quality indicators related to the quality objectives. The operational effectiveness is also tested by an independent team.

Within the QMSE framework a number of procedures and controls have also been delegated to the business unit leaders and their management team (consisting of a quality assurance partner, change partner, human capital partner and operations partner). They implement quality management in their business unit. Each year, the business unit leaders confirm in writing on behalf of their management team that they have implemented the quality procedures of PwC. The functional area leaders include the implementation of the quality procedures by the

**Strategic quality initiatives**

Four strategic quality initiatives have been defined within our worldwide network organisation that contribute to the continuous monitoring of the operational efficacy of our system of quality management and of the process of quality improvement.

**Aim to predict: assurance quality indicators**

We have identified quality indicators (*the assurance quality indicators (AQ/s)*) that support us in the early identification of potential risks to quality. This quality risk analysis is an essential part of our QMSE, and the quality indicators provide a key tool in the ongoing monitoring and improvement of our system of quality management.

**Aim to prevent: real time assurance**

We have developed a Real Time Quality Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams get the ‘right work’ completed in real time during the audit. The RTA programme consists of Real-Time Reviews (RTRs) and coaching through what we call Business Intelligence (BI) solutions (see also page 36). The RTRs and BI help audit teams to assure audit quality throughout the execution of their audit work. Where aspects of an audit or file are noted that can or should be improved, the audit team involved is provided with coaching and the opportunity to follow up before completion of the audit.

**Learn: root cause analyses**

We continuously perform root cause analyses to identify potential factors contributing to audit quality both negatively and positively (see also page 10) so that we can take actions to continuously improve quality.

**Reinforce: recognition and accountability framework**

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our partners and directors do in delivering on our strategy and it encourages them to act in line with our quality-focussed culture. The RAF evaluates quality outcomes and behavioural aspects, it encourages the quality-focussed culture, and it develops the frameworks for setting the evaluation and remuneration procedures (see also page 27).

- Quality: We measure whether quality objectives are achieved taking into account compliance with professional standards and PwC policies.
- Behaviours: We have expectations of the quality-oriented behaviours, the right tone from the top and strong engagement with the quality objective.
- Recognition: We recognise behaviours that drive the quality-oriented culture.
- Reward: We have financial and non-financial reward consequences that encourage the right behaviours to achieve the quality objectives.

management teams of the business unit in their assessment of the operational effectiveness of the system with regards to their objective. The functional area leaders also confirm annually that they have taken responsibility and followed up on any findings.

By making the functional responsibility of the functional area leaders more explicit, a step has been taken in perpetuating the system of quality management. Where in the past the system was mainly maintained centrally, the process owners and colleagues involved in the execution of the quality measures are now more aware of the impact of their daily activities on the quality of service of our audit firm.





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## Enterprise risk management

In addition to the risk analyses performed as part of our QMSE framework, we also perform specific in-depth analyses into the risks surrounding audit quality. As part of our regular planning and audit cycle, we also routinely take inventory of the primary risks we face and the opportunities in strategic, operational, financial and compliance areas, including the way in which we address these risks within the context of our risk appetite. We take additional measures where this proves to be necessary, and we monitor these measures as part of our management processes. This methodology (Enterprise Risk Management) derives from the PwC Network standard for risk and quality that includes the approach to enterprise risk management. The results of these assessments are discussed in the Assurance Board, the Board of Management, the Public Interest Committee and the Supervisory Board and we share the results also within our international network. The primary risks inherent in our strategic areas of focus are set out in our PwC NL Annual Report 2021-2022.

## Monitoring through quality indicators

The Assurance Board, National Office and the business unit leader (together with his/her team, consisting of the quality assurance partner, human capital partner, operations partner, and change partner) periodically monitor the development of quality within our audit organisation through a number of quality indicators. Strategic and policy-based steering information and operational accountability information are shared through various reports.

Indicators (KPIs) for quality, culture and behaviour within our audit organisation are included in one integrated report (the so-called Integrated Dashboard). The Assurance Board periodically evaluates the progress on the more important quality indicators. These KPIs also include those recommended in the NBA Guidance 1135 (Publication of Quality Indicators). The integrated dashboard enables us to manage quality and quality improvement in an integrated manner. To assess the operational effectiveness of the system of quality management and the efficacy of the measures adopted and actions taken, the quality indicators are compared to predetermined goals in order to determine how we achieve our ambition.

Our partners, directors, senior managers, and managers also have access to a dashboard. In contrast to the static information in the Integrated Dashboard, their dashboard provides insight on a real-time basis into the management information and KPIs that are relevant to them. Information relating to their performance vis a vis our quality objectives, for instance relating to the timeliness of the completion of the client and engagement acceptance process or outsourcing of standardised work, and also relating to the financial and other aspects of their portfolio management. Our colleagues are provided with information on which they can take action and with this they are and remain in control of their own portfolio. These indicators can be influenced on an individual basis and are measured consistently across the entire (audit) organisation.

## Review of compliance with the PwC Network Standards

Annually, our self-assessment of compliance with the PwC Network Standards is assessed by the global PwC network.

## PwC Global's reviews of our system of quality management

The global PwC network reviews our system of quality management and updates on a periodic basis, the so-called Quality Management System Review (QMR). This PwC network review is performed on the basis of the PwC network Global Assurance Quality Review Program (GAQR). The programme, which is based on prevailing professional standards relating to the system of quality management (including ISQC1), incorporates the policies, procedures, tools and requirements relating to the quality management framework that have been agreed by the member firms within the PwC network. The QMR also considers the member firm's own assessment of the effectiveness of the system of quality management.

The review programme is managed centrally by the international team leaders (ITL), a group of senior partners. This monitoring by the ITL, with the ongoing involvement and support on the part of its members, ensures a consistent and effective application of the review process across the PwC network.

## Reviews by the independent testing team

An independent testing team also performs annual testing with regards to the design and operating effectiveness of the system of quality management. Twice a year, the team reports its outcomes and findings to the Assurance Board.

## Engagement compliance reviews (ECRs)

The objective of so-called Engagement Compliance Reviews (ECRs) is to review the quality of the engagement and its compliance with the various PwC policies and procedures and to identify areas for improvement. These reviews are led by assigned partners, specifically from the international PwC network. They are supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers may be sourced from other member firms if needed to provide appropriate expertise or objectivity. Review teams receive training and utilise a range of checklists and tools developed by the international PwC network when conducting their inspection procedures. The assigned partners from the (international) PwC network have to safeguard the application of consistency in professional judgment within the PwC network of member firms.

The selection criteria of the network of member firms require that all engagements with a higher risk profile are selected at least twice every six years. The reviews cover all business units every year, with each partner and director being selected at least once every five years.



Any instance assessed as non-compliant can have an impact on the evaluation of the partner or director responsible and can lead to a (financial) penalty. A compliant with improvement required assessment does not, in and of itself, lead to an impact on the evaluation for the partner or director responsible, unless there are repeat instances or in combination with other quality issues. The guidance for this is set out in our Recognition and Accountability Framework (RAF).

In addition to the ECRs carried out by our global organisation, we also carry out other additional internal file reviews. These reviews can be carried out when specific circumstances so dictate, for instance in case of a non-compliant review by an external supervisory body or an identified error as defined in article 2:362, lid 6, BW or a material error in a set of financial statements after the auditor's report has been issued. The results of such reviews are also included in the evaluation and remuneration process of the partners and directors.

Our engagement leaders are informed by the network inspection program about relevant inspection findings in other PwC member firms if needed, which enables them to consider the impact of these findings on planning and performing their audit work.

**Monitoring by the Compliance Office**

The Compliance Officer supervises the compliance with the quality policy within PwC on behalf of the (co-) policymakers. He is supported by the Compliance Office which deals with matters arising under the Audit Firms Supervision Act (Wta) and related laws and regulations. The Compliance Office reports its findings three times a year to the policymakers, the Public Interest Committee and the Supervisory Board, including any findings it has regarding the internal system of quality management, and it provides recommendations and monitors these. The Compliance Office is responsible for the mandatory notifications to the Netherlands Authority for the Financial Markets (the AFM) and for the registration and deregistration of external auditors and/or members of the Coöperatie PricewaterhouseCoopers Nederland U.A. in the register of the AFM.

**Report of Infringements**

This Transparency Report also serves to fulfill the legal requirement to present a Report of Infringements.

**Externe monitoring**

The process of engagement reviews by the AFM and other supervisory and regulatory authorities contribute to continuous quality improvement. If shortcomings in an audit file are reported by any of them, we establish what can or must be corrected, we perform an analysis of the reasons why it went wrong, and we determine whether the auditor's report issued is still valid. We also review external file review results in accordance with the ECR methodology. This helps ensure consistency of ratings and evaluation for the purposes of any (financial) sanction on the external auditor involved.

**AFM reviews**

In our quarterly meetings with the AFM, we update the supervisor on current developments and respond to any questions they may have. Where the AFM submits questions regarding our statutory audits (based on publicly available information), we perform further investigation as necessary and to the extent we had not already started the process at our own initiative. The AFM also carries out theme-focussed investigations in addition to its regular periodic reviews of our audit engagements and quality management framework.

**Other external reviews**

In addition to the AFM, other external bodies also conduct regular reviews. Every six years, the NBA carries out reviews of audit and other assurance engagements in the non-statutory domain. The Central Government Audit Service (ADR) carries out reviews of our files of audits in the local government sector and reported information regarding the Standards for Remuneration Act

(WNT). The Inspectorate of Education carries out reviews at educational institutes, for instance of the funding and financial statement audits of the individual institutes. The Dutch Healthcare Authority (NZa - Nederlandse Zorgautoriteit) monitors health insurance companies' application of the Health Insurance Law (Zvw) and the Law on Exceptional Medical Expenses (AWBZ), and sometimes makes use of its right to review the auditor's audit files. Furthermore, ad hoc reviews can be commissioned by or on behalf of the government, primarily ADR investigations into the audit of subsidy claims.

In addition, the US Supervisory Body, the Public Company Accounting Oversight Board (PCAOB), carries out periodic evaluations of our files relating to audit clients with a listing in the US and of a number of aspects of our system of quality management.

**Root cause analyses**

In addition to carrying out thematic root cause analyses during the year, PwC carries out an annual cycle to prepare the *PwC Assurance root cause analysis*. This process is largely carried out according to a methodology and guidelines determined by the global PwC network, the so-called Global Root Cause Analysis Framework. We have expanded this methodology with sounding sessions with function groups under the supervision of a behavioural scientist.

Input for the overall root cause analysis includes the results of the internal (ECRs) and external reviews. Both compliant and non-compliant files are included in the analysis.

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In the root cause analysis process, analyses take place at various levels and layers within PwC, both at the level of the external auditor and our staff as well as at the level of the audit firm.

The root cause analysis also takes into account the current state of the quality-oriented culture within PwC, as well as transparency about quality and the learning capacity vis-à-vis the legally required quality level. In particular, the sounding sessions with colleagues from the practice and the conversations with engagement leaders and engagement managers contribute to identifying underlying causes.

The steps in the case root cause analysis process with regards to audit files are as follows:

**1. Audit standards analyses**

We analyse all review results against audit standards, identifying whether findings may focus on certain standards and identifying potential causes.

**2. Audit engagement analyses**

We identify potential causes through discussions with team members and other professionals with non-compliant files. In these interviews we jointly analyse what happened, what the circumstances were and what the possible causes are. Using the ‘5 x why’ method in these sessions, we continue to question why until the underlying cause is identified. We also ask what learning points there are for the engagement leader and what learning points there are for the entire practice or for certain parts of the practice. The potential root cause factors are classified according to, among other

things: technical knowledge, supervision, review of the audit procedures performed and professional scepticism. Not only do we discuss compliance with audit standards in more detail, but organization-wide themes and bottlenecks are also discussed and investigated. We also have discussions with team members with compliant files. We identify potential drivers for quality on these files and consider whether the absence of these drivers on non-compliant files is the possible cause for the non-compliant judgment.

**3. Analysis of file-specific data**

We analyse objective data such as hours per job level, years of experience of the team members and QRP involvement. We check whether it concerns a continuous audit engagement or a first-year audit, what the nature and scope of the engagement is and whether it concerns a particular industry. We do all this to determine whether there is a possible correlation between the selected objective data and the quality of the engagement.

**4. Sounding sessions**

The bottlenecks and common findings from previous analyses are input for the sounding sessions with function groups. Under supervision of behavioural experts, various themes are analysed with various job levels through the ‘5 x why’ method. The themes are discussed along various axes, including our colleagues, methodology and IT systems.



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The outcomes of the root cause analyses are recorded in a report and discussed with and adopted by the Assurance Board. Based on this report the Quality Improvement Partner identifies the improvement measures that are integrally included in the quality improvement plan.

**Quality improvement plan**

For external auditors who receive a non-compliant conclusion in an Engagement Compliance Review (ECR) or in a specific internal review it may be decided that he/she must prepare an individual improvement plan. The external auditor discusses the improvement plan with the business unit's quality assurance partner and with the Assurance Board member responsible for risk & quality. The plan is then submitted to the Assurance Board for approval.

The improvement plan contains the factual findings, a root cause analysis and improvement actions. A proper self-reflection by the external auditor and the desire to improve are paramount. We monitor progress in the improvement plan for a period of two years. The partner or director also receives more intensive coaching by a CRP and the RTR team. The partner or director reports annually on the progress of the actions of the improvement plan and discusses this in the annual evaluation (BMG&D-evaluation).

A review is carried out after two years by the Assurance Board member responsible for risk & quality, the business unit leader of the external auditor involved and the Compliance Officer. The results are reported to the Assurance Board with a proposal whether or not to maintain the signing authority of the auditor involved. The fully supported decision is approved by the Supervisory Board.

An engagement that is assessed in an ECR as *compliant with improvement required* (CWIR) meets all the requirements that apply, while indicating that there were areas where the audit work could have been performed better. A CWIR conclusion leads to a robust discussion during the annual performance evaluation meeting (BMG&D) with the auditor. He/she can receive additional support in the form of more intensive coaching by a CRP and/or greater involvement from an RTR team.

**Interaction with our stakeholders**

**Reporting on our activities**

**Reporting to the public**

We expect our external auditors to be transparent with regards to the audit they have performed and the matters that arose during the audit. This transparency is provided in the extended auditor's report that we issue on annual financial statements at all our PIE audit clients and, among others, at large educational institutions. The extended auditor's report provides greater insight into the scope, materiality applied, key audit matters and audit approach. We aim to provide optimal transparency and information sharing through both the content and the layout of the reports issued by our auditors.

We find it important that our auditors not only attend the Annual General Meetings (AGMs) and answer questions, but also provide insight in the work performed and in the auditor's report.

**Reporting to the audit client**

Our external auditors discuss the audit plan, the interim findings (management letter) and the board report with the Supervisory Boards of audit clients, and in particular with the audit committees. The good practice is to share our transparency report and our responses to investigations by the supervisory

authorities with the supervisory and managing directors of our audit clients. We expect our auditors to discuss the main points of our transparency report, including the results of external supervisory investigations, with the audit committees. If the file of a PwC auditor is subject to review by an external supervisor, we inform (the chair of) the audit committee. We also share the results of such a specific investigation with the relevant audit committee. Our auditors report the actual audit hours spent on the audit for the year and the expected hours for the following year to the Supervisory Board (or equivalent) of their audit clients, which is followed by an active discussion with the board how these hours and other audit techniques can be best deployed to achieve a high quality audit.

**Providing insight into the Management Letter**

We welcome organisations to provide publicly available insight into the management letter and the board report. It is up to the chair of the Supervisory Board to address highlights from the management letter or board report during the AGM. The external auditor attending the AGM ensures that the information is accurate and balanced. We also welcome the Supervisory Board audit committees of our audit clients addressing in their reports the key matters from our management letters and the key financial statement risks highlighted by the external auditor.

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**Legal and disciplinary proceedings**

From time to time, we are faced with (potential and actual) liability claims and litigation, including disciplinary procedures arising from professional work we have performed at current or former clients. To the extent that these fall under civil law, they can involve either PwC or one or more of its partners, former partners, staff members and former staff members. Professional disciplinary proceedings always relate solely to individual professional practitioners. We are required to report disciplinary procedures to our external supervisory body. The ongoing legal and disciplinary proceedings are reported in the PwC NL Annual Report 2021-2022.

**Notifications to supervisory bodies**

Disciplinary proceedings against external auditors and early termination of statutory audit engagements must be reported to the AFM. A notification obligation also applies to PIE audit engagements. This obligation applies to so-called ‘material breaches’ in the PIE’s business activities, threats or doubts about the going concern of the PIE and the issuance of an adverse or qualified auditor’s report or disclaimer of opinion.

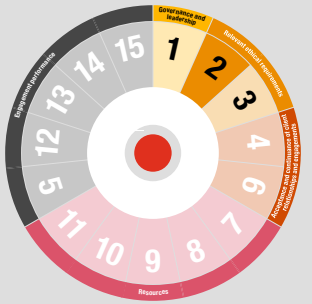
We are also required to notify our external supervisory bodies of any internal incidents arising in our organisation. Any matter that can result in serious consequences for the integrity of our ongoing practice qualifies as a notifiable incident and is reported to the AFM. There are also prescribed events which we have to report to the PCAOB.

Aside from our formal notifications to our supervisory bodies, we also maintain a more informal contact with the AFM through regular quarterly meetings and on an ad hoc basis as necessary.





**Relevant ethical requirements**  
2. Ethical requirements and values



**Objective: Require and reinforce that people act in accordance with the PwC values and ethical requirements including applicable laws and regulations.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that we do not sufficiently ensure that our colleagues are continuously aware of, and demonstrate in the daily practice, their own responsibility and exemplary behaviour with regards to ethical behaviour in line with the Code of Conduct and our values, as well as with regards to compliance with rules and regulations.
- In addition, the risk exists that our colleagues or our clients don't feel free (enough) to report any issues of unwanted or non-conforming behaviour through the usual channels (including complaints and notification/whistleblowing procedure), resulting in inadequate follow-up of potential shortcomings with regards to compliance with the code of conduct and the PwC values.

**Thinking and acting ethically**

Thinking and acting ethically forms the basis for the behaviour from our partners and staff. Our reputation stands or falls with it. The PwC Code of Conduct provides our partners and staff guidance to make sure they do the right thing. In addition, we have a Complaints procedure and a Notification and Whistleblower procedure in case something goes wrong or threatens to go wrong. We also appointed a Code of Conduct partner.

**Standards**

At PwC, we adhere to the fundamental principles of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants. These principles are:

- **Integrity** – We are straightforward and honest in all professional and business relationships.
- **Objectivity** – We do not allow bias, conflict of interest or undue influence of others to override professional or business judgments.
- **Professional Competence and Due Care** – We ensure that our professional knowledge and skills are at such a level that we can advise our clients on the basis of the current state

of legislation, science and technology, and in accordance with the applicable technical and professional standards.

- **Confidentiality** – We respect the confidentiality of information obtained as a result of professional and business relationships. We do not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose. In any case, we do not use the information to our own advantage.

- **Professional Behaviour** – We comply with relevant laws and regulations and avoid any action that discredits the profession.

In addition, our Network Standards applicable to all member firms of the global PwC network cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/anti-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading.

Our values and behaviours



Act with integrity

- Speak up for what is right, especially when it feels difficult
- Expect and deliver the highest quality outcomes
- Make decisions and act as if our personal reputation were at stake



Make a difference

- Stay informed and ask questions about the future of the world we live in
- Create impact with our colleagues, our clients and society through our actions
- Respond with agility to the ever changing environment in which we operate



Care

- Make the effort to understand every individual and what matters to them
- Recognise the value that each person contributes
- Support others to grow and work in the ways that bring out their best



Work together

- Collaborate and share relationships, ideas and knowledge beyond boundaries
- Seek and integrate a diverse range of perspectives, people and ideas
- Give and ask for feedback to improve ourselves and others



Reimagine the possible

- Dare to challenge the status quo and try new things
- Innovate, test and learn from failure
- Have an open mind to the possibilities in every idea

As of financial year 2020-2021, we have applied the systematic integrity risk analysis (SIRA) based on the guidelines provided by the AFM.

We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake regular mandatory training and assessments, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate.

**Our values**

The principles and guidelines on how PwC staff and partners should behave and should act in various circumstances and situations are prescribed in our global Code of Conduct. The Code of Conduct is supported by our values (refer to figure on previous page). In practice, this means that we expect from every PwC colleague to behave in line with these values.

Periodically, a firm-wide research is conducted into the personal values of our colleagues, to what extent these are in line with our current corporate culture and how they relate to the culture we aspire to. This is the so-called Barrett values survey. The results give direction to our culture and behaviour programme.

**Code of Conduct**

Our purpose and the values as set out in the Code of Conduct and the PwC Professional collectively provide guidance to our partners and staff in their behaviour and attitudes. The Code is an integral part of the contracts of employment and association signed by all staff and partners. The key basic elements of the Code are professional conduct, respect for others, contribution to society and upholding our reputation. Clients also agree to ethical conduct in accepting our terms and conditions as part of the engagement letter. The Code of Conduct, which applies throughout the entire PwC network of member firms, can be consulted on our external [website](#).

The Code of Conduct is a mandatory element of our training and development programmes. A mandatory digital training specifically addresses dealing with dilemmas. All our colleagues have followed this training and all newcomers must also complete this training before starting their work.

To make the application of the Code of Conduct tangible, we have embedded the values in our feedback processes. Employees are asked to provide 360-degree feedback to our partners and directors. In turn, our employees receive feedback on whether their behaviour is value-driven. We also ask our clients for feedback. We explicitly ask whether they experience that we put our purpose and values first in our work and whether, and if so to what extent, we serve the public interest with our services. In this way we create an environment in which our colleagues are aware of our values and in which desirable behaviour is encouraged and rewarded.

**Security and confidentiality of information**

We guarantee the confidentiality and protection of information obtained during our daily work through, among other things, secure (digital) internal and external information carriers and archives. As a result of the General Data Protection Regulation (GDPR, in Dutch the Algemene verordening gegevensbescherming), which came into effect on 25 May 2018, the international network of PwC member firms has developed the Network Data Protection Programme (NDPP) to implement the GDPR in the countries in which it applies (and thereby the AVG in the Netherlands). The NDPP is designed to ensure day-to-day compliance with the GDPR.

In the client and engagement acceptance process, teams must answer questions about GDPR, among other things, to ensure that the correct procedures for handling personal data are used. Specialists have been appointed to support the teams in this . ‘Privacy by design/default’ is embedded in the procedure to develop and/or install new systems and tools. The Information Protection Committee (IPC) has been expanded with the Data Protection Committee (DPC). Under the chairmanship of the data protection officer, the DPC addresses matters related to personal data. The NDPP acts as a working group with representatives from the international network of PwC member firms to ensure compliance with the GDPR.

Our ICT Code of Conduct addresses how PwC handles data protection. Proper use of information and of the equipment and facilities that PwC provides, and their security, are critical in our organisation. Improper use can result in reputational damage. The ICT Code of Conduct is a translation of the do’s and don’ts for staff and partners dealing with IT, the internet and social media. This code is an integral part of the terms of employment, and partners and staff are required to confirm annually that they have acted in accordance with the Code for the entire period covered by the confirmation.

**The professional oath for auditors**

The ‘Verordening op de beroepseed voor accountants’ (professional oath for auditors) requires all Dutch chartered auditors within the Assurance practice to swear the professional oath. Newly qualified chartered auditors swear the oath when they complete their studies.



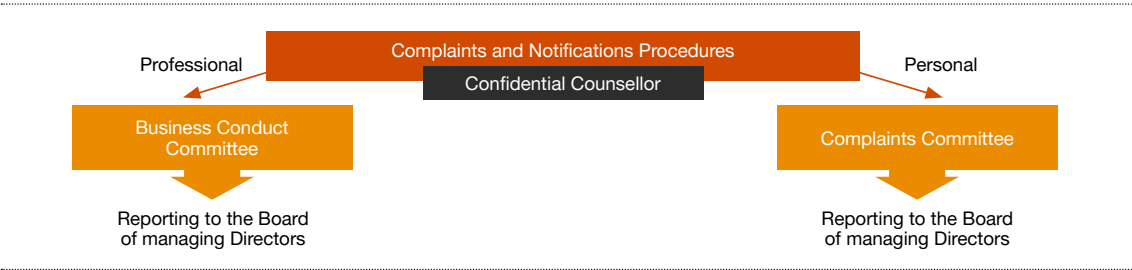
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**Complaints procedure and Notification and Whistle-blower procedure**

The Complaints procedure and Notification and Whistle-blower Procedures are governed by our Code of Conduct. These procedures are both for complaints in the personal arena and for suspicions of professional misconduct or other incidents. Notifications in the personal arena may include intimidation, aggressive behaviour or discrimination. Those who file a complaint are referred to the Complaints Committee. The Business Conduct Committee (BCC) deals with any notifications of suspected professional misconduct (for example, improper acceptance of gifts or deliberate mis-invoicing) and with any other suspected incidents. There is also a confidential reporting option on our website.

Staff who experience undesirable behaviour in a personal environment or who suspect professional misconduct, have access to the confidential counsellors. An outside party with a suspicion of professional misconduct or an incident may report this to the BoM or to the Assurance Board, both of which will report to the BCC. After due investigation, the BCC submits its advice on the matter to the BoM. Both the BCC and the Complaints Committee report on an annual and anonymous basis to the Code of Conduct partner. Neither the Complaints Committee nor the BCC may issue sanctions. They submit advice to the Code of Conduct partner respectively BoM, who is ultimately responsible for the final decision on the matter. The advice submitted can also take the form of a proposal for disciplinary or other action, which can at worst lead to, for example, dismissal.





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**Relevant ethical requirements**

**3. Objectivity and independence**

**Objective: Bias, conflicts of interest and undue influence of others do not override professional or business judgements and independence requirements are met.**

The most important risks that have been identified in relation to the quality objective are:

- Not timely and adequately performing the required independence assessment when accepting new assurance clients or engagements and/or when assembling the team.
- In addition to adequate communication and mandatory training, data quality, the availability of adequate supporting systems and the application of effective procedures are crucial to the prevention of independence breaches. Risks in these areas could lead to violations of the independence regulations applicable to the relevant client. This could include the required independence of the persons involved in the audit client or the independence of PwC as a firm. For example due to existence of a (commercial) relationship with the relevant client, which is not allowed if the client wants to engage into an audit/assurance relationship with PwC; or the existence of a conflict of interest if PwC was asked by multiple clients with conflicting interests to provide services that are related to those conflicting interests. Moreover, under the various independence regimes substantial restrictions have been set to the kind of services PwC is allowed to offer audit clients. It is so very important that - before starting an engagement - it is perfectly clear which service PwC is asked to provide and that it has been approved by the external auditor and in many cases also by the Supervisory Board of the client.
- There is also a risk that the original agreed-upon services change during the engagement, with the risk that this changed service becomes a restricted service (scope creep).

**Objectivity and independence**

We are expected to comply with the fundamental principles of integrity, objectivity, and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving our clients. Being independent and being seen as independent are important aspects of the principle of objectivity in issuing opinions on financial statements or other forms of assurance relied on by third parties. Consequently, our procedures for the acceptance of clients and continuance of engagements contain mandatory steps regarding both personal independence and the independence of PwC as an organisation.

**Independence requirements and procedures**

The PwC Global Independence Policy (GIP), which is based on the IESBA Code of Ethics for Professional Accountants, contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary. In addition to the specific independence requirements of the US Securities and Exchange Commission (SEC) and the PCAOB, the Dutch and EU independence regulations are also included in the GIP.

The PwC Global Independence Policy covers, among others, the following areas:

- Personal independence of our partners and staff and firm independence. There are policies and guidelines for holding financial interests and other financial arrangements, e.g. bank accounts, loans, insurance products and pension schemes.
- Non-audit services and fee arrangements. The GIP is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy with respect to non-audit services to assurance clients.

- Business relationships. There are policies and guidelines on joint business relationships and on procurement of goods and services by PwC for assurance clients.
- Client acceptance and continuance. To assure compliance with legislation and regulation, guidelines have been implemented in the areas of acceptance and continuance of audit and assurance clients and subsequent engagement acceptance of non-assurance services for those clients.



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**Independence related toolsd**

As a member of the global PwC Network, the firm makes use of a number of tools which support us as a member firm, our partners and staff, in executing and complying with our independence policies and procedures. These systems include:

- The Central Entity Service (CES) contains information about corporate structures of all our assurance clients, SEC restricted clients and where applicable, their related securities. CES assists in determining the independence status of clients before a member firm of the global PwC network enters into a new engagement with the client. CES also feeds Checkpoint and AFS (Authorisation for Services).
- Checkpoint facilitates the pre-clearance of publicly traded securities and other securities by all partners, directors and managers before acquisition and records their subsequent purchases and disposals. Partly based on the information in CES, Checkpoint identifies financial interests that are or have become restricted. Colleagues holding restricted financial interests are automatically informed of the requirement to sell the security in order to become/remain compliant with the independence rules.
- The worldwide AFS procedure facilitates the mandatory pre-approval of non-audit services to assurance clients to prevent independence risks. The external auditor ultimately responsible for the client must pre-approve all services proposed for delivery to his/her client. Without approval, work on an engagement may not begin and no hours can be charged to the assignment.

- The Global Breaches Reporting System is designed to report any breaches of independence regulations where the breach has cross-border implications.

In addition to these systems we also have a database in which all external appointments of partners and staff are recorded. All possible external appointments have to be approved in advance. The Independence Office provides (binding) advice on any independence restrictions before the business unit leader (for staff) or the BoM (for partners and directors) approves.

**Rotation of senior team members and audit firms**

The Regulation regarding the Independence of Auditors in Assurance Engagements ('Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten', ViO) includes a requirement that, unless there is no question of unacceptable risk of undue familiarity or self-interest, action needs to be taken as and when the more senior partners, directors or other team members in an audit team have been involved in a client for seven years. Our internal rotation policy requires that, for all assurance clients, partners, directors and senior team members who have had a 'senior engagement role' on a client must rotate after a maximum of seven years' involvement on that client. For public interest entities (PIEs), the requirement is that the partner responsible for the engagement (the key audit partner) must rotate after five years.



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The law requires that all PIEs rotate audit firms after a maximum of ten years. Our internal procedures ensure that we comply with the independence requirements for new audit clients in a timely manner and that our independence is safeguarded until the date of issue of the last auditor's report on the financial statements of PIEs that are going to change audit firms.

**Conflicts of interest**

In the event of a genuine conflict of interest between several PwC clients, the risk with regard to objectivity and independence will be assessed – in accordance with the existing PwC Network Risks Management Policy – and whether the risk can be mitigated by obtaining the explicit consent of the clients involved or taking additional measures (for example by setting up ethical walls between the teams involved).

**Independence confirmation**

Every year, all partners and staff are required to confirm their compliance with the policies regarding investments, external appointments, personal relationships and the use of ICT in the Annual Compliance Confirmation (ACC). In addition, all partners and directors confirm that all non-audit services and business relationships they are responsible for comply with the GIP and the SOPS contained therein, and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by (re) confirmations on engagement level when partners and staff charge hours to client engagements.

**Independence Office**

PwC has appointed a Partner Responsible for Independence (PRI), responsible for the implementation of the GIP including managing the related independence systems, processes and procedures supporting the business. A team assists the PRI, in the role of an independent specialist supporting and advising staff on decisions concerning services to individual clients and the permissibility of services. The PRI reports to the risk & quality leader of the BoM.

**Training and communication about independence**

We provide all partners and staff with relevant training and communication on the subject of independence. Particular attention is given to personal independence and updating CES. New colleagues must complete a digital training on the key aspects of the independence requirements, as included in the GIP, before they start.

**Personal independence testing**

In addition to the confirmations referred to earlier, the Independence Office carries out several reviews to determine whether our staff and the audit firm comply with the independence requirements. These include a sample of partners and directors being tested annually on their personal independence. Newly appointed (Supervisory) Board-members, partners and directors are subject to the test prior to appointment, and any partner or director who receives a written warning or reprimand is automatically re-tested the year

thereafter. Infringements are reported to the Independence Sanctions Committee, and this body is responsible for proposing to the BoM the sanction to be levied within the context of the (financial) sanctions policy.

**Investment policy for partners**

The investment policy on private investments by partners within the framework of our Code of Conduct has been approved by the Supervisory Board. We have published the investment policy on our external [website](#).

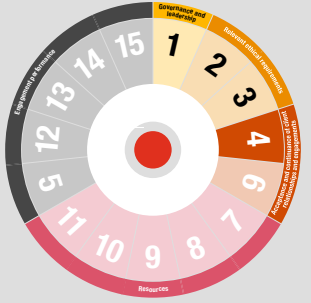
**Opvolging van overtredingen**

Our procedures are designed to promote that our employees comply with the independence requirements. Our employees are expected to notify the Independence Office of any breaches of the requirements, and the external auditor for the client in question is required to discuss the independence breach with the client's audit committee, including the nature of the breach, an evaluation of the impact of the breach on the independence of our audit firm and/or of our partners and staff, and the need for mitigating safeguards to maintain objectivity vis-à-vis the audit client. Although most breaches have little or no impact, all breaches are taken seriously and investigated appropriately. Results of the root cause analyses are used to strengthen our processes and procedures and to provide our people with tailored training.



Acceptance and continuance of client relationships and engagements

4. Client selectivity



**Objective: Enter into and continue with client relationships only when PwC wants to be associated with the client and when potential conflicts of interest and sensitive situations can be appropriately managed.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that systems and information processes are not adequate to support the identification and assessment of business and quality risks of new and existing clients.
- The risk that client acceptance processes are not followed or only formally applied. The risk that the selectivity programme to assess whether PwC still wants to be associated with existing clients is inadequate.
- The risk that clients do (no longer) meet PwCs values and integrity standards.
- The risk that Assurance leadership has insufficient information to assess whether the client selectivity process is performed adequately and to take appropriate measures to properly manage the portfolio risk.

the collaboration is particularly slow and difficult. We do not take these decisions lightly, as we give careful consideration to our responsibility to society and to the organisation to be audited. If we do not have the resources for a potential new (audit) engagement, we do not participate in the proposal process. We do not compromise on quality.

**Client research**

A successful client relationship begins with mutual trust between the client, its stakeholders and us as the auditor. To ensure this trust is in place from the start, we have developed robust client acceptance processes and systems. This includes an independence assessment, where any existing relationships between the client and PwC are identified, as well as the completed and ongoing engagements for this client (and its affiliated companies) in the past period. Emphasis is also placed on identifying the (ultimate) owners of our clients in the context of the know your client (KYC) process.

Through those processes and systems we can identify the risks inherent for the client and ensure that we fully understand them. This information enables us to accept only those clients that we

believe fit in our acceptance criteria and where we expect to be able to comply with the fundamental principles of objectivity, integrity and professional behaviour, including independence.

**Client acceptance and independence**

We also have acceptance and risk panels for referral of potential clients and engagements where our risk assessment or the size criteria indicate a need for wider assessment. Depending on the nature of the engagement, in addition to the partner/director responsible, the panel may include the risk management partner, the business unit leader, industry or regional leader and/or a member of the Assurance Board. Depending on the circumstances, other specialists may be added. The panel may decide to impose additional requirements to address the risks identified, for instance an additional

level of involvement, such as a second partner on the engagement or a specialist as part of the engagement team.

**Selectivity**

A lot has changed in our profession in recent years. We spend more time on audits and audit files. Through the deployment of suitably qualified staff and our commitment to deliver high quality, we are looking more closely into engagements that we may not wish to continue or accept than we did in the past. We also impose higher requirements on the organisations we audit with regard to the quality of their internal control and the extent to which they allow us to perform an audit. This critical review not only leads to robust conversations about that collaboration, but also to saying no to existing and new clients where we feel that their quality is insufficient or where

### Acceptance and continuance of client relationships and engagements

#### 6. Acceptance and continuance



**Objective: Enter into and continue with client relationships only when PwC wants to be associated with the client and when potential conflicts of interest and sensitive situations can be appropriately managed.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that the criteria for accepting engagements are unclear or insufficient.
- The risk that engagements are accepted without approval on the right level or that engagements with a higher risk are accepted without implementing additional quality controls to mitigate the identified risks to an acceptable level.
- The risk that engagements are accepted without having the right colleagues and resources available to perform the engagement to a high quality standard.

**Procedure for acceptance of clients and engagements**

Our acceptance procedures are designed to ensure that we accept only those engagements for which we have the resources, capacity and professional expertise available to assure we deliver the high level of quality that our stakeholders may expect from us. We also impose requirements on our clients with regard to the quality of their internal control and the extent to which they allow us to perform an audit.

We only accept audit engagements of new clients when we are assured of the integrity of the potential new client and when we have sufficient colleagues and professional expertise

to assure a high level of quality. As part of our acceptance procedures (A&C), we assess the risk profile of the client and the engagement, including an assessment of integrity, going concern and earlier experiences with the client. For audit engagements and new engagements for existing clients, we also identify the independence requirements applicable to the client and determine whether the service is a ‘permitted service’ under the applicable national and international legislative and regulatory requirements. For example, supplementary to EU Regulation 537/2014, Dutch law prescribes that advisory services to PIEs conflict with the statutory audit responsibility.

Where we identify a higher than normal level of risk in the client or engagement, prior approval is needed from the business unit’s quality assurance partner and/or the assurance risk management partner and, where necessary, the Assurance Board. In some cases, we do not accept the client or the engagement. Where it is in the public interest that we accept such a higher risk engagement, we take additional steps to mitigate the risk by, for instance assigning a Quality Review Partner (QRP) or Concurring Review Partner (CRP) to the engagement. The second partner evaluates, among other things, the work performed in relation to the heightened risk.

**Our client and engagement acceptance procedures and the corresponding database supports:**

- our teams in the practice to:*
- document their considerations of matters required by professional standards related to acceptance and continuance;
  - identify and document issues or risk factors and mitigating measures; and
  - evaluate the risks associated with accepting or continuing a client and engagement.
- leadership to:*
- evaluate the risks associated with accepting or continuing clients and engagements;
  - provide an overview of the risks associated with accepting or continuing clients and engagements across the client portfolio; and
  - understand the methodology, basis and minimum considerations all other member firms in the network have applied in assessing audit acceptance and continuance.



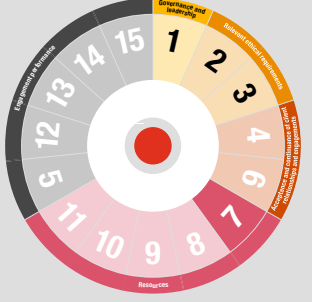


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**Resources**

7. Recruit, develop and retain



**Objective: Recruit, develop and retain a workforce which is able to support the Assurance strategy and business plan.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that we will not be able to attract suitably qualified and ‘diverse’ colleagues - given the shortage on the labour market and the changing profile of young people - and retain colleagues, which are necessary to realise the Assurance strategy.
- The risk that quality criteria are not appropriately set or used in promotions and partner admissions.
- The risk that PwC becomes less attractive to potential hires.

**Our colleagues**

We are focused on developing talent and enabling our colleagues to act with agility and confidence in a rapidly changing world. Specific focus areas include developing resilience, being mindful of the well-being of our colleagues and creating an inclusive culture.

The talent of our colleagues and the passion they put into their work are critical cornerstones of our quality. We see ourselves as a learning organisation that offers its people good coaching and training and development programmes that prepare them to deliver the quality that they need in our ever-changing environment and that ultimately enable us to create added value for society, our clients and our colleagues.



**PwC Professional**

Our comprehensive leadership framework, The PwC Professional, sets out the competencies and skills that our people across all lines of service, geographies, and roles need if they are to achieve our purpose, to contribute to the implementation of our strategy, to respond to changes and to develop, both personally and professionally. These are not just technical competencies and skills, but also skills such as professional scepticism, focus on quality, innovative capacity, authenticity, self-awareness and the ability to work with others irrespective of cultural differences and physical limitations. It is not without reason that *whole leadership* is at the heart of the PwC Professional.

This framework clearly shows exactly what we expect from our colleagues on every job level. In the Netherlands, we have added some additional guidance concerning the mindset that is essential in a quality-focussed and learning organisation, and we have also included the criteria set for trainee auditors by the Committee for Learning Attainment in Accountancy Education (Commissie Eindtermen Accountantsopleiding (CEA)).

The PwC Professional framework is embedded in our recruitment, training and evaluation programmes and systems. For example, our colleagues can do a self-assessment along the lines of the model to discover where their strengths and challenges lie. This can form the agenda for a discussion with supervisory staff and give direction to the choice in education, training and other development options.

**Recruitment**

We aim to recruit and retain the best people, and we set the bar high for new colleagues. The procedure for starters consists of several steps. After each step, we check whether the applicant can continue with the next step. All steps include an assessment and a broad-based and/or in-depth interview. Ethics and Code of Conduct are some of the topics that are discussed during this interview.

New professionals all follow an extensive induction programme giving them detailed insight into our Code of Conduct and addressing issues such as ethical behaviour and independence. Embedding professional scepticism in our daily audit work is a key element of the programme.

**Workforce and talent management**

In today’s rapidly changing world, it is important that our workforce is adaptable. It must be able to meet the demands arising from the variety of engagements we perform for our clients. We not only focus on size, but also on diversity within our workforce. We are looking for colleagues who have a variety of differing competencies, from starters with the Associate Academy to colleagues with knowledge of IT processes, and from colleagues from our delivery centres to project managers on client engagements. In particular, women and colleagues with a migrant background contribute both to the diversity and inclusiveness of our workforce and to the quality of our work. It is not always easy to find qualified colleagues in a competitive labour market, so the retention of talent is of great importance to us. By offering challenging projects, cycles of experience

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and a technical and personal development programme, we inspire colleagues to develop themselves to the maximum.

**Cycles of experience**

Mobility is a key element in our flexibility and agility as an organisation. Through what we call Cycles of Experience, we emphasize to our professionals the importance of mobility and experience outside their regular comfort zones. We discuss individual aims and ambitions and we consider which new experiences have added value to both the employee and PwC. A cycle of experience can be of any magnitude: a move to another client portfolio or into another industry sector, a contribution to a corporate social responsibility initiative or to National Office, a move to another business unit or Line of Service, or a short or long term secondment within the PwC Europe collaboration or within the global PwC network of member firms.

**Diversity and inclusion**

At PwC, we are committed to creating a diverse and inclusive culture in which everyone can and may be heard and valued. We know that having people from different backgrounds and with different points of view working together means that we optimize the value we create for our clients, our people, and society. Our core values of caring and working together guide us to create an environment that involves a wide range of colleagues, perspectives and ideas and in which all individual contributions are recognised.

**Global People Survey**

The People Survey, our annual employee satisfaction survey conducted across the network, provides us with information on, among other things, how employees experience aspects such as culture, behavior and leadership within the organisation. Our partners, directors and employees can indicate what they like about PwC and where they see room for improvement. Questions are also asked about our purpose and values. Based on the results of the People Survey, we take specific actions at both a national level and within business units. The results of the People Survey in the business unit are also discussed during the BMG&D meeting with partners and directors.

**Wellbeing**

To keep the body and mind of our colleagues healthy, we offer a range of wellbeing activities and programmes. Attention is paid to the physical, mental, emotional and spiritual condition. We offer a wide range of options from which our colleagues can choose the most suitable activity for them. Every colleague with a permanent employment contract has a personal annual budget.

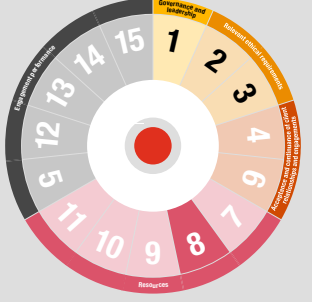


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8. Learning and education



**Objective: Provide people with the technical and interpersonal skills and competencies necessary to perform engagements in an effective and efficient way.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that the L&D plan does not cover identified training needs and learning objectives.
- The risk that our colleagues fail to comply in a timely manner with their obligations with regards to permanent education or special accreditation obligations.

**Professional Development**

We are committed to putting the right people in the right place at the right time. Throughout our colleagues’ careers, they are presented with career development opportunities, (virtual) classrooms, and on-demand learning, and on-the-job real time coaching/development. Our flexible training portfolio facilitates personalised learning. Colleagues have access to a variety of educational materials including webcasts, podcasts, articles, videos, and courses. This is a critical component of our people experience and retention strategy.

**Training programme**

To maximise consistency across the PwC network, a formal curriculum has been developed at network level. This includes courses on our audit approach, updates on auditing standards and their consequences and on the way in which we can apply digital expertise in the audit, supporting us as we focus on the quality of the statutory audit

and offering staff the chance to sharpen their professional decision making, scepticism and technical and professional skills.

All of our colleagues, including partners, maintain and develop their knowledge and skills through a combination of coaching, on-the-job review and a programme of training. Coaching and on-the-job review are key elements in our team approach to auditing, and our colleagues are trained in providing this coaching and feedback. Also, the Real Time Review team (RTR team) and the engagement-specific quality reviewers (QRPs and CRPs) play a key role in the professional skills coaching of our colleagues (see objectives 13 and 15).

PwC has an extensive training programme that covers a wide variety of competencies and skills. For their professional development, associates and senior associates follow a four-year training programme that familiarises them with all the

various aspects of the PwC Audit and our audit software like Aura. In parallel to this, they also follow the post-graduate professional accountancy education for qualification to, for example, chartered auditor or IT auditor. They must also complete Dutch GAAP and/or an IFRS curriculum within a set number of years.

Senior associates with (generally) five years’ experience up to and including partners follow an annual and pre-determined programme comprising a mix of e-learnings and Summer School. This programme provides them with training in audit methodology, audit software, risk management and external financial reporting. The content is driven by current developments and the lessons learnt from our root cause analyses and other sources (such as National Office consultations). The curriculum is mandatory, and sanctions can follow for failure to complete. We conclude both the e-learnings and Summer School with tests in which the participants must demonstrate that they have understood and fully grasped the subject matter.

We also share knowledge through a variety of other channels, such as periodic webcasts and business unit workshops. In addition to the professional skills training programmes, we also have training for all staff levels focused on coaching, communication, reporting and management skills.

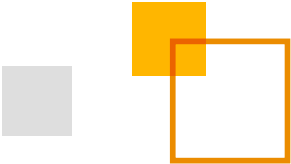
**Permanent education (PE)**

It is the personal responsibility of all chartered auditors to comply annually with the applicable permanent education obligations (PE) of the NBA. As of 2020, the NBA has changed the set-up of the PE. Every chartered auditor has to keep a PE-

portfolio, create an education plan with concrete learning goals - tailored to the regular activities of that specific chartered auditor - and ensure its realisation.

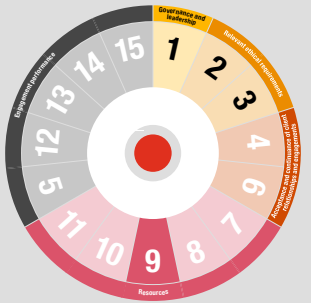
**Monitoring accreditation obligations**

For certain clients, the relevant team members must be accredited to perform the work. This includes PCAOB audits and NV COS 3402 engagements. Explicit monitoring of this takes place in advance.



**Resources**

9. Assignment of people to engagements



**Objective: Assign appropriate people to each engagement.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that there are no proper planning procedures or planners.
- The risk that there are no (suitable) engagement leaders for engagements.
- The risk that there are engagements for which not enough colleagues (qualitatively and quantitatively) are available in the period the work is planned (including the risk that colleagues are unexpectedly needed longer on an engagement than planned to carry out the required work).
- The risk that the workload of our colleagues on the different job levels is not adequately managed.
- The risk that professionals work more hours than legally allowed.

**Appointment of engagement leaders**

For each client engagement an engagement leader is appointed. The appointment is based on the (risk) profile of the client and the skills, capabilities and workload of the colleague concerned. In relevant cases, the industry leader is consulted. An engagement leader is always a partner or director. Engagement leaders - as well as the quality partners - for public interest entities and other high-risk clients are appointed by the Assurance Board based on recommendation by the assurance risk management partner. For all other clients the engagement leader is appointed by the business unit leader.

**Planning procedures**

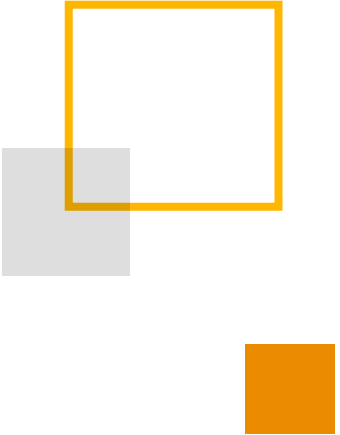
Ultimately, the responsibility for making the resources required to perform accepted audit and other assurance engagements (colleagues and resources) available in a timely manner rests with

the Assurance Board. Each business unit has a planning manager, who is supported by one or more planners. They work under the responsibility of the operations partner of the business unit, who is a member of the management team. Under the leadership of the national partner responsible for planning, the operations partners take care of solving possible expected or identified resource bottlenecks. In this context, there is frequent consultation between the national partner responsible for planning and the responsible Assurance Board member.

The engagement leader determines which resources are needed to be able carry out a high quality audit according to the applicable requirements. This also applies to all other engagements performed for instance by colleagues from the business units CMAAS and Risk Assurance. Depending on the size of the

engagement and in accordance with the rules, the planning process of an engagement team is established, where experience, capability, sector knowledge, availability and independence of the different team members are present in the desired mix. For certain types of engagements, specific training qualifications must be met (see objective 8).

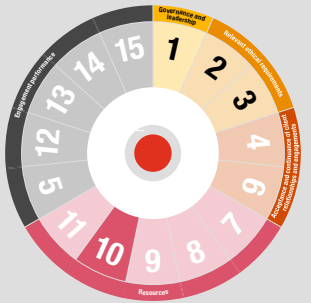
In the context of planning and resource management and to avoid giving colleagues too heavy a client portfolio and/or workload, a lot of attention is paid to a balanced distribution of clients and engagements across the individual client portfolios. It is also continuously checked whether the planned and actual hours stay within the limits of the applicable regulations (Labour Act). In case of a violation, the career coach will discuss it with the colleague concerned and follow up in collaboration with the planning department.





**Resources**

10. Evaluation and compensation



**Objective: Evaluate, compensate and promote people in a fair and transparent manner for their performance in fulfilling their responsibilities.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that partner/director personal annual plans do not adequately address business and quality objectives.
- The risk that the tasks and responsibilities of our colleagues, or the criteria used in the evaluation, are not sufficiently clearly defined or communicated to enable a fair performance assessment.
- The risk that our colleagues perceive evaluation as unfair or not transparent.
- The risk that compensation decisions do not adequately reflect performance of our colleagues.

**Development and promotion**

In our colleagues development, we focus extensively not only on professional skills but also on digital expertise, management, personal and interpersonal skills. The PwC Professional and behaviour in line with our values are the starting points.

New employees in Assurance start their development programme in The Associate Academy. This is where our direct intake from universities and institutes of higher education get started. The Associate Academy provides our associates with intensive and broad-based training (both theoretical and practical) and coaching and guidance from accredited internal coaches. We monitor the breadth and depth of our associates’ progress through the use of a PwC Professional-based competency passport, fine-tuning development plans accordingly.

The Associate Academy allows us to optimise the long-term mobility and flexibility of our colleagues. After two years, we assess the readiness of the associate for promotion to senior associate in one of our business units.

**Promotion policy**

Staff are considered for promotion only when they meet the professional standards required for the next level. In addition to consistently demonstrating the necessary professional skills, the way in which the staff member does this, in other words his/her behaviour in daily practice, plays an equally important role. Study progress towards professional qualification and personal development as an individual are also important. For promotion to manager in the audit practice, staff must have successfully completed the training for the Dutch chartered auditor qualification (both the theoretical and the practical elements).

Colleagues from abroad are eligible for promotion if they have completed a foreign equivalent of this training.

For the appointment to senior manager we have a nomination process, in which the business unit leader nominates the candidates. Historical performance and potential also weighs in. After Assurance Board approval, the candidate will give a presentation to a national panel comprising of a mix of Assurance Board or CAD members, business unit leaders or HC partners, assisted by staff of the Human Capital department. The candidate is promoted to senior manager based on the advice of this panel and approval by the Assurance Board. Among other things, the panel looks at the technical performance, the development since being a manager and the contribution to quality-oriented roles and initiatives.

Promotion from senior manager to director follows a nominal two-year process, for which candidates can be nominated by their business unit leader. After the Assurance Board has approved the nominations from the business unit, the candidates start with so-called development days.

Quality and professional expertise are determining factors in the nomination process for directors and partners, including:

- A written and oral test, by National Office, in the areas of auditing, risk management and financial reporting, to be successfully completed before the candidate can be nominated.
- The director leadership dialogues, in which the candidate director sets out his or her vision on, among other things, his/her contribution to realising the PwC purpose, PwC’s relationship with society, quality, human capital and employee development.
- A self-assessment that the candidate must prepare with regard to various quality-related aspects (such as consultation behaviour, training compliance and knowledge of auditing and accounting standards).
- A positive opinion on at least one ECR in the two years prior to the appointment as director. For the appointment as a partner, a positive assessment must have been obtained in at least three ECRs in the previous five years.
- At least 700 hours for upcoming directors and 1,400 hours for upcoming senior directors and partners of demonstrable experience (through a so-called quality experience) in a quality position or role.

**Appointment process for new partners and directors**

We have an extensive process and a Country Admissions Committee (CAD) in place that coordinates the appointment of new partners and directors. The CAD acts as an advisory body for both the Board of Management (BoM) and the three LoS Boards of PwC Netherlands, including the Assurance Board. The CAD has a sub-committee for each LoS with an independent chairman’s duo. The chairs of the CAD are appointed by the BoM and the members are appointed by the LoS Boards, both for a maximum of two four-year terms. The chairmen and the members have no board positions. The CAD focuses mainly on the personal development of the professionals in relation to the norm profile we have set for PwC partners and directors.

The Board of Management (BoM) is responsible for the decision to proceed with association agreements with the limited companies (BVs) of new partners, based on a proposal from the Assurance Board and an advice from the CAD and subject to the approval of the General Meeting of Shareholders (GM). The BoM requires the approval of the Supervisory Board (SB) for this if the relevant professional is appointed as an external auditor within the audit practice. The BoM’s proposal to the GM to approve its decision is to be supported by a preliminary advice from the Partner Council and, for those who are to act as external auditors in the audit firm, by approval from the SB. Decisions to terminate the association agreements of partners who act as external auditor in the audit firm also require the approval of the SB.

The Assurance Board appoints new directors based on advice from the CAD. These appointments are ratified by the BoM. All decisions by the Assurance Board regarding the appointment, suspension and dismissal of directors who act as external auditors in the Assurance practice are also subject to SB approval.

**Evaluation and remuneration of staff**

From senior associate level upwards, in addition to assessing competency development we also look at individual performance. This is done through the annual evaluation cycle and allocation of both a progression and an impact tier.

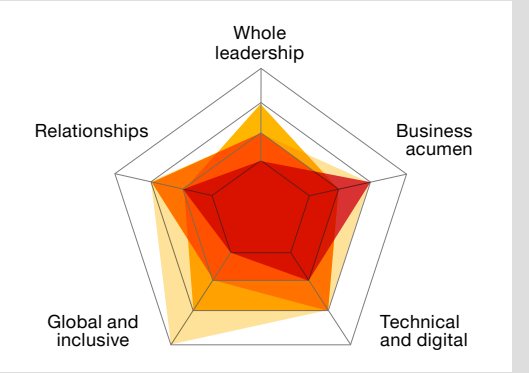
The progression tier addresses development progress: Is the development in line with expectations and is the staff member ready for promotion to the next job level? The impact tier provides an annual assessment of the functioning of the employee on a scale of 1 (excellent) to 5 (insufficient). Feedback is an important element to assess the development of competencies along the attributes of The PwC Professional. The Snapshot tool is one of the tools used to obtain this feedback, see figure. The progression tier is the guideline for the salary determination and possible promotion. The impact tier is determined on the basis of the individual contribution to the quality of our services to stakeholders and society along four pillars, namely Client, People, Firm/Society and Other. This addresses not only what the staff member has achieved but also the extent to which this is in line with our purpose and values.

Our colleagues keep track of their progress on all attributes of The PwC Professional by using the Snapshot tool. This is achieved by requesting feedback from more experienced colleagues on at least 5-10 engagements a year using the online Snapshot tool. In this tool you can use a slider to indicate to what extent the individual has demonstrated The PwC Professional attribute in his/her work, accompanied by a textual explanation. For each of The PwC Professional attributes, the spider chart shows the extent to which the appraiser assesses the individual to be functioning (in line with, above or below job level expectations). The separate spider webs lie on top of each other and create the final Snapshot. The larger the spider web on all elements, the more ready someone is for the next job level.

The starting point for Snapshot is to compare the individual’s current job level to the next job level. A person who is new to the position (such as a first-year senior associate) would therefore not be expected to be ready to continue to the next job level in that year (in this case: manager), and the spider chart will not be wide on all attributes of The PwC Professional.

A narrower spider chart is, as such, not negative. Nor is it a conclusion or score about performance during the year in question. The Snapshot only shows which elements someone needs to develop further in order to eventually take the next step in his/her career.

Staff can request upward and peer feedback through the feedback tool in Workday, our global HR platform in which the feedback provider can indicate what someone should continue doing, and what they should start and/or stop doing to progress their development effectively.



The impact tier is decisive for awarding the individual bonus. As of fiscal year 2021-2022, the impact tier has been abolished for senior associates, as it had been previously for associates. The individual bonus has been incorporated into the fixed income. (Senior) managers still receive an impact tier, but part of the individual bonus has been incorporated into the fixed income.



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We hold annual sounding and benchmark sessions (the so-called career round tables) in the business units, in which those in a supervisory role (team leaders and career coaches) discuss all colleagues individually on the basis of the Snapshots obtained about their performance. In this way, we try to form a broadly supported and objective opinion for each employee about the progression and impact tier of the past year and the areas for development. We include the results of these sessions in the so-called career outlook conversation. We also assess whether the mix of the progression and impact tier fits within our desired national distribution.

Staff remuneration is based primarily on role and responsibility, as set out in The PwC Professional. Salaries are determined on the basis of ranges per staff level, and remuneration is based on the extent to which the expected competencies have been developed and how these have been deployed in the daily work. The annual salary increases depend on the budget made available after negotiation with the works council and any promotions of employees.

There is also a variable element to the remuneration, which varies from a maximum of one month's salary for associates to a maximum of five months' salary for senior managers. Performance in the area of quality impacts the amount of this variable remuneration.

## Evaluation and remuneration of our external auditors and managing directors

There is a separate evaluation and remuneration system for partners and directors. The partner evaluation and remuneration process is set out in the table on the next page. This process is monitored annually by the Remuneration Committee of the SB, with ad hoc input from the Partner Council. The members of the BoM and the members of the Assurance Board (who all qualify as policy makers for the audit organisation) are evaluated by the SB. The SB has appointed the chairs of the Remuneration Committee and the Selection and Appointments Committee as its representatives in the evaluation process.

The chair of the BoM is involved as primary reviewing partner for the members of the BoM and as secondary reviewing partner for the members of the Assurance Board. The chair of the Assurance Board is the primary reviewing partner for the members of the Assurance Board. The Remuneration Committee and the Public Interest Committee (particularly the latter) are responsible for monitoring that quality and quality improvement are properly reflected in the remuneration of partners. Our remuneration arrangements are not only in line with the 'In the Public Interest' report, but also fully consistent with our strategy of ensuring that both positive and negative performance in the area of quality significantly impact partner remuneration.

The process for evaluation and remuneration of directors is the same as that for the partners, except that the various roles are filled by different

functional roles. For directors, it is the business unit leader who submits the proposal to the Assurance Board regarding the role of the director. The Assurance Board determines the role/responsibility, and the business unit leader has the role of primary reviewing partner.

The BoM determines the mapping and performance ratings of each individual partner based on proposals from the LoS Boards/markets leader. Quality impacts the remuneration, as summarised in the table 'evaluation and remuneration' on page 34 in the main document of this Transparency Report. In response to the feedback from the Remuneration Committee, the SB believes that the determination of the remuneration of the policy makers of the audit firm is focused on quality and fits within the long-term goals.

The SB is responsible for determining the remuneration of the members of the BoM. The remuneration arrangements for the BoM are in line with the recommendations of 'In the Public Interest' report. Since 1 July 2015, the members of the BoM now receive a fixed remuneration independent of the organisation's profitability in the year in question. For further information on this, we refer to the [PwC NL Annual Report 2021/2022](#) and the Remuneration Report included therein. The remuneration arrangements for the Assurance Board are the same as those for the BoM, meaning that the members of the Assurance Board also receive a fixed remuneration independent of the profitability of PwC NL. Following the provisions of the Bta (Besluit toezicht accountantsorganisaties/Decree on the Supervision of Audit Firms), the SB

proposes a gross Euro amount for each member of the Assurance Board, before tax, social security premiums, pension and similar items. In principle this amount is the annual fixed remuneration for the term they are a member of the Assurance Board and, in accordance with the association agreement, it is remitted to the partner BV. The partner BV is responsible for the settlement of taxes and for any pension arrangements and insurances. In addition to the fixed remuneration, the members of the Assurance Board also receive allowances, similar to those received by all partners, for expense reimbursement and interest on capital.

The SB can also award a bonus in addition to the fixed remuneration, up to a maximum of 20% of the fixed remuneration and based on the achievement of long-term goals set by the SB in the context of the firm's societal responsibilities. This bonus may be awarded only as and when the goals set have been exceeded. There is also a bonus-malus scheme applicable for members of the Assurance Board of up to 20% when quality aspects in the role of professional practitioner justify this.

Due to the special circumstances of the end of the terms on 30 June 2022, the SB evaluated the performance of the Assurance Board and its members over the entire board term. Because of the outstanding way in which the Assurance Board as a team has led the audit firm through the difficult COVID-19 circumstances with undiminished attention and focus on improving quality and the transformation to a quality-oriented culture in which quality and continuous learning are key elements,

the SB has concluded that there has been an excellent performance and long-term value creation in which set objectives have been far exceeded. It was decided to grant a bonus of 20% of the fixed remuneration to each of the members of the Assurance Board. In addition, the SB decided to impose a malus of 5% of the fixed remuneration of one of the members on the Assurance Board. During a file review of a file for which the member was responsible as external auditor, the PCAOB identified a single deficiency in the ICFR audit.

The SB annually reviews the fixed remuneration in relation to the responsibilities and job portfolio of each member of the Assurance Board. Also for interim appointments, on the advice of its remuneration committee and with due observance of the remuneration policy, the SB establishes a fixed remuneration for the new member of the Assurance Board.

Remuneration based on performance

The aggregate amount of partner and director remuneration varies annually based on the financial performance of PwC Netherlands. Partner remuneration is based on a points system in which the Euro value per point is determined at the end of the year as the profit available divided by the aggregate number of allotted points. Points are allocated to partners as of the beginning of each year. These are 50% fixed (based on role and responsibility (mapping)) and 50% variable (based on performance throughout the year), with ‘at target performance’ entitling the partner to the full basic amount of the variable element. The variable element can fluctuate positively or negatively based on the evaluation of the individual partner’s performance in the areas of: Clients (50% weighting), People (25 % weighting) and Firm/Strategy (25% weighting).

Directors receive a fixed salary and a variable element dependent on their individual performance. The BoM sets the salary range for directors on an annual basis. The salary is dependent on the roles and responsibilities of the individual director. We also award directors an annual variable remuneration for the past year, which is determined on a basis similar to that for partners, in which a regular good performance means a variable element of about one third of the total remuneration.

Quality matters

We also expressly evaluate and reward quality positively. A best-in-class score in engagement quality (in ECRs) has a positive impact on the Clients element of the evaluation, and this can be rewarded. In addition to ECR results, we also expressly consider other engagement quality performance and behaviour in the evaluation

and remuneration. For instance, we actively support and suitably reward those partners and directors who stand their ground when this is appropriate, who resign from clients that do not meet our quality requirements or who arrange for deadlines to be delayed where this becomes necessary to safeguard acceptable levels of quality. An above-average performance in terms of engagement quality automatically results in a positive evaluation in the Clients element of the evaluation, and this represents a variable remuneration element of between one sixth and one third (i.e. an increase in total remuneration of between 8.3% and 16.7%), on condition that the partner’s conduct meets the expectations we have set for a PwC partner. We also value an above-average contribution to our system of quality management or distinctive performance in the People component in the Firm/Strategy or People component, which results in one-sixth to

The process with regards to the evaluation and remuneration of partners is as follows:

Start of the financial year		End of the financial year		
Mapping	Goalsetting	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 having obtained 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.

According to the Dutch Accounting Firms Oversight Act (Wta) only experienced professionals can be appointed as external auditors and are included in the AFM registry. All other employees function under the authority of and report to the external auditor and have no authority to sign.



a third higher variable remuneration (i.e. a 4.2 to 8.3% higher total reward).

Quality that does not meet the required level in the areas of engagement quality, management responsibility for the system of quality management, independence, business conduct, people and baseline expectations (see hereafter) also can have a negative impact on the remuneration of the partner/director. An insufficient performance in terms of engagement quality (e.g. a non-compliant file) can result in a negative evaluation in the Clients element or on baseline expectations and thus in a 25 to 100 percent lower variable remuneration of the partner concerned (i.e. a decrease in total remuneration of between 12.5% and 50%). Commercial or other performance cannot compensate for the Clients element in the evaluation. Assurance partners and directors are not rewarded for cross-selling at audit clients.

In line with the ‘In the Public Interest’ report, a clawback scheme has been introduced since 1 July 2015 for audit partners (not for directors in Assurance). The clawback scheme, under which a part of audit partners’ profit shares are withheld and reserved, has a term of six years. During those six years, the amount reserved by the clawback scheme will amount to the average annual income received for the six year period. The reserve will not be settled, either wholly or in part, if, before the end of that six year period, the audit partner issues an incorrect opinion for which the auditor is culpable and which has resulted in societal damage. The amount to be withheld is at the discretion of the SB. The clawback scheme is a rolling scheme: in the

seventh year one sixth of the reserve will be settled to the audit partner and another one sixth will be

**No additional remuneration for ‘regular’ conduct**

We assess the way in which our partners and directors behave in their relationship with clients, as well as with colleagues and other stakeholders. ‘Regular’ conduct (i.e. the conduct that we can expect of everyone) does not need to be rewarded extra and we expect that everyone will comply with it. We refer to this as ‘baseline expectations’. Baseline expectations represent conduct in line with our Code of Conduct, complying with all the internal and external regulatory requirements that apply and demonstrating proactive involvement within PwC. Non-compliance with baseline expectations negatively affects total remuneration by up to 50%.

**Sanctions policy**

Any instance of non-compliance with external and internal requirements or unacceptable behaviour can result in a sanction being levied by the BoM. This can vary from a written warning or reprimand to suspension or dismissal. In the description of objective 2 ‘Ethical requirements and values’ we have provided an overview of the bodies where violations can be reported.

**The financial position of audit partners**

In the 2014 ‘In the Public Interest’ report, the then working group strongly recommended that the sector investigate developing a pension arrangement for audit partners designed to avoid profit maximization during the final years of their careers. The working group believed that such a

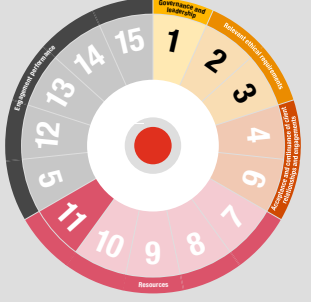
pension arrangement could contribute to a greater long-term focus on the part of audit partners. A sector project group has investigated this possibility and concluded that such a pension arrangement is not feasible. The NBA followed up in January 2018 with some proposed additional measures designed to provide the necessary insight into the financial position of partners who act as external auditor (those registered with the AFM).

In this context, during 2018-2019 we reviewed the financial positions of all partners in our audit firm. Where indications were highlighted, we put appropriate measures in place. The follow-up and efficacy of the measures are being monitored and the review has since been carried out on an ongoing basis.



**Resources**

11. Technological resources



**Objective: Technological resources enable the operation of the firm’s system of quality management and performance engagement.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that data quality in IT systems and tools used in quality management are not adequately managed or that these systems and tools are unreliable.
- The risk that the process for granting, monitoring and revoking user access to IT systems is not appropriate and security risks are not sufficiently mitigated.
- The risk that the procedures for change management (including functionality testing) of these IT systems and tools are not effective.
- The risk that we don’t comply with applicable regulation regarding data privacy and data retention in these systems and tools.

**Governance**

The planning, development, application and maintenance of IT systems and tools used for quality management make use of the firm-wide IT organisation of PwC NL. The responsibilities of the chief operations officer (COO) (member of the Board of Management of PwC NL) include the IT strategy and the IT operations of the Netherlands. The COO is supported by a chief information officer (CIO) and a chief information security officer (CISO), operations partners in the LoS Boards and a central IT department. The CIO is responsible for matching supply and demand on a strategic and tactical level in agreement with the Lines of Services and the international network. The CISO is responsible for compliance with the PwC Information Security Policy (ISP). The director IT is responsible for the continuous availability of the necessary technology.

Innovation, planning, development and maintenance of IT systems and tools, which are used in quality management, are initiated by the Assurance LoS from the Assurance Board, the Assurance innovation team, Assurance information and the business units supported by the abovementioned IT organisation. This is further supported within the process by the firm-wide Technology and Transformation (T&T) Board and the Information (& Data) Protection Committee.

The members of the T&T Board are the COO, the Lines of Service operations partners, the CIO, the chief digital officer and the director IT. The Board meets approximately four times a year, sharing and discussing developments and progress, including the programmes and projects that are developed from within the PwC network of member firms.

The information (& Data) Protection Committee has monthly meetings with the following subjects on the agenda:

- Information Protection Committee
- Data Protection Committee (in connection with the Network Data Protection Policy)
- Chief data officer (in connection with the PwC NL Data Retention Policy).

Annually, Assurance information management draws up the Assurance IT plan, which includes the most important objectives based on the strategic Assurance priorities, a risk assessment and a resource budget. The plan is developed in collaboration with the Assurance Board member responsible for operations. Adoption of the plan by the Assurance Board is carried out through the annual Business Planning Cycle (BPC).

**Development and maintenance**

Policies and procedures with regards to development and maintenance of local and network IT systems and tools are based on the PwC Network Policies & Procedures. Development and maintenance is carried out according to the frameworks of the BPC. Development is mainly done through the IDP-process (Idea, Demand, Project) and maintenance mainly through the change management process.

Regular assurance processes are mainly supported by Global systems. Locally developed systems follow the usual Global Policies and Procedures. Furthermore, the potential risks are mitigated and sufficiently managed through the local firm-wide governance set-up, the BPC, the Assurance IT plan and a sound information management function.

**Change management**

Maintenance of IT systems and tools is supported with a central process through the ServiceNow platform. Changes are reported there and, through a process flow, offered for approval, realised and subsequently released and reported as ready. For larger or more complex changes in systems, the IDP process is followed (see objective 5).

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**Access Control**

Systems and tools are granted from a PwC-wide, Line of Service or application/tool perspective. Access rights to assurance tools can be part of the tool itself, like with the delegated model for Aura Platinum (see objective 12): access to the client-specific Aura file and client-sensitive data must be approved by the owner of the relevant Aura file (or by the replacement appointed by them).

Every new employee of PwC NL automatically gains access to a number of systems and applications that are necessary for the daily practice, such as Replicon (upto January 2022 iPower) (time administration), Consult (consultation database), Assurance Assist (technical database), Vantage (L&D portal), TalentLink (planning system) and Workday (HR system). In addition, there are specific procedures through ServiceNow for granting access to a number of specific systems and applications. The relevant access rights are monitored at least once a year to ensure that the access granted is (still) appropriate and that there are no users with excessive access.

When leaving the company, user laptops are collected as part of the leaving procedure and access to the network is blocked centrally.

**Information security**

Information security has a high priority within the PwC network. The member firms have a responsibility to their people, clients, suppliers and other stakeholders to protect information entrusted to them.

The PwC network of member firms works with a PwC Information Security Policy (ISP). This policy is aligned with ISO/IEC 27001, financial services industry standards, and other reputable frameworks (ISO/IEC 27001, COBIT, NIST, etc.) as benchmarks for security effectiveness across the network of Member Firms. The PwC ISP directly supports PwC NL in its strategic direction of cyber readiness to proactively safeguard its assets and client information. The PwC ISP is reviewed, at a minimum, on an annual basis.

PwC NL is required to adhere to the ISP requirements and complete an annual assessment to demonstrate compliance. This assessment is executed by the Network Information Security Compliance team which operates independently within the PwC network. In addition, PwC NL is ISO 27001 certified.

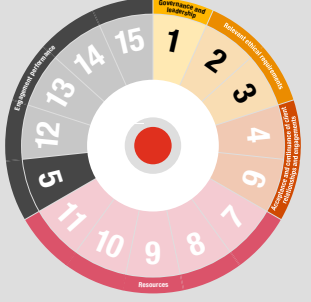


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**Engagement performance**

5. New solutions



**Objective: Develop new solutions which are aligned with PwC’s purpose and support profitable growth in line with the Assurance strategy.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that new solutions are implemented that have not gone through the approval process.
- The risk that there is not enough support within the Assurance LoS for innovation and development of new applications.
- The risk that insufficient investments are made (colleagues and resources) in innovation and new digital solutions, resulting in, among other things, deterioration of PwC’s position in the market.
- The risk that the possibilities and risks are not properly assessed before the decision is made to develop new solutions.
- The risk that the development process of new solutions itself is not adequately managed, including the risk associated with the use of third parties.

in accordance with the applicable governance procedure, new solutions and tools are released for use in practice. Applications are registered in the Application Management Tool.

**Digital transformation**

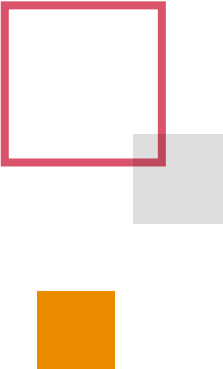
Innovation, digital transformation and the development of new services and products are crucial to stay relevant, deliver quality work and continue to grow. This is therefore central to our strategy. An innovation budget and plan is drawn up annually (for the audit practice, the Risk Assurance and CMAAS business units and the Audit Support department separately) and approved by the Assurance Board. The Digital Innovation Steering Committee monitors the progress of new and already initiated projects in the field of innovation and new solutions.

Our colleagues are encouraged to develop innovative solutions. In addition to offering and making various digital upskilling programs mandatory, digital days are organized in the business units, where new ideas for digital

solutions are shared and discussed. In addition, so-called digital accelerators are active in every business unit – as is the case throughout PwC NL. Ideas deemed suitable can be submitted for possible further development and wider application, approval and monitoring in accordance with the existing innovation/new solutions governance procedures (Idea, Demand, Project (IDP) and Assurance Innovation Procedure (AIP)).

Whether it is about the digitisation of existing processes to increase the effectiveness or the efficiency, or about the development (with or without third parties) of fundamentally new solutions, tools, products or services, there is an adequate governance process for each of these initiatives.

Before a decision is made to invest in a particular innovative or digital solution or tool, it is determined that the proposed new solutions fit within the Assurance strategy and are in line with the purpose of PwC. It is crucial that the quality of new solutions or tools is guaranteed. All initiatives must also comply with relevant laws and regulations. In addition to preparing a business case for all new solutions and tools, the risks are mapped and an extensive risk management and approval process is completed. All relevant experts are involved (such as data privacy, data security, legal, independence, National Office, etc.). In addition, extensive user acceptance tests take place. Only when all relevant procedures have been successfully completed, identified risks have been adequately covered and the Assurance Board has granted approval based on the required documents and





Engagement performance

12. Support for engagement performance

**Objective: Firms provide and engagement teams understand and fulfil their responsibility in connection with engagements including the use of relevant resources necessary for the effective and efficient provision of services, products and other solutions.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that insufficient colleagues and resources are available to support the practice.
- The risk that methodologies provided to the practice do not (completely) meet relevant professional standards, or that they do not support an effective or efficient execution of engagements.
- The risk that matters such as fraud, corruption, bribery and other illegal acts with or by audit clients are not discovered.
- The risk that potential going concern problems at clients who file for bankruptcy (shortly) after the financial statements audit are not identified by the audit team or are insufficiently followed up or reported.
- The risk that there is insufficient knowledge or skills within the audit team to adequately address audit risks or complex reporting topics.

**Our audit approach**

We use a global standardised audit approach. The use of technology and the outsourcing of standardised work to specialised delivery and competence centres and centres of excellence contribute to further quality improvement. Audit teams are supported with tools and techniques, and have access to specialist knowledge and technical consultations.

**The PwC Audit**

We use a globally applied audit methodology (the PwC Audit). This approach is based on the International Standards of Auditing (ISAs) supplemented by PwC specific policies and guidelines. The issues and complexities that are specific to each client are central to this. We use a digital file system (Aura) and industry-specific audit programmes for all (audit) engagements.

Aura Platinum integrates our standard for the set-up of an audit file. Our well trained and experienced colleagues are at the heart to apply this audit methodology. The approach they apply is smart and they use the most up-to-date techniques that, coupled with the current six-step audit process, results in an audit that is robust,

insightful and relevant, and complies with the applicable professional standards, laws and regulations.

The audit process begins with **1. Client acceptance & independence** (see objectives 3, 4 and 6). The other steps are:

**2. Deep understanding of the client's business**

A deep understanding of the client's business is crucial to the quality of our audit. That is why we delve into the processes, systems and data of the client at an early stage. To ensure that we have a good understanding of the client, we use company-specific and sector-specific expertise. Getting the right depth of understanding also ensures that we can prepare our audit approach in a timely manner and we can adjust our planning accordingly.

**3. Relevant risks**

In our audit work, we focus on the risks that could have a material impact on the financial reporting. Identifying the right risks is key to making the audit effective. We continuously train our colleagues on this. We encourage them to use their natural curiosity and professional skepticism to identify the right risks and develop an appropriate audit approach.

**4. Determining the scope of the audit procedures**

After we have identified the client's risks, materiality, size, complexity and internal control, we determine the scope of our audit procedures. This scope includes what we are going to do, whether we are going to rely on internal control, what audit evidence we want to obtain and what client activities we focus on, how we do it and what PwC professionals and tools are needed to do this. We document this in Aura, and the information to be provided by the client is exchanged via the secured online portal Connect. This portal allows both the client and us to monitor real-time the status, timeliness and completeness of the information to be provided and other aspects that are important to the quality of our work.

**5. Robust testing**

Our testing strategy, the way we implement it and the evaluation of the results are all critical to the quality of our audit. We continuously challenge ourselves to improve the quality and value of our audit by simplifying work processes, innovating and using the most modern technology. Process mining within data analysis and benchmarking provides us with better insights and levels of

Our colleagues

Technology

Audit approach +

The PwC Audit



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assurance than traditional testing methods could provide on such vast volumes of data and on systems' operating effectiveness. The use of data analysis and new technologies (such as Halo) increases further and both local and within our global network, we are investing substantially in these developments.

**6. Meaningful conclusions**

Our audit methodology provides stakeholders with assurance about the integrity of an entity's financial reporting and, bringing together the combined know-how and experience of our network, enables us to draw conclusions that are more informed and more scientifically based. We report to our clients' senior management through the management letter. We report to the SB, and in particular the Audit Committee, the audit plan and the interim findings (management letter) as well as the board report. We also report to the shareholders of listed companies through our attendance at the Annual General Meetings (AGMs) and through the extended auditor's reports.

**Technologies that strengthen our audits**

The global network of PwC member firms is one of the most important drivers for quality. On the one hand, this network is of great importance to be able to adequately carry out the audit of internationally operating companies. On the other hand, the network offers the scale needed to make the investments necessary to carry out proper audits. Further development of electronic files, audit tools and data analysis technologies enables us to effectively audit companies, but it is costly. This includes the development of accompanying methodology and training. These investments can only be realised by a joint effort of the network.

As part of the New Equation strategy the PwC network is making an incremental investment of three billion USD in quality the coming years. This includes a one billion USD investment in a multi-year programme to deliver a new audit ecosystem - human-led, tech-powered and data-driven. It will enable us to make continuous improvements to audit quality by further standardising, simplifying, centralising and automating audit work. This transforms the experience for both our clients and our colleagues.

We have designed and implemented processes and controls to underpin the reliability of audit technologies used. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have provided our team with guidance, focused on the sufficiency of audit documentation included in the workpapers related to the use of a tool or technology in an audit. Amongst others considerations of the reliability of the tool or technology have to be documented.



**Aura Platinum**

The globally-adopted Aura Platinum application provides support to our colleagues in the Assurance practice in their audit work under the PwC Audit, by providing them with a systematic risk-based audit approach that enables them to focus on the things that matter. Aura Platinum integrates a variety of tools to promote audit quality, consistency and ease of documentation. The application also integrates with a variety of other tools and applications, creating one workspace for client work. Aura Platinum enables us to plan, perform and document our audit work better. All our engagements are supported by Aura Platinum.



**Connect Suite**

Connect Suite is an online portal that facilitates speedy and secure exchange of information between colleagues (both in-country and abroad) and clients at all stages of the audit. Connect Suite consists of Connect and Connect Audit Manager.

- Connect monitors the status of requests and information between our clients and the audit team in real time. Both the audit team and the client know the status at all times.
- Connect Audit Manager provides support in standardising and automating the coordination of the audit in situations where there is a group auditor and component auditors in multiple locations. Audit information is exchanged on the platform. Connect Audit Manager supports the coordination process for complex audits involving multiple locations.



**Halo**

Halo is our new data auditing suite of tools allowing us to identify and assess risks and determine where to focus audit procedures. Halo allows us to analyse patterns and trends, identifying divergent transactions. Halo comprises three key components: the acquisition of client data, the transformation, and the testing and analysis of this data; and it clearly links the risks identified to the mitigating measures needed.



**Count**

Count is a mobile application that allows our teams to perform inventory count observations at our clients. The results are exported into Aura Platinum. Count contributes to a further standardisation of the inventory count process.



**PwC's Confirmation System**

We use a confirmation system for obtaining trade receivable confirmations, standard bank confirmations, and loan confirmations. The system safeguards secure exchange of information between the audit team and the external parties.

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**Audit Support**

A key element of our approach is to reallocate certain administrative and standardised (audit) procedures to delivery and competence centres and centres of excellence, thereby generating enhanced quality, greater efficiency and increased speed through scale.

We use PwC delivery centres in the Netherlands, Argentina, Poland, India and South Africa and the competence centre and centres of excellence in the Netherlands, all of which fall under strict quality requirements set by the global PwC network of member firms. The systems of quality management in these centres are reviewed periodically by an international team.

In addition to this, we have project managers from our Project Management Office (PMO) supporting audit teams and coordinating the audit process, looking at standardisation, risk management and planning and taking much work away from the auditors, leaving them more time for their core tasks.

The various centres, PMO and the planning department have been brought together within the Audit Support department.

**Support from the central organisation**

The quality and risk management infrastructure out in the field is also provided with support from a central infrastructure. National Office provides support to the practice and to external auditors and staff in their professional development. It plays an important role in the development and implementation of guidelines and requirements in the areas of financial reporting, audit methodology and risk management. National Office is also involved with the implementation of legislation and regulation within the organisation.

National Office is also tasked with a number of specific quality measures, such as financial statement reviews and professional consultations with audit teams (both mandatory and voluntary) (see objective 14).

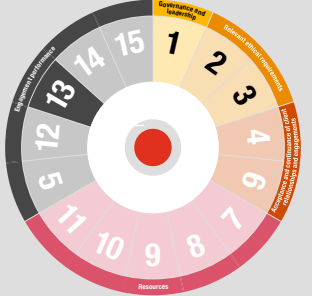
In addition, National Office financial reporting specialists carry out reviews of the financial statements of selected audit clients to provide support to the audit teams. They provide an extra critical view from a specialist who is independent from the audit team. In addition to acceptability and completeness of the accounting policies used, presentation methods and disclosure notes, they also provide insight into the understandability of the financial statements for an external reader.

National Office also distributes periodic professional technical updates to keep the Assurance practice up to date on developments in regulatory matters and auditing and accounting standards. Examples are weekly technical news bulletins through the Assurance-wide newsletter, the Spotlight publication, the PCAOB and US GAAS Desk updates, and Accounting Alerts. The findings of our Real Time Review programme (see objective 13) are shared periodically with the entire Assurance practice. We regularly hold (mandatory) digital training courses and webcasts. National Office also maintains Assurance Assist. This online portal is available to all PwC employees and financial professionals at clients and other relations. The portal contains technical information in the field of reporting, assurance and risk management, as well as guidance, tools and templates. For IFRS-related content, we have provided Viewpoint. The information on this platform is maintained by a Global team. Finally, National Office has a key role in the development of our Learning & Development Programme (see objective 8).



**Engagement performance**

13. Direction, coaching and supervision



**Objective: Engagement teams are effectively directed, coached and supervised and engagement performance is reviewed in a timely and constructive manner.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that insufficient project management skills are available on large audit engagements to perform the audit efficiently and effectively.
- The risk that engagement leaders insufficiently direct and coach their team, or that they are insufficiently or not timely involved in the execution of the audit.
- The risk that insufficient on-the-job training takes place or that work performed by the team members is insufficiently reviewed for quality, effectiveness and documentation.

**Team roles and responsibilities**

The engagement leader is the partner or director responsible for a project or an engagement. Together with the engagement manager, the engagement leader oversees the audit, reviews the work, coaches the team and maintains audit quality. Our partners, directors and (senior) managers have a major role in promoting our standards and values, including professional scepticism and the behavioural standards we aim to achieve. They are setting the example for their team members. Partners and directors are expected to account for a substantial part of the total time spent on the client. We expect all employees to critically self-review their own work and ensure that it meets the relevant requirements.

Our audit software, Aura Platinum, integrates our standard for the set-up of an audit file but also has functionalities to help our colleagues track the progress of the engagement, ensuring that all work has been completed, that work is reviewed by the appropriate individuals including the engagement leader and, where applicable, the Quality Review Partner or the Concurring Review Partner, and that all matters arising have been appropriately addressed.

Throughout their careers, our colleagues (including partners) develop their knowledge and skills through a combination of coaching, on-the-job review and various training courses. Coaching and review on the job are important parts of

the way of working within our audit teams. Our colleagues therefore receive training in giving this coaching and feedback. In addition, the real-time review team (RTR team) and the engagement-specific quality reviewers (QRPs and CRPs) play an important role in the professional coaching of our colleagues.

**Real Time Assurance**

We have developed a Real Time Quality Assurance RTA program in which preventive monitoring takes place and audit teams are coached and supported to do the right thing. The RTA program consists of real-time reviews (RTR) and coaching through our so-called BI solutions (business intelligence). Both RTRs and BI help audit teams to ensure the quality of audit engagements as they perform their audit work. If it is established that an audit or audit file could or should be improved, the audit team concerned will receive coaching and the team will have the opportunity to follow this up before completing the audit.

**Realtime-reviews (RTR)**

The RTR team conducts in-depth reviews on a selected number of audit files before the auditor's report is issued and also supports QRPs and CRPs in performing the EQR (see objective 15). The RTR team helps audit teams to ensure the quality of audit engagements, each year focusing on specific themes, such as the fraud risk analysis, the IT audit approach or the application of a new audit standard. If the team establishes that an audit or the audit file could or should be improved, it provides coaching to the audit team concerned. The RTR team not only identifies what

needs to be improved, but also what is going well. It shares these lessons with audit practice and thus increases the change capacity of our organization. Observations by the RTR team also form input for the root cause analysis process.

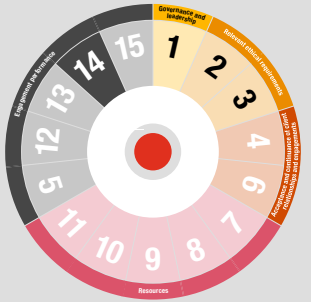
**Business intelligence**

The National Office BI team makes use of RTA tools to get insight in real-time engagement information as reported in active audit files in Aura Platinum. This information can also be linked to other relevant sources, such as data from our planning system (Talentlink) or time administration (iPower). The role of the BI team is to support the engagement leaders by providing relevant engagement information to improve the quality of the audit and documentation and to prevent unnecessary additional work further at a later stage. It is the responsibility of the engagement leaders – if there is reason to do so – to follow up adequately in the file. The BI team consists of both data analysts and methodological experts.



Engagement performance

14. Expert knowledge



**Objective: Firms provide and engagement teams use expert knowledge and specialists in the performance of engagements.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that necessary or desired support by experts is not or not sufficiently available.
- The risk that experts are not used even though this support is required to carry out a proper audit.
- The risk that not enough colleagues are available for consultation to support teams in the resolution of complex technical or risk management issues.
- The risk that issues like fraud, corruption, bribery and other illegal acts with or by audit clients are not discovered.
- The risk that potential going concern problems at clients who file for bankruptcy (shortly) after the financial statements audit are not identified by the audit team or are insufficiently followed up or reported.

Use of experts

In some cases, there is a need or it is considered desirable by the engagement leader to involve experts in performing certain audit procedures. In order to guarantee the availability of this support by experts – mostly professionals from the other Lines of Service – when necessary, so-called memoranda of understanding between Assurance and Tax & Legal and Advisory are agreed each year and signed by the respective Line of Service Boards. Tax & Legal colleagues support audit teams in, among other things, auditing the tax position of an organisation, pension accounting and pension-related matters, actuarial calculations, credit risk models in the audit of the accounting of insurance companies, share-based and other compensation models, and support on the field of real estate valuation.

Support from Advisory colleagues mainly relates to the audit of valuations in the financial statements, such as impairment tests, purchase price allocation in connection with the recognition of acquisitions in the financial statements, the valuation of portfolios and certain IFRS reporting matters. In addition, forensic, cyber and privacy specialists are regularly involved in the audit.

If necessary or desired, the above experts from the other Lines of Service can also be used for consultations (see below).

Consultations

There are a number of predetermined situations in which the engagement leader is required to consult with National Office. Examples are follow-up of a suspicion of fraud arising at a client and going concern issues.

National Office

In the context of the consultation, the audit team submits the facts of the case, the regulatory requirements, the client’s proposed accounting treatment in financial reporting cases and the views of the audit team. The engagement leader must also consult National Office if there is a potential error in a set of financial statements that have already been published and where an auditor’s report (or other form of report) has been issued.

National Office records the outcome of the consultation in writing in the consultation database (Consult), requiring the engagement leader to approve both the facts and the final outcome. The outcome of the consultation is in principle binding. If the engagement leader disagrees with the outcome, an escalation procedure is in place.

Fraud panel

In the event of (alleged) fraud at our clients, our internal fraud panel must be involved. As part of risk management, audit teams receive support from forensic experts when needed.

Notification of potential unusual transactions

The NBA issued guidelines for the interpretation of the Wwft (Money Laundering and Prevention Terrorism Financing Act). These are embedded in our client acceptance and engagement continuance systems and procedures. Pursuant to the Wwft, we are obliged to report any actual or suspected unusual transaction – at or by one of our clients – to the Financial Intelligence Unit Netherlands set up by the Ministries of Finance and Justice and Security. Reports of possible unusual transactions can be discussed in the fraud panel. If the transaction meets the criteria of the Wwft, a notification is provided.

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**Engagement performance**

15. Quality controls in performing engagements

**Objective: Specific engagement related risk conditions are appropriately identified and targeted quality controls are implemented in response.**

The most important risks that have been identified in relation to the quality objective are:

- The risk that quality controls for identified engagement risk conditions are not effective or not (properly) applied.
- The risk that insufficient partners are available to fulfil the role of QRP or CRP.

**Engagement-specific quality reviews**

At PwC, the engagement-specific quality reviews (EQRs) are performed by quality review partners (QRPs). The QRP fulfills his/her role on the basis of the information provided by the audit team and the information in the audit file. The QRPs are appointed by the Assurance Board. They receive training in preparation for their role.

Where the Real Time Review team (RTR team, see objective 13) is also involved in the audit engagement, the RTR team can provide support to the QRP and a more in-depth EQR is performed. It identifies the key audit matters in consultation with the QRP and supports the QRP's work in those areas. The RTR team also coaches the QRP in improving the performance of his/her role.

In addition to the legally required EQRs, more in-depth EQRs are performed. These EQRs are performed by a team consisting of a Concurring Review Partner (CRP) and members of the RTR team.

The QRPs and the CRPs are part of a joint network managed by the Chief Auditor. Through this network they receive substantive support and guidance in the performance of their roles, while at the same time the network serves as a platform for sharing experiences and best practices.



# Our governance

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## Our legal structure

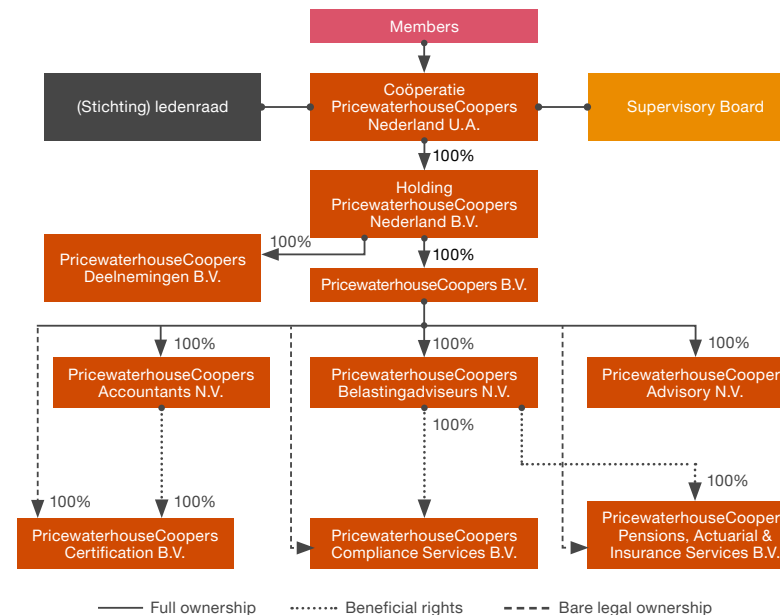
The legal structure of PwC NL has changed during this fiscal year due to the legal restructuring of PwC Europe. As part of this restructuring, Konsortium PwC Europe was dissolved, resulting in Coöperatie PricewaterhouseCoopers Nederland U.A. having a direct shareholding in PwC Europe. PwC Europe subsequently 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.

PricewaterhouseCoopers Accountants N.V. is the audit firm of PwC and the holder of the licence under Article 5 of the Audit Firms Supervision Act (Wta) (licence number 130002921). PricewaterhouseCoopers Accountants N.V. is a wholly owned subsidiary of PricewaterhouseCoopers B.V., which is a wholly owned subsidiary of Holding PricewaterhouseCoopers Nederland B.V.

Coöperatie PricewaterhouseCoopers Nederland U.A. ('Coöperatie') and Holding PricewaterhouseCoopers Nederland B.V. have concluded association agreements with each of the private limited liability companies owned by the professional practitioners ('partner BVs'). Under the agreements, the professional



Simplified legal structure as of 30 June 2022



practitioners are made available by the partner BVs to practise one of the professions within the Lines of Service (LoS) in exchange for a management fee.

As of 30 June 2021, Coöperatie PricewaterhouseCoopers Nederland U.A. had 284 associated members, of which 107 were made available to PricewaterhouseCoopers Accountants N.V. The majority of the professional practitioners (being partners/members) made available to the audit firm have been registered with the AFM as external auditor. This registration takes place after a(n internal) quality assessment has been made. After approval from the Supervisory Board, the external auditors are appointed by the Assurance Board.

PricewaterhouseCoopers Accountants N.V. has offices in Alkmaar, Amsterdam, Arnhem, Breda, The Hague, Eindhoven, Goes, Groningen, Leeuwarden, Maastricht, Rotterdam, Utrecht and Zwolle.

PricewaterhouseCoopers B.V. also has the following wholly owned subsidiaries:

- 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.



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PricewaterhouseCoopers Compliance Services B.V. ('CoS') focuses on issuing compilation reports.

PricewaterhouseCoopers Certification B.V. handles assignments that fall under mandatory accreditation, such as assurance on CO<sub>2</sub> and NO<sub>x</sub> emissions and ISO certification of information security management systems (ISMS). PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (PAIS) provides advice and intermediation in the areas of pensions and insurance products, since 2012 under a Wft licence from the AFM (licence number 12040696).

PwC Europe collaboration

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<sup>1</sup>.

1 PricewaterhouseCoopers AG, PricewaterhouseCoopers Belgium BV, PricewaterhouseCoopers Deelnemingen B.V., PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, PwC Beteiligungsgesellschaft mbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and Pwc Yönetim Danismanligi Anonim Sirketi

The PwC network

PwC is the brand name under which the independent member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and offer professional services. Together these member firms form the PwC network. The term 'PwC' is often used to refer to individual member firms within the PwC network, or a number of them, or all of the member firms at the same time. The PwC network is not an international partnership nor a single entity or multinational. The member firms that comprise the global PwC network are members of PwCIL, a United Kingdom-based private company limited by guarantee. 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 for specific purposes. Coöperatie PricewaterhouseCoopers Nederland U.A., Holding PricewaterhouseCoopers Nederland B.V., PricewaterhouseCoopers B.V., and their subsidiaries are all part of this network.

At the end of June 2021, the global PwC network consisted of 643 offices in 156 countries, with a workforce of 295,371 people of whom 11,897 were partners. PwC's global revenues amounted to USD 45 billion for financial year 2020-2021.

*PricewaterhouseCoopers International Limited*  
The member firms that comprise the PwC network strive to work together to offer high quality services to clients worldwide. PwCIL has a coordinating role, including for example setting standards in the areas of risk and quality management. PwCIL does not provide services to clients but focuses solely on reinforcing and supporting the network in the areas of strategy, knowledge development and the expertise of the professional practitioners, and protection of the PwC brand. The Network Leadership Team and the board of PwCIL develop and implement procedures and initiatives to facilitate a shared and coordinated approach among the individual member firms to the extent possible. PwCIL does not own any of the member firms and the member firms do not own any of the other member firms, except in certain very specific cases.

The individual member firms are members of, or have some form of relationship with, PwCIL. They perform all their services at their own expense and under their own responsibility. They may use the PwC name, but PwCIL is not in any way responsible or liable for acts or negligence on the part of the member firms, has no say as to their professional opinion-forming processes and cannot commit them in any way. Likewise, member firms cannot act as agents or representatives of PwCIL or of any other member firm and are liable only for their own actions or negligence.

PwCIL has the following governance:

- Global Board - responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network

standards. The Board does not have an external role. The Board is comprised of 20 members. Two are appointed as external, independent directors, and the other 18 Board members are elected by partners from all PwC firms around the world every four years.

- Network Leadership Team – responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere..
- Strategy Council (consisting of the leaders of the largest PwC firms and regions of the network), agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- Global Leadership Team – appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from member firms to coordinate activities across all areas of our business.

The Chair of the Board of PwC Netherlands (Ad van Gils - until 30 June 2022/ Agnes Koops since 1 July 2022) is a member of the Strategy Council and maintains the relationship with the Network Leadership Team on behalf of PwC Netherlands. Member firms may participate in regional affiliations designed to encourage collaboration and the application of common strategies and risk and quality standards. The global PwC network is organised into two large geographical areas: Asia, Pacific, Americas (APA) and Europe, Middle East, Africa (EMEA). This is not a management or reporting structure but is intended to optimize connectivity between integrating markets and client needs. Coöperatie



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PricewaterhouseCoopers Nederland U.A., Holding PricewaterhouseCoopers Nederland B.V., and PricewaterhouseCoopers B.V. and their subsidiaries are part of EMEA. dochtermaatschappijen maken deel uit van EMEA.

System of quality management

Providing quality is at the very foundation of our services. The PwC network has created a framework for quality management that has been integrated both into the operating process and into the firm-wide risk management process to help individual member firms put the strategy into practice. The framework has a quality objective for the Assurance practice, focussing on supporting our people and processes in providing services in an effective and efficient manner, meeting the expectations of our clients and other stakeholders.

Each member firm has its own policies and procedures, based on the standards of the PwC network, and each member firm has access to the common methodologies, techniques and support materials for many different forms of service. These methodologies, techniques and support materials have been developed to help member firms operate consistently and in accordance with PwC practice.

Each member firm is responsible for monitoring the effective operation of its system of quality management, including both a self-assessment and an independent review thereof.

Additionally, PwCIL monitors the extent to which the member firm is in compliance with network standards, including reviewing not only the way in which the member firm carries out objective quality controls of all its services but also the processes that the member firm uses to identify and manage risk.

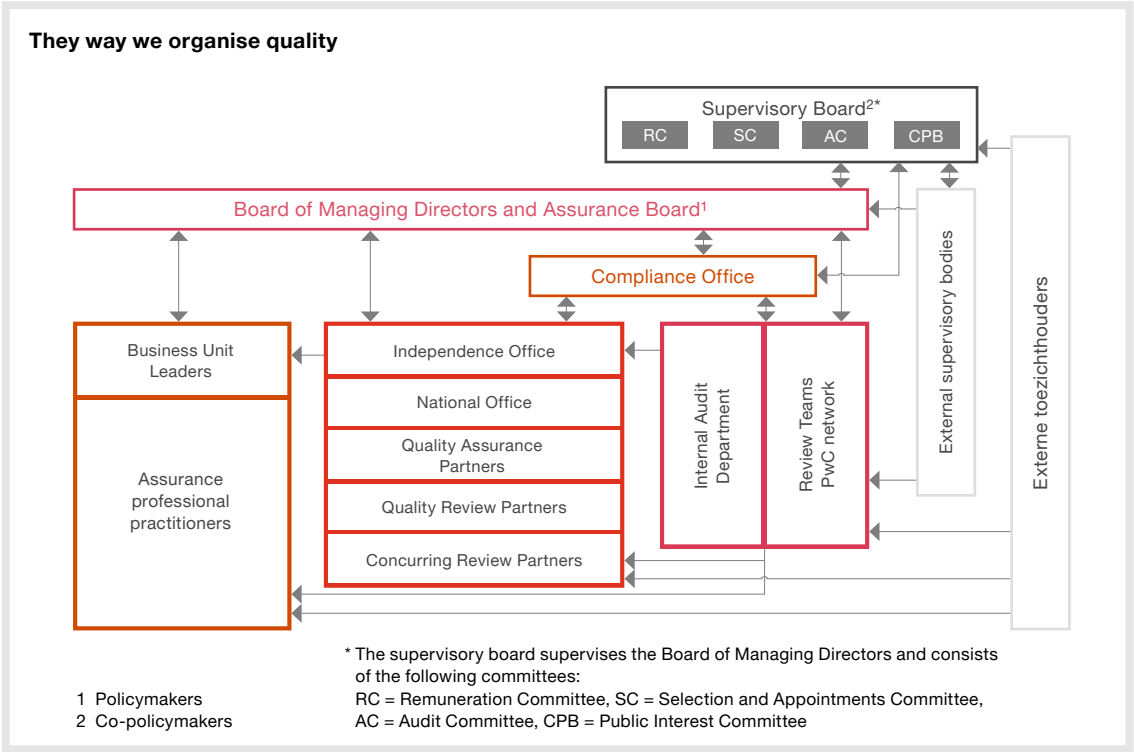
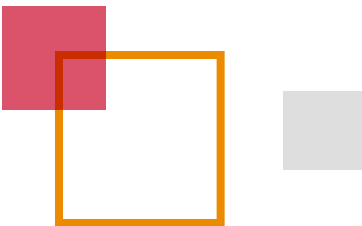
For assurance work, the global PwC network has a review programme directed specifically at quality, based on the professional standards that apply (such as ISQC-1 and, where applicable, the quality control standards of the US Public Company Accounting Oversight Board). The objective of this particular programme is to assess whether:

- the quality and risk management systems have been appropriately designed and are operating effectively in accordance with the network's standards and policies;
- the engagements selected for review have been conducted in compliance with the professional standards that apply and with the requirements of the PwC Audit; and
- significant risks have been appropriately identified and managed.

The system of quality management, the Quality Management for Service Excellence framework (QMSE) as recalibrated by the PwC network, was rolled out in the Netherlands during financial year 2019-2020, incorporating all of these aspects without exception.

Our organisational structure

*Policymakers and co-policymakers of the audit organisation*  
The members of the Board of PricewaterhouseCoopers Accountants N.V. (also referred to as the Assurance Board), together with the members of the Board of Management and Supervisory Board of Holding PricewaterhouseCoopers Nederland B.V., are designated as the policymakers of





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PricewaterhouseCoopers Accountants N.V. within the context of the Audit Firms Supervision Act ('Wta'). Until March 24, 2022, the members of the board of management of PwC Europe SE Wirtschaftsprüfungsgesellschaft were considered co-policy makers of the audit firm.

The Assurance Board is responsible for the day-to-day management of the Assurance practice. In their role as day-to-day policy makers, the responsibilities of the members of the Assurance Board include the design, maintenance, and operating effectiveness of the quality and risk management system. The Chair of the Assurance Board is the single statutory director of PricewaterhouseCoopers Accountants N.V. During 2021-2022, the Assurance Board consisted of Agnes Koops-Aukes (Chair), Raneesh Jagbandhan, Joris van Meijel, and Wytse van der Molen. From 1 July 2022, the Assurance Board consists of Wytse van der Molen (Chair), Raneesh Jagbandhan, Joris van Meijel, Aleid Mulder and Jeroen van Kessel.

The Chair of the Assurance Board is appointed by the General Meeting of PricewaterhouseCoopers Accountants N.V. The Chair appoints the other members of the Assurance Board as authorised executive directors after approval from the Supervisory Board. Both the Chair and the other members are appointed to their respective roles for a maximum aggregate period of two four-year terms.

Partner Council

The Partner Council represents the (collective) interests of the members and provides advice on relevant topics that are presented to the meeting of the members of the Coöperatie PricewaterhouseCoopers Nederland U.A. for approval. The Partner Council may also provide advice, either on request or on its own initiative, and may act as advocate in the interests of the partner concerned in cases of internal dispute.

Business units

Given the structure and size of the audit firm, some of the Assurance Board's responsibilities have been vested in business units (BUs), each led by a Business Unit Leader with the following responsibilities:

- Implementation of the regulatory requirements that apply for quality, risk management and conduct and behaviour (Code of Conduct), the Business Unit Leader being supported in this by the Quality Assurance Partner who is also responsible for quality aspects such as the acceptance, continuance, and performance of engagements including the statutory audits.
- Design and management of an effective infrastructure (adequate levels of people and resources, industry expertise, business unit planning and its deployment of resources (productivity, revenue and profitability), the Business Unit Leader being supported in this by the Operations Partner.
- Human capital management, management of the team in terms of service quality and the monitoring and development of our people, their experience and their behaviour, the Business Unit Leader being supported in this

by the Human Capital Partner.

- Moving the transformation forward, the Business Unit Leader being supported in this by the Change Partner.

As of 30 June 2022, the Assurance practice has seven business units, spread over twelve offices, consisting of four regionally operating Assurance business units and three nationally operating business units: Financial Services (FS), Capital Markets Accounting & Advisory Services (CMAAS) and Risk Assurance. The Business Unit Leaders coordinate with the Assurance Board through the Assurance Management Team, set up to facilitate consistency of operational management across the Assurance practice.

The FS business unit focuses on services to (audit) clients in the financial sector such as banks, insurance companies, investment institutions and pension funds. The CMAAS business unit provides accounting advice primarily to non-audit clients, works on behalf of capital market transactions and provides support

to our audit teams in specific accounting subjects. The Risk Assurance business unit delivers and develops non-financial assurance services in addition to its IT role in the audit teams. The business units are supported by the nationally operating department National Office and by the Audit Support department (consisting of the delivery centre, the centres of excellence and the national planning department).

Business Units and departments as of 30 June 2020	
Amsterdam	Alkmaar and Amsterdam
Zuid-Holland	Den Haag and Rotterdam
Noord-Centrum	Arnhem, Groningen, Leeuwarden, Utrecht and Zwolle
Zuid	Breda, Eindhoven and Maastricht
Financial Services	Nationally operating Business Unit
CMAAS	Nationally operating Business Unit
Risk Assurance	Nationally operating Business Unit
National Office	Nationally operating department
Audit Support	Nationally operating department

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**Industry groups**

In addition to being allocated to business units, all professionals (as from a certain grade) are also part of an industry group. This is essential in maintaining a good understanding of market trends, regulatory environments and other relevant developments. The exchange of information within the groups, across Lines of Service, helps maintain quality in our service delivery.

- We have seven industry groups:
- Financial Services
  - Technology, Media and Telecom
  - Consumer Markets
  - Industrial Manufacturing and Automotive
  - Government and Public Sector
  - Health Industries
  - Energy, Utilities & Resources

**Supervisory Board**

The internal supervisory role at PwC the Netherlands is discharged by the independent Supervisory Board (SB). The SB was set up on 1 May 2015 at the level of Holding PricewaterhouseCoopers Nederland B.V.

Since 24 March 2022 the SB has been established at Coöperatie PricewaterhouseCoopers Nederland U.A. On 30 June 2022, the SB consisted of six members. The members of the SB are appointed by the General Meeting of Coöperatie PricewaterhouseCoopers Nederland U.A. on the basis of a binding proposal submitted by the SB. The members of the SB qualify as policymakers of PricewaterhouseCoopers Accountants N.V. within the context of the Audit Firms Supervision Act ('Wta'). Members of the SB are appointed for a term of four years and may be reappointed for a maximum of one further term of four years. All members must comply with specifically agreed independence requirements and, in compliance with these requirements, are independent of PwC.

The role of the SB is to oversee the activities of the Board of Management and the overall business affairs of Coöperatie PricewaterhouseCoopers Nederland U.A. and its affiliated group enterprises, including Assurance, as well as to provide advice to the Board of Management. Amongst other things, the SB is also tasked with approving the appointment of external auditors and the Compliance Officer.

The Chair of the SB is also Chair of the General Meeting of Coöperatie PricewaterhouseCoopers Nederland U.A.

The SB of 2021-2022 comprised of Chris Buijink (Chair), Naomi Ellemers, Frits Oldenburg, Jan Sijbrand, René van Schooten en Yvonne van Rooy (resigned on 1 July 2022). The Report of the SB is included in the Annual Report 2021-2022.

The SB has the following committees:

**Public Interest Committee (PIC)**

The PIC is responsible for advising the SB and preparing the SB's decision-making on the social aspects of business that are relevant to PwC, including safeguarding the public interest of the audit and other topics that affect the public interest. This concerns, for example, the preparation of the decision-making of the SB with regard to the approval of the audit firm's quality policy. All members of the supervisory board are members of the PIC, with Jan Sijbrand as chairman.

**Audit Committee**

The role of this committee is to assist the SB in its decision-making processes in the area of financial matters. These include the annual financial statements and co-signing thereof and the annual report (including the financial statements of PricewaterhouseCoopers Accountants N.V.), the financial reporting process, including the preparation and determination of Coöperatie PricewaterhouseCoopers Nederland U.A.'s annual plans and budgets, major capital investments and the design and operating effectiveness

of the internal risk management and control systems. The Committee also advises the SB on and on the preparation of the proposal to the General Meeting regarding the external auditor's appointment. The Committee comprises René van Schooten (Chair), Frits Oldenburg and Jan Sijbrand.


**Remuneration Committee**

The role of this committee is to support the SB in its responsibilities and approval processes in the area of remuneration. These include preparing the proposals for remuneration policies, for determination by the General Meeting, regarding the Board of Management and the Assurance Board and approval of the policies for the remuneration of partners and staff including supervision of their proper implementation. The Committee comprises Naomi Ellemers (Chair), Chris Buijink and Jan Sijbrand.


**Selection and Appointments Committee**

The role of this committee is to support the SB in its responsibilities and approval processes in the area of appointments. These include the nomination of the members of the SB and Board of Management, the approval of the appointment of the Compliance Officer and the approval of the appointment of external auditors. The Committee consists of Chris Buijink (Chair since 14 February 2022), Naomi Ellemers and Frits Oldenburg.


Industry groups




Financial Services




Technology, Media and Telecom




Consumer Markets




Industrial Manufacturing and Automotive



Government and Public Sector



Health Industries



Energy, Utilities and Resources

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In this table is set out how and where our reporting complies with the requirements of Article 13 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.

		Chapter
lid 2		
a	a description of the legal structure and ownership of the audit firm;	<a href="#">Our governance</a>
b	where the statutory auditor or the audit firm is a member of a network: <ul style="list-style-type: none"> <li>(i) a description of the network and the legal and structural arrangements in the network;</li> <li>(ii) the name of each statutory auditor operating as a sole practitioner or audit firm that is a member of the network;</li> <li>(iii) the countries in which each statutory auditor operating as a sole practitioner or audit firm that is a member of the network is qualified as a statutory auditor or has his, her or its registered office, central administration or principal place of business;</li> <li>(iv) the total turnover achieved by the statutory auditors operating as sole practitioners and audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements;</li> </ul>	<a href="#">i) Our governance</a>  <a href="#">ii) en iii) List of EU/EEA audit firms that belong to the PwC network of member firms</a>  <a href="#">iv) Composition of turnover PwC the Netherlands 2021/2022</a>
c	a description of the governance structure of the audit firm;	<a href="#">Our governance</a>
d	a description of the internal quality control system of the statutory auditor or of the audit firm and a statement by the administrative or management body on the effectiveness of its functioning;	<a href="#">Our system of quality management</a>
e	an indication of when the last quality assurance review referred to in Article 26 was carried out;	<a href="#">Accountability for the system of quality management</a>
f	a list of public-interest entities for which the statutory auditor or the audit firm carried out statutory audits during the preceding financial year;	<a href="#">List of public interest entities</a>
g	a statement concerning the statutory auditor's or the audit firm's independence practices which also confirms that an internal review of independence compliance has been conducted;	<a href="#">Statements</a>
h	a statement on the policy followed by the statutory auditor or the audit firm concerning the continuing education of statutory auditors referred to in Article 13 of Directive 2006/43/EC;	<a href="#">Statements</a>
i	information concerning the basis for the partners' remuneration in audit firms;	<a href="#">Evaluation and remuneration of our external auditors and managing directors</a>
j	a description of the statutory auditor's or the audit firm's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7);	<a href="#">Objectivity and independence</a>
k	where not disclosed in its financial statements within the meaning of Article 4(2) of Directive 2013/34/EU, information about the total turnover of the statutory auditor or the audit firm, divided into the following categories: <ul style="list-style-type: none"> <li>(i) revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity;</li> <li>(ii) revenues from the statutory audit of annual and consolidated financial statements of other entities;</li> <li>(iii) revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm; and</li> <li>(iv) revenues from non-audit services to other entities.</li> </ul>	<a href="#">Composition of turnover PwC the Netherlands 2021/2022</a>



# List of EU/EEA-audit firms that belong to the PwC network of member firms

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With this list we fulfill the requirements of Article 13, paragraph 2, sun. b (ii and iii) of EU Regulation 537/2014.

Member state	Name of the firm
Austria	PwC Wirtschaftsprüfung GmbH, Wien PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'entreprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit PricewaterhouseCoopers Entreprises PricewaterhouseCoopers France PricewaterhouseCoopers Services France PwC Entrepreneurs CAC PwC Entrepreneurs Commissariat aux Comptes PwC Entrepreneurs Audit PwC Entrepreneurs Audit France PwC Entrepreneurs CAC France PwC Entrepreneurs Commissariat aux Comptes France PwC Entrepreneurs France PwC Entrepreneurs Services M. Philippe Aerts M. Jean-François Bourrin M. Jean-Laurent Bracieux M. Didier Brun Mme Elisabeth L'Hermite M. François Miane M. Pierre Pegaz-Fiornet M. Antoine Priollaud

Member state	Name of the firm
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Wibera WPG AG
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf PricewaterhouseCoopers
Italy	PricewaterhouseCoopers Spa
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V. Coöperatie PricewaterhouseCoopers Nederland U.A.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z o.o. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB Öhrlings PricewaterhouseCoopers AB

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This includes the PIEs\* where a statutory audit was carried out in the financial year 2021-2022 (in alphabetical order):

\* Companies established in the Netherlands listed on an EU regulated market, banks, credit institutions and insurance companies (not being insurers with a limited risk size), as defined in Article 1, first paragraph, under I of the Law on the Supervision of Audit Firms.

A ACOMO N.V.  
Adyen N.V.  
Aegon Bank N.V.  
AEGON Levensverzekering N.V.  
AEGON N.V.  
AEGON Schadeverzekering N.V.  
AEGON Spaarkas N.V.  
AKZO Nobel Assurantie N.V.  
Akzo Nobel N.V.  
Alfen N.V.  
Allianz Finance II B.V.  
ARCADIS N.V.  
ASTARTA Holding N.V.  
Atradius Finance B.V.  
Atrium Finance Issuer B.V.  
Avantium N.V.

B Beheerstrategie N.V.  
BEST 2010 B.V.  
Beter Bed Holding N.V.  
BMW Finance N.V.  
BMW International Investment B.V.  
BNG Bank N.V.  
Brunel International N.V.

C Cementir Holding N.V.  
Commonwealth Bank of Australia (Europe) N.V.  
Coöperatieve Rabobank U.A.  
Ctac N.V.

D De Lage Landen International B.V.  
de Vereende N.V.  
Deutsche Post Finance B.V.  
Diageo Capital B.V.  
DSW Ziektekostenverzekeringen N.V.  
Dutch Property Finance 2017-1 B.V.  
Dutch Property Finance 2018-1 B.V.

Dutch Property Finance 2019-1 B.V.  
Dutch Property Finance 2020-1 B.V.  
Dutch Property Finance 2020-2 B.V.  
Dutch Property Finance 2021-1 B.V.

E Ease2pay N.V.  
EDP Finance B.V.  
Eno Aanvullende Verzekeringen N.V.  
Eno Zorgverzekeraar N.V.

G Gasunie Transport Services B.V.  
Globaldrive Auto Receivables 2018-A B.V.  
Globaldrive Auto Receivables 2019-A B.V.  
Globaldrive Auto Receivables 2020-A B.V.  
Green STORM 2017 B.V.

H Holland Colours N.V.

I InsingerGilessen Umbrella Fund N.V.

J J.P. Morgan Structured Products B.V.

K Kempen European High Dividend Fund N.V.  
Kempen European Property Fund N.V.  
Kempen European Sustainable Equity Fund N.V.  
Kempen Global Property Fund N.V.  
Kempen Global Sustainable Equity Fund N.V.  
Kempen Orange Fund N.V.  
Kempen Oranje Participaties N.V.  
Kempen Profielfondsen N.V.  
Kempen Umbrella Fund I N.V.  
Koninklijke Ahold Delhaize N.V.  
Koninklijke Brill N.V.  
Koninklijke Nederlandse Akademie van Wetenschappen

L Linde Finance B.V.  
LSP Life Sciences Fund N.V.

M Merrill Lynch B.V.  
Monuta Verzekeringen N.V.

N N.V. Nederlandse Gasunie  
N.V. RENDO Holding

N.V. Univé Her  
N.V. Univé Schade  
NE Property B.V.  
Nedap N.V.  
NSI N.V.  
NX Filtration N.V.

O Onderlinge Verzekeringsmaatschappij Univé Samen U.A.  
Onderlinge Waarborgmaatschappij DSW  
Zorgverzekeraar U.A.

P Photon Energy N.V.  
Prosus N.V.  
PURPLE STORM 2016 B.V.

R Rabo Groen Bank B.V.  
Rabo Herverzekeringsmaatschappij N.V.  
Repsol International Finance B.V.  
RHI Magnesita N.V.

S SABIC Capital I B.V.  
SABIC Capital II B.V.  
SAECURE 16 B.V.  
SAECURE 17 B.V.  
SAECURE 18 NHG B.V.  
SBM Offshore N.V.  
Sinopel 2019 B.V.  
Stad Holland Zorgverzekeraar Onderlinge  
Waarborgmaatschappij U.A.  
Stichting Bedrijfstakpensioenfondsen voor het  
Beroepsvervoer over de Weg  
Stichting Beveland Wonen  
Stichting DUWO  
Stichting EFIC1 Escrow  
Stichting Intermaris  
Stichting Lefier  
Stichting Maasdelta Groep (MDG)  
Stichting Mooiland

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- Stichting Pensioenfondsvoor de Woningcorporaties
- Stichting Pensioenfondsvoor Zorg en Welzijn
- Stichting Portaal
- Stichting Sint Trudo
- Stichting Staedion
- Stichting Thuisvester
- Stichting Vestia
- Stichting Wonen Zuid
- Stichting Woonconcept
- Stichting WoonInvest
- Stichting Woonpunt
- Stichting Woonstad Rotterdam
- Stichting ZOwonen
- STORM 2015-I B.V.
- STORM 2015-II B.V.
- STORM 2016-I B.V.
- STORM 2016-II B.V.
- STORM 2017-I B.V.
- STORM 2017-II B.V.
- Swisscom Finance B.V.
- T Technip Energies N.V.
- Telefonica Europe B.V.
- Triodos Bank N.V.
- Triodos Groenfondsvoor N.V.
- Triodos Impact Strategies II N.V.
- Triodos Impact Strategies N.V.
- U Univé Dichtbij Brandverzekeraar N.V.
- Univé Het Groene Hart Brandverzekeraar N.V.
- Univé Noord-Holland Brandverzekeraar N.V.
- Univé Noord-Nederland Verzekeraar N.V.
- Univé Oost Brandverzekeraar N.V.
- Univé Stad en Land Brandverzekeraar N.V.
- Univé Zuid-Nederland Verzekeringen N.V.
- V Van Lanschot Kempen N.V.

- VEON Holdings B.V.
- W Woningstichting Haag Wonen
- Woningstichting HEEMwonen
- Woningstichting Rochdale
- Woningstichting Servatius
- Woonstichting ‘thuis
- Y Yapi Kredi Bank Nederland N.V.



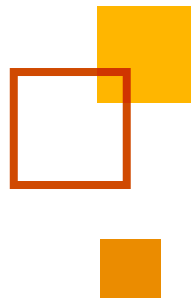
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\* Verwijzing naar het hoofddocument van dit transparantieverlag

Nr.	Reporting criterion in NL	NBA Practice Note	Page*
1a	Number of formal consultations finalised by National Office during the financial year regarding financial reporting and audit matters, including the number of consultations with regards to going concern.	○	6
1b	Number of consultations submitted during the financial year to the Fraud Panel.		6
1c	The number of audit engagements where restructuring specialists from our Advisory practice have supported the audit team during the financial year in identifying and analysing potential going concern risks during the audit.	○	6
1d	The number of audit engagements selected in the financial year in which forensic specialists from our Advisory practice supported the audit team in assessing the fraud risks at the organizations we audit.	○	6
1e	Number of notifications of unusual transactions submitted during the financial year to the Financial Intelligence Unit.		6
2	All assurance engagements that have led to publicly available assurance reports on sustainability information during the financial year. This includes public assurance reports on CO <sub>2</sub> -statements and impact reports on greenbonds (but excluding ETS / CORSIA verifications that are not publicly available).		7
3	Number of leavers during the financial year with a permanent contract in the staff levels up to and including senior manager, with a higher than average rating (1 and 2), male/female and migrant/non-migrant background (as specified by staff in the personnel administration), as a percentage of the average workforce in these categories.	○	10
4a	The average number of hours spent during the financial year per FTE by partners/directors, senior managers/managers and other team members from the audit practice (excluding contracted-in staff, the temporary workforce and short-term secondments)	○	11
4b	The sick leave percentage is the total number of sick days of the employees, as a percentage of the total number of available calendar days of the employees in the reporting period. The sick leave percentage includes sick leave for more than one year and excludes pregnancy and maternity leave. The (extra) long-term sick leave is leave for more than 6 weeks (i.e. at least 42 days at the end of the reporting period) and excluding pregnancy and maternity leave.		11
5	Number of Real Time Reviews initiated and completed during the financial year by the RTR team including those in support of the QRP and CRP.		12
6	Number of engagements reviewed during the financial year under the (global) ECR process, differentiating between audit engagements and engagements performed in the business units CMAAS and Risk Assurance. Results of the ECRs, differentiating between compliant and non-compliant engagements. The category compliant also includes the compliant engagements with the qualification compliant with improvement required.	○	14
7	Number of engagements reviewed during the financial year by external supervisory bodies and the number with reported findings.	○	14
8	Number of incidents notified to the external supervisory body (AFM) using the digital tool during the financial year.		30
9a	The number of audit hours spent by the audit teams, as a percentage of the total number of hours charged to PwC's audit engagements (statutory and voluntary) in the reporting year.	○	30
9b	The number of audit hours outsourced to delivery and competence centres and to colleagues of the PMO, as a percentage of the total number of hours charged to PwC's audit engagements (statutory and voluntary) in the reporting year.		30



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Nr.	Reporting criterion in NL	NBA Practice Note	Page*
9c	Number of hours spent during the financial year by IT specialists from our Risk Assurance business unit on audit engagements, as a percentage of the total number of hours charged to PwC's audit engagements (statutory and voluntary).	○	30
9d	Number of hours spent during the financial year by financial data, reporting, valuation, pension and taxation specialists on support to audit engagements, as a percentage of the total number of hours charged to PwC's audit engagements (statutory and voluntary).	○	30
10	Number of partners, directors/director candidates (headcount) subject to personal independence testing during the financial year and the number of independence infringements identified therein by the Independence Office. The number of sanctions levied by the Independence Sanctions Committee, differentiating between written warnings and reprimands, and the number of imposed financial sanctions. The results regard partners and directors/director candidates subjected to review during the financial year.	○	30
11	Number of hours spent during the financial year by partners/directors, senior managers/managers and other team members (including contracted-in staff, the flexible workforce and short-term secondments) on PIE and non-PIE PwC audit engagements, as a percentage of the total number of hours spent by all professional staff on all PwC's audit engagements.	○	31
12	Ratio of the numbers of partners/directors, senior managers/managers, senior associates and associates in permanent employment at 30 June 2021 (excluding trainees, support staff, contracted-in staff, the flexible workforce and short-term secondments).		31
13	Average number of hours per FTE during the financial year, calculated as the total hours spent by professional staff (FTEs) (excluding trainees, support staff, contracted-in staff, the flexible workforce and short-term secondments) on internal and external training and education divided by the average total number of professional staff (excluding trainees, support staff, contracted-in staff, the flexible workforce and short-term secondments) (FTEs).	○	31
14a	The headcount on 30 June, whereby the staff voluntarily selects one of the options. For male/female ratio the options are: male, female, do not wish to declare (dnwtd), and missing (not indicated). For background the options are: Dutch, Non-Western, Western, do not wish to declare (dnwtd), and missing (not indicated). The options do not wish to declare (dnwtd) and missing are not included in the calculation of both percentages.		31
14b	The number of staff members with job level up to and including senior manager, per category male/ female or cultural background, who were promoted to the next job level during the promotion moments on 1 April 2022 and 1 October 2022, compared to the number of staff members in these categories.		31
15	Results from the People Survey during the financial year to questions related to coaching, audit quality, the consistent propagation of the PwC values (act with integrity, make a difference, care, work together, reimagine the possible) by our partners and directors and the results of the People Engagement Index that measures staff satisfaction with PwC as an employer, as well as the percentage of the employees invited who completed the survey.	○	32
16	Millions of euros invested in the development of new technology relating directly to audit during the financial year, including the Dutch Assurance practice's share of investments in the development of new technology within the network and costs incurred, but excluding internally generated time and related expenses.	○	32
17	Number of errors under Article 362 para 6 of the Dutch Civil Code (Dutch GAAP) or material errors (under IFRS and Dutch GAAP) noted during the financial year at entities where PwC was also the statutory external auditor in the prior year, as registered with National Office. Number of errors under Article 362 para 6 of the Dutch Civil Code (Dutch GAAP) or material errors (under IFRS and Dutch GAAP) noted during the financial year, as a percentage of the total number of statutory audit reports issued.	○	33
18	Total hours spent by National Office on (the development) and provision of professional technical support and (the system of) quality management during the financial year.	○	33

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Nr.	Reporting criterion in NL	NBA Practice Note	Page*
19	Number of engagement quality reviews (legally required EQRs) completed by QRPs. Number of engagement quality reviews (legally required EQRs) completed by QRPs, as a percentage of the total number of statutory audits. Number of engagement quality reviews (voluntary EQRs) completed by CRPs. Number of engagement quality reviews (voluntary EQRs) completed by CRPs, as a percentage of the total number of statutory audits. Number of hours spent on engagement quality reviews (legally required EQRs) by QRPs. Average number of hours spent by on the engagement quality reviews (legally required EQRs) by QRPs, as a percentage of the total number of hours spent on these statutory audits. Number of hours spent on engagement quality reviews (voluntary EQRs) by CRPs. Average number of hours spent by on the engagement quality reviews (voluntary EQRs) by CRP's, as a percentage of the total number of hours spent on these statutory audits. Total number of hours spent on engagement quality reviews by QRPs and CRPs. Average number of hours spent by on the engagement quality reviews by QRPs and CRPs, as a percentage of the total number of hours spent on these statutory audits	○	33
20	Number of formal reviews of financial statements carried out during the financial year by National Office specialists prior to issuance of the auditor's report.	○	33
21	Number, per evaluation element, of remuneration adjustments that have been or will be levied on partners and directors during the financial year by the Remuneration Committee of the SB under the evaluation and remuneration policies.		34
22	Analysis of the Dutch PwC member firm's revenue by type of service as set out in the NV COS standards. The revenue from statutory audits is determined as defined in Article 1, para 1 sub p of the Law on the Supervision of Audit Firms. Accounting policies are the same as those for the Holding PricewaterhouseCoopers Nederland B.V. annual financial statements.		35



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<b>AFM</b>	Netherlands Authority for the Financial Markets, the external independent body responsible for the supervision of financial enterprises and of audit firms with a PIE licence.
<b>Assurance Board BCC</b>	Board of directors of PricewaterhouseCoopers Accountants N.V. Business Conduct Committee, to which staff refer if they note instances or suspicions of professional misconduct.
<b>BMG&amp;D</b>	‘Beoordeling, Mapping Goalsetting en Development’ (Evaluation, Mapping, Goal setting & Development), the PwC process surrounding the evaluation and remuneration of partners and directors.
<b>BU</b>	Business unit, the sub-units of the Assurance practice, determined on the basis of geography and/or professional specialism.
<b>Bta</b>	‘Besluit toezicht accountantsorganisaties’, the Decree on the Supervision of Audit Firms.
<b>CAD</b>	Country Admissions Committee, the body that advises the BoM on the appointment of new partners and directors.
<b>CMAAS</b>	The business unit Capital Markets and Accounting Advisory Services.
<b>Compliance</b>	Compliance with the legal, regulatory and other requirements and standards that apply.
<b>Compliance officer</b>	Officer responsible for overseeing compliance with the legal, regulatory and other requirements and standards that apply.
<b>Compliance Office</b>	The department that supports the compliance officer. The office is amongst others concerned with the Audit Firms Supervision Act (Wta) and on that related laws and regulations.
<b>ECR</b>	Engagement Compliance Review, internal reviews carried out by the global network into the quality of client engagements.
<b>EQR</b>	Engagement-specific quality review (‘OKB’). A process established to provide, on or prior to the date of the auditor’s report, an objective evaluation of the significant judgments by the engagement team and the conclusions drawn when formulating the auditor’s report. The EQR is performed by a QRP or CRP, whether or not supported by the RTR team.
<b>General meeting (GM)</b>	Meeting of the PwC partners who, via their partner BVs, are the members of Coöperatie PricewaterhouseCoopers Nederland U.A.

<b>GIP</b>	Global Independence Policy. All processes, minimum procedures and activities to which every PwC network firm must comply are prescribed in the PwC GIP. This policy includes specific processes that must be followed to ensure the independence of our clients if the nature of the service gives rise to it.
<b>HC</b>	Human Capital, the term used for the department or persons responsible for PwC’s staffing policies and the implementation thereof.
<b>Independence Office</b>	Support function that provides support to PwC professionals in maintaining their personal independence and the independence of PwC.
<b>ISA</b>	International Standards on Auditing.
<b>KPI</b>	Key performance indicator or quality indicator.
<b>LoS</b>	Line of Service, the three professional service units through which PwC offers and delivers its services: Assurance, Tax & Legal and Advisory.
<b>National Office</b>	Practice support function that underpins and provides support to the professional quality of external auditors and other staff.
<b>NBA</b>	Netherlands Institute of Chartered Accountants.
<b>NV COS-standaarden</b>	Regulations for audit and other standards issued by the NBA (Netherlands Institute of Chartered Accountants).
<b>PCAOB</b>	Public Company Accounting Oversight Board, the US external supervisory body.
<b>People Survey</b>	Global People Survey (GPS). Our worldwide annual staff satisfaction survey about the employees’ experience of culture, policy and employment conditions.
<b>PIE</b>	Public Interest Entity, organisations that, because of their scope or role in society, impact a wide range of stakeholder groups (for instance, listed companies, insurers and financial enterprises) and for the statutory audit of which audit firms are required to have a licence from the AFM.
<b>PwC Europe</b>	The PwC Europe collaboration of the member firms in Germany, the Netherlands, Austria, Belgium, Turkey and Switzerland.
<b>QMSE</b>	Quality Management for Service Excellence is the PwC framework for the system of quality management.
<b>QRP</b>	Quality Review Partner is a partner assigned to carry out engagement-specific quality reviews (EQRs).
<b>Risk Assurance</b>	The business unit Risk Assurance.
<b>RTR</b>	Real Time Review is an in-depth review of audit engagements carried out by a team independent of the audit team before the auditor’s report is issued.
<b>Wab</b>	‘Wet op het accountantsberoep’, Auditors Profession Act
<b>Wta</b>	‘Wet toezicht accountantsorganisaties’ (the Audit Firms Supervision Act), which regulates the external supervision (by the AFM) of audit firms.
<b>Wwft</b>	‘Wet ter voorkoming van witwassen en financieren van terrorisme’, Anti-Money Laundering and Anti-Terrorist Financing Act.



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## Transparency Report PricewaterhouseCoopers Accountants N.V. 2021-2022

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The original Transparency Report was prepared in Dutch. This document is an English translation of the original Report. In case of differences between the English and the Dutch version, the latter shall prevail.

This Transparency Report relates to PricewaterhouseCoopers Accountants N.V. In this report, 'PwC' refers to PricewaterhouseCoopers Accountants N.V.

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