



Appendix

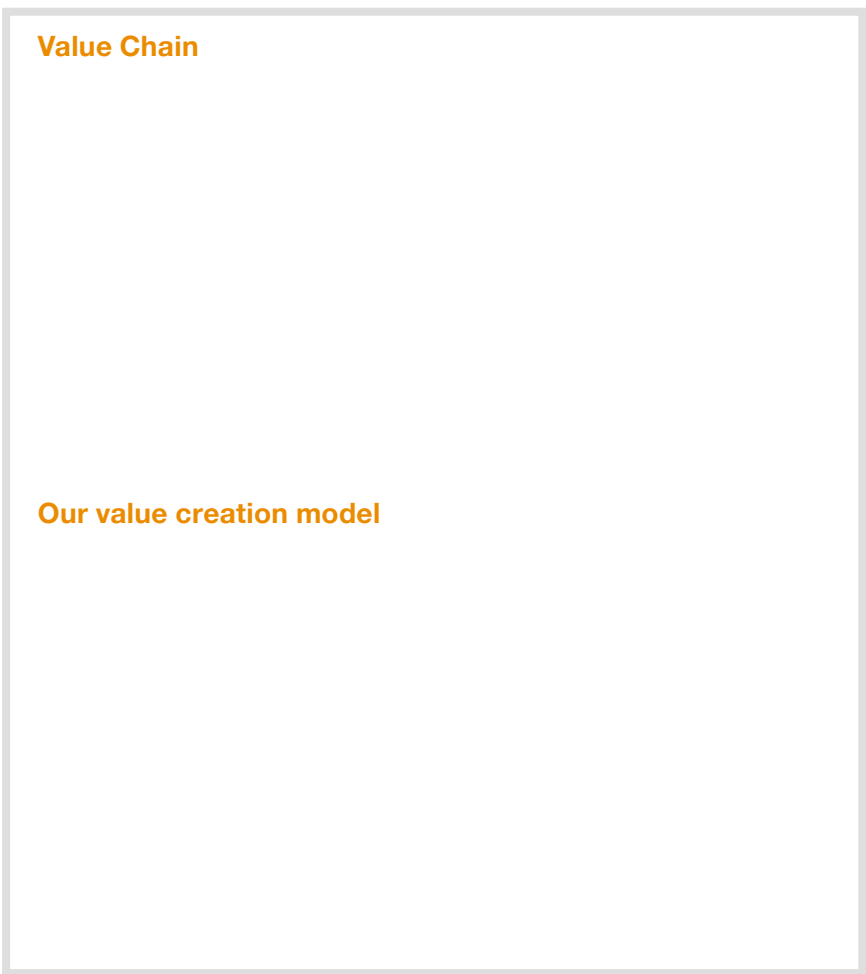
The value we add(ed)

The value we create for our stakeholders

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

PwC's business activities generate outputs and outcomes including our services that create value for our clients and society. Across our value chain (see page 4 of the Annual Report), including how we work with suppliers and clients, we have an impact on the Sustainable Development Goals (SDGs) and we create value for our stakeholders. We strive to create long-term value by working with our suppliers to make a positive impact on people and the environment.

This includes embedding sustainability considerations in supplier selection and procurement processes and a continuous dialogue on how we can make a positive impact together. We can make the most impact in the short- and long-term with our service delivery to clients. We do so by helping clients improve their businesses and solve the issues that matter to them. This is where business and ESG come together.



> Click on one of the thumbnails to view the full size version.

Our strategy execution per enabler on one page

Recruit, develop and retain diverse talent

Why material? We aim to build trust and deliver sustained outcomes for our clients and society. To do so we bring our colleagues – our community of solvers – together in unexpected ways. We cherish the diverse experiences and perspectives of our colleagues in an inclusive manner and support them to become the best professional they can be.



Recruit, develop and retain diverse talent

Material themes

- Inclusion & diversity
- Well-being
- Recruiting, developing and retaining PwC employees

We believe in the strength of an inclusive culture that forms the basis for nurturing diverse talent and recruiting future talent. It is also why we provide our employees with a plethora of opportunities to develop their professional, digital and human skills. We operate a strategic staffing policy with a focus on diversity in terms of science,

technology, engineering and mathematics (STEM), gender, cultural background and people with a distance from the labour market. We offer flexibility by allowing employees to work independently of time and place and, if necessary, differentiating their terms of employment. That is how we wish to position ourselves as an attractive employer.

- People make the difference: we focus on recruiting, retaining and developing talented people, and increasingly with backgrounds in STEM.
- People development follows the PwC Professional framework, which gives attributes and focus areas for behaviour and the skills that our colleagues need to demonstrate in order to live up to our purpose and values.
- We are creating an inclusive working environment in which differences are valued. This is in line with SDG10 ('reduce inequalities') and SDG5 ('gender equality').
- We are investing in an attractive and inspiring working environment, with challenging work, competitive employment terms and a wide variety of development opportunities.
- Sustainable staff deployment is high on our agenda and we have taken various measures to support the well-being of our colleagues: physically, emotionally, mentally and spiritually.
- The most important way to measure our success as an attractive employer is the annual People Survey, which allows our staff to (anonymously) tell us what they value in their work and where they see room for improvement.

What is happening around us

- Talent scarcity and war on talent.
- Increasing gap between what older generations expect and what newer generations seek in their career.
- Impact of the pandemic: forward-thinking organisations embraced the power of technology, redefining their workplace and accelerating digital transformation.
- Work pressure, well-being and recognition are key elements for the workforce.
- People make the difference: the distinction is no longer knowledge and experience alone; who you are as a person is equally important.
- Guidance by role models to the next steps with regard to an inclusive workforce.

What have we learned

- Generous remuneration alone is not always a sufficient incentive. Employees are increasingly looking for employers who can offer them meaningful work, self-development and a pleasant working environment. The 'employee experience' has become a distinguishing factor.
- Culture is characterised by behaviour, how we do things and what examples are given. That is why leadership development is key to an inclusive culture.

What was our impact

- We are changing our salary policy: converting from variable to fixed, a second promotion cycle mid-year and alternative career paths that line up with the market.
- We put the well-being of our colleagues first in both good and challenging times: increase in well-being budget and introduction of appointment-free mornings/afternoons.
- We have laid the foundation for inclusive leadership and leadership development.
- We have created awareness on inclusive culture: launched our inclusive mindset learning, shared vlogs related to I&D, and held dialogue sessions and a Diversity Day.

Where do we go from here to reduce negative impact

- We invest in our colleagues by creating a safe working environment and culture to work in, ensuring meaningful work, giving autonomy and flexibility, putting their well-being first, and showing our recognition and appreciation.
- Further changes will be required to our current way of working and our current terms of employment. The keyword here is flexibility in terms of working hours, work locations and employment terms.

Build high-quality services

Why material? According to our stakeholders, we can make the biggest impact on our clients and society through our service offering and delivery. That is why building high-quality services is a key objective for PwC.



Build high-quality services

Material themes

- Integrity
- Quality
- (Data) security & privacy
- Independence
- Fraud
- Governance

Compliance with legislation and regulations and the expectations of oversight bodies and regulators and society remain as relevant as ever. We constantly challenge ourselves to improve the quality of our services as we expect and deliver the highest quality outcomes. We invest in the knowledge of our colleagues, our risk and quality assurance

departments, legal teams, and independence and compliance functions. Quality also includes relevance and we need to develop new services that meet the changing needs of our clients and stakeholders.

- We have comprehensive quality management frameworks in place.
- Internal and external testing of quality as part of our quality control and risk management process.
- We continue to invest in standardisation, automation and outsourcing non-judgemental work to improve quality of work.
- An extensive description of our approach to further improve audit quality is included in our audit firm's [Transparency Report](#).
- We are on top of all developments, stay in tune with oversight bodies and regulators and continuously enhance independence procedures and processes within the firm. We look at our lessons learned regularly to see if our independence controls and/or policy need to be refined or expanded.
- We can only get a real and thorough understanding of our clients' issues when they have trust in our skills and know-how and in the way we act and behave.
- We ask for feedback from our clients; they tell us whether we are succeeding in building trust-based relationships, where we can make improvements and how we can learn.

What is happening around us

- The war in Ukraine and sanctions have a wide range of impacts and make it more difficult to maintain existing ways of working.
- The world is constantly changing and evolving, with rules being added, expanded upon and revised. New technological advances are occurring at an unprecedented rate, and may have an impact on independence.

What have we learned

- Quality and quality management require regular upgrading and constant vigilance.
- Quality revolves around more than compliance: we need to comply while keeping the balance between reducing risks and keeping things workable. Do even more rules lead to the desired behavioural change?
- Data quality is dependent on how people enter their data, which in turn revolves around behaviour and culture. Having the right mindset on quality is therefore an important focus for our organisation.

What was our impact

- We anticipate developments and changes to risk perceptions. By taking the lead, anticipating and staying ahead, we can give the best possible advice to our clients.
- We comply with rules and regulations to ensure we provide the best quality internally as well as externally in every aspect of our work, with our colleagues and for our clients.

Where do we go from here to reduce negative impact

- We invest in our colleagues by regularly engaging in dialogue with them on the subject of quality through upskilling and bringing in outside-in perspectives.
- We invest in digital tooling that helps with the standardisation and automation of processes.
- We need to consider the impact of labour market scarcity and outsourcing on the quality of our services. And all the time we are also working on the further development of quality outcomes (increasing depth in ECRs) and the substantiation of quality behaviour.
- We will finalise the roll-out of the global Business Operating Systems with the implementation of SAP S/4HANA and the new global KYC/Acceptance application. Data quality is a prerequisite for quality and compliance.
- We continue to focus on a quality-oriented culture in Assurance.

Create long-term value

Why material? We aim to build trust in society. Trust is something we have to earn through every interaction, experience, relationship and outcome. To do so, we need to focus on the long-term by creating value both for today and for generations to come. Being trustworthy means practising what we preach and that is what we consistently aim to do.



Create long-term value

Material themes

- Environmental sustainability
- Impact on society

Our focus on long-term value creation remains as relevant as ever. We design our activities in such a way as to have a sustainable impact on people, planet and prosperity. We specifically invest in our environmental ambitions (reduce CO₂ emissions from our vehicle fleet and air travel, zero waste, and reuse of office equipment) in order to achieve

Net Zero operations by 2030. Our overall objective is to contribute to a sustainable world and be credible as a market participant, which is why we quantify our contribution to achieving the SDGs (see page 8-14).

- Our ambition is to become Net Zero by 2030, in line with SDG13 ('climate action').
- PwC is committed to decarbonising its operations, including its travel footprint, and neutralising our remaining climate impact by investing in carbon removal projects. We will also encourage its suppliers to tackle their climate impact.
- Our corporate sustainability policy is in line with the guiding principles of the United Nations on business and human rights and the UN's SDGs, which we have embedded into our strategy.
- We share our knowledge, skills and competencies with society on a pro-bono basis, conducting research and providing masterclasses, particularly for social enterprises.
- We create awareness and impact through advice. We want to familiarise our colleagues and clients with the SDGs, generate engagement with these goals and integrate them into our service delivery and offerings.

What is happening around us

- Making clear which role an organisation is playing in society has not only become a differentiator for employers; other stakeholders are increasingly taking into consideration environmental, social and governance (ESG) aspects.
- Equality and diversity are high on the political agenda and that of many organisations. The pandemic has increased inequality and at the same time made it more visible.
- Conversations with stakeholders also make clear how organisations are increasingly evaluated on whether they realise sustained outcomes.

What have we learned

- PwC recognises that it has a crucial role to play and the responsibility to commit ourselves to a positive impact. This applies both to our own operations and to the work we do for and with our clients.
- Assessing ESG remains challenging, however, as there is still no universally accepted framework to facilitate this. It will take more time and effort to come to acknowledged standards and best practices that provide useful guidance.
- We are integrating sustainability into our entire organisation. This increases awareness and understanding, improves collaboration and ensures sustainability is an integral part of the strategy for any project. It also means an additional layer of complexity, however, along with new ways of working and thinking.

What was our impact

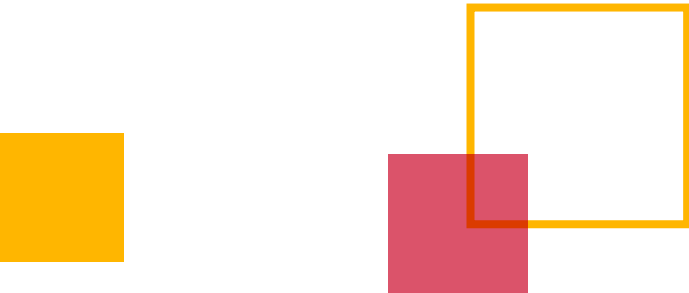
- To ensure our impact is not only positive but significant, we choose to focus on the priorities of the COP26.
- We are steadily taking steps towards our ambition of being Net Zero by 2030: use of Environmental Footprint Insight, chairing the Anders Vliegen working group and switching to 100% sustainable aviation fuel.
- To help address the social problem of inequality, we have set up pro-bono projects to help support groups on the less fortunate side of the equality gap.
- We are part of the Taskforce on Nature-related Financial Disclosures (TNFD) board that has just released the first version of a framework that includes definitions for framing nature and determining how and what needs to be reported.

Where do we go from here to reduce negative impact

- We are developing a biodiversity experience to show colleagues how nature and business depend on each other, and a framework to measure the impact that our own operations have on biodiversity.
- The focus for our next steps will be on getting a more solid grip on the impact of our services, and being able to measure, steer and report on that.
- To gain insights we actively engage in dialogue with people across our value chain – with suppliers, our own colleagues and our clients. We also take concrete action, including setting a CO₂ reduction target for our suppliers and integrating sustainability into our procurement process. Behavioural change and the integration of ESG into everything we do are critical elements.

Drive digital transformation

Why material? People and technology go hand in hand at PwC. We combine human ingenuity with technological and digital innovation and experience to deliver faster, more intelligent and better outcomes for our colleagues, clients and society at large.



Drive digital transformation

Material theme

- Innovation and digitalisation

We remain committed to further digitalising our way of working (BXT, Digital Lab, Data Platform – see page 31 of the Annual Report) and service delivery (tooling/digital assets) and upskilling our employees. We do so by investing in new capabilities and alliances and

by strengthening our BXT and Experience Consulting teams. As part of our digitalisation effort, we are also finalising the roll-out of our global operational system by introducing a single platform (SAP S/4HANA Cloud) and new KYC/Acceptance applications.

- We invest in the digitalisation of our service offerings and delivery and our own processes and infrastructure, collaboration with technology partners and recruitment of colleagues with a STEM profile.

- We have an extensive programme to upskill the digital competencies of our current workforce. This contributes to the goals we have set in the context of SDG8 ('decent work and economic growth') that is aimed at globally achieving a higher level of productivity through diversification, technological upgrade and innovation.

What is happening around us

- A background of rising costs, scarcity of labour and commodities and critical consumers will stimulate the use of technology to deal with these challenges. Organisations increasingly seek ways to deploy technology to improve collaboration, quality and the use of data for improved business insights.
- An increased dependency on technology, data and connectivity can lead to concerns about safety.
- Digital innovations are driving profound changes in the world, with exciting opportunities and daunting challenges. Working in the Cloud, for example, offers flexibility and easy access to data, but comes with cybersecurity challenges and risks.

What have we learned

- Today's dynamic world requires agility and digital skills and we are continuously adapting to the needs of our clients and colleagues.
- Although many people and organisations have adapted to a hybrid way of working – alternating between working in the office and at home – its influence on collaboration, innovation and the use of space remains unclear. A new balance still needs to be found in many cases.
- Our colleagues continue to be at the heart of our digital transformation. While the foundation is in place, a growth mindset and behavioural change will be essential for embracing new ways of working, and learning from them. Our clients need to adapt to constant change in this dynamic world, and this applies equally to PwC.

What was our impact

- We guide our clients in their digital transformations while forging ahead with our own.
- We have made solid investments in our own digital transformation to ensure that our colleagues and technology work hand in hand. By empowering our teams to combine human ingenuity with technology, we can deliver faster and better data-driven outcomes whilst building trust across our value chain.
- We are increasingly focused on digitally enabled integrated solutions. To accelerate this, we invested in setting up the Tomorrow 2.0 hub where scalable, multidisciplinary and innovative business cases are developed that solve key business issues that also have societal relevance.

Where do we go from here to reduce negative impact

- Our focus is now on the realisation of the business benefits of our investments and demonstrating enhanced client value.
- Bringing together people and technology is key to creating sustained outcomes and plays into the expectations and requirements of our colleagues, clients and society. Problems are increasingly complex and can no longer be solved with single-point solutions. Clients expect us to provide integrated solutions, which are data-based and, where relevant, incorporate digital assets. In this process we also often work with partnerships in our ecosystem, for instance within our technology alliances.

Business partnering

Why material? Business and societal challenges are becoming increasingly complex. That is why we need to bring together people with diverse skills, expertises and experience to solve these challenges. To succeed, we must not only do so internally, but actively work together and partner up with our clients and societal stakeholders.



Business partnering

Material themes

- Acting values driven
- Long-term value creation for clients
- Knowledge development and sharing
- Transparency

In our dealings with our clients, network and ecosystem, we have the ambition to stand out due to our combined skills, expertise and experience. To increase our impact 'at the table', we offer our clients a broader perspective and in-depth opinions. We challenge

ourselves to raise the level of discussion, for example by upskilling on relevant themes. We take part in the public debate by communicating our vision, contributions and dilemmas.

- We are building a culture that encourages and rewards behaviour in line with our values: address the societal context, have open dialogues and make the human difference.

- The issues that our clients face have different aspects and angles and we believe we can only solve them by fully understanding these issues and by (co-)creating solutions that cover multiple specialisms, skills and competencies (our BXT approach, see pages 35-36 of the Annual Report).

- We are working together in teams with diverse backgrounds and competencies within our firm and with our clients.

- We regularly express our views and opinions and publish research on technical, societal and topical issues. We are associated with a variety of societal and professional organisations.

What is happening around us

- Just as collaboration among people with different backgrounds is an increasingly important factor in finding innovative solutions and improving outcomes, collaboration among organisations in order to accomplish the same is gaining relevance. Developing solutions together with partnerships or clients can lead to substantially better results via interactions that create a better understanding of needs and ways to meet them.
- Stakeholders are demanding greater transparency and accountability. They wish to understand where the most impact is being made and how value is being created. Society and stakeholders increasingly focus on the quality and completeness of the other integrated information.

What have we learned

- Organisations struggle with complex challenges that cannot be solved from a single perspective or field of expertise. A different mindset and approach are required – a different way of working together both with clients and with each other in true co-creation. This is why we regard business partnership and collaboration as key to unlocking potential. A collaboration between teams and between organisations, within ecosystems and value chains. Not just providing a service, but working together towards the same goal.
- Being transparent about sustainable outcomes and building relationships, and as such trust, helps organisations stay relevant.

What was our impact

- More and more we see collaboration happening in practice within teams, with clients, between organisations and in society at large.
- We take a leading role in developing and sharing knowledge on other integrated information.

Where do we go from here to reduce negative impact

- We bring together a broad diversity of people with passion and experience in unexpected combinations, combining their skills, expertises and perspectives with the latest technology.

Financial results

Why material? Financial means are required if we are to enable sustainable investments and be able to deliver on our purpose and strategy. That is why PwC strives for profitable growth.

Our SDG IM framework explained

Why we need the SDG IM framework

The SDG IM framework measures our impact on the SDGs. On the one hand, this is purpose-driven to determine if we make a positive impact on society, as described on pages 3-7. On the other hand, it helps us comply with current reporting standards for non-financial reporting, such as the EU directive and future European Commission legislation, including the Corporate Sustainability Reporting Directive (CSRD).

Measuring SDG impact of our operations now and our client work in the future

Our SDG IM shows the impact that we have on the SDGs and our progress towards the targets and ambitions that we have set for our focus SDGs on a yearly basis. The framework currently measures the impact of our operations and this year we started with the development of indicators to measure the impact that we have with our client work. The SDG IM serves as a starting point for a dialogue on our positive, neutral and negative impact, and facilitates the discussion on how to maximise our positive impact on society.

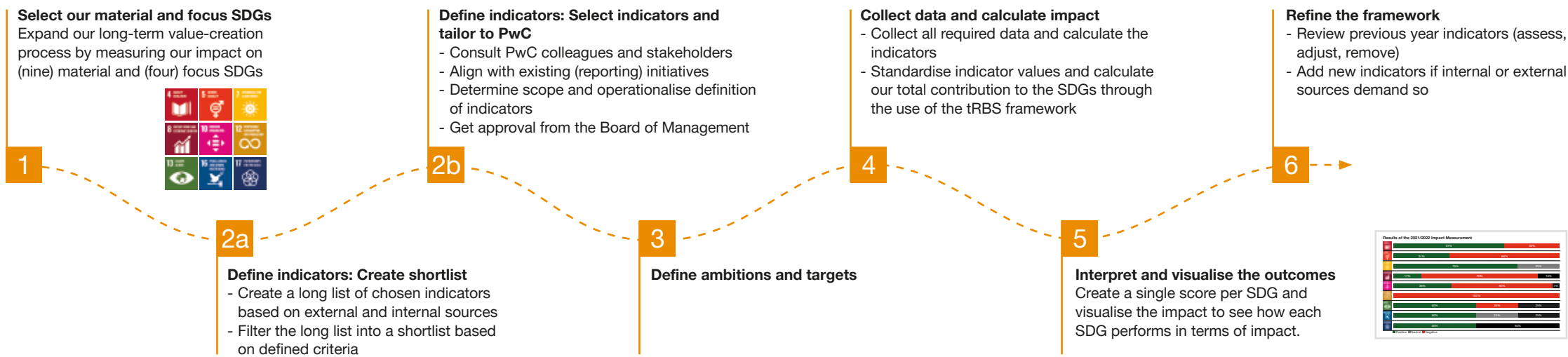
With the client framework, we want to obtain insights into the impact (positive, neutral or negative) of our service offering. To assess the impact of our client work, we investigated the applicability of different possible methodologies to 1) collect data about our client work, 2) link engagements to SDGs and 3) measure the impact we have through our client work. We discussed the different methodologies with internal as well as external stakeholders to further develop the client framework.

Changes to the SDG IM framework

Every three years, we perform a reassessment of our material and focus SDGs. We continuously refine the SDG IM framework inputs (indicators

and thresholds against which we measure) to comply with the latest developments from a sustainability perspective. This year, we refined the SDG IM framework by aligning our indicators with updated organisational targets and our Integrated Dashboard, which is used to monitor our strategic KPIs. Furthermore, we added new indicators deemed relevant by our internal and external stakeholders. We carried out additional research and developed an approach to substantiate the thresholds that define positive and negative impact for each indicator. In summary, this approach uses the most ambitious thresholds, preferably based on legislation or objective external sources. Only when PwC targets are more ambitious do we use our own thresholds.

Our SDG IM framework explained in six steps



Our impact measurement framework in six steps

Step 1: Select our material and focus SDGs

The (material) SDGs have been integrated in our value-creation process since 2015/2016. The integration of the SDGs in our value-creation model demonstrates our contribution to these SDGs. We regularly assess which SDGs are most material to our stakeholders, considering the impact of our operations, services and the wider value chain. In order to be most effective and have more impact, we also identify focus SDGs. These represent the societal, environmental and economic topics to which we can contribute most. The starting points of the impact measurement are the nine material SDGs in our value-creation process. An overview of our material and focus SDGs is provided on page 2 in our value creation model.

Step 2: Define indicators

PwC's impact comprises two parts: our operations and the impact we make through our client work, with the current framework focusing on the first component. For our operations concerning each of the material and focus SDGs, we identified a long list of potential indicators from both the SDG targets and reporting standards such as GRI, UNCTAD and the WEF IBC metrics. We conducted interviews with internal subject-matter experts for each SDG to discuss the long-listed indicators and assessed

the indicators on data availability, ability to influence, independence, contribution to the SDG, quality of the data source and relevance for PwC.

Step 3: Define ambitions and targets

We defined ambitions and targets for our focus SDGs. These provide direction in terms of minimising our negative impact and maximising our positive impact. Our ambitions reflect what is needed to achieve the SDGs by 2030. Our targets for 2024 highlight specific aspects of the ambitions that will require attention over the coming years, as shown on page 2 in our value creation model.

Step 4: Collect data and calculate impact

Data is collected and calculations performed for the selected indicators. The calculations are made in the Responsible Business Simulator, a tool developed by PwC that supports strategic decision-making by quantifying financial and non-financial information. This approach sees all indicator values converted into a single unit of measurement so that impact scores can be compared and aggregated per SDG. Threshold values are defined to determine whether there is a positive, neutral or negative impact for each indicator.

Thresholds for positive, neutral or negative impact are determined by comparing our performance to a reference scenario. A reference scenario (or threshold) could be the performance of peers, sector averages or the performance of the Dutch market, or in the case of higher ambitions; our own internal targets. An explanation of thresholds for positive and negative impact can be found [here](#) (microsite).



Step 5: Interpret and visualise the outcomes

Impact measurement contains by definition inherent uncertainties. The landscape of measurement methodologies, tools and guidance is scattered. There is no harmonised approach and methodology choices and assumptions have an effect on the outcomes. Our framework includes assumptions on thresholds for positive, neutral and negative impact. It also includes assumptions and calculation methods for evaluation of impact in a single unit.

The outcomes of our impact measurement are shown in the figure on the next page which provides insights into our relative performance

across the SDGs. The green bar represents our positive impact on an SDG while the grey and red bars represent our neutral and negative impact, respectively. Over the coming years, we will also show our annual progress and the extent of our impact.

The results of our impact measurement are discussed by the Board of Management: on which topics do we perform well and which topics require our attention or further analysis.

More detailed information about data definitions, measurement, calculation methods and indicator definitions can be found [here](#) (microsite). The external auditor was asked to provide assurance

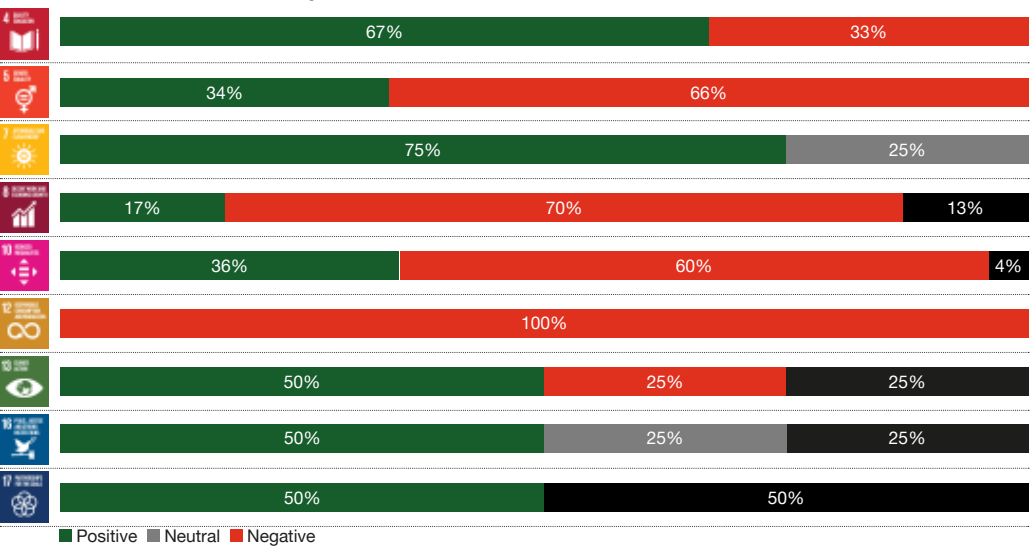
on the framework assumptions, calculations and outcomes presented in the figure in the next column.

Step 6: Refine the framework

Our Impact Measurement framework covers direct impact from our operations and indirect impact across our value chain. Indicators for the impact of operations are generally more established in reporting practice. Indicators that have a wider value chain scope tend to be less well-established in existing practice and standards. Further development of the SDG IM framework is influenced by developments in the non-financial reporting landscape, like the CSRD framework.

In 2022, the framework was refined to better measure our impact. Indicators were added, removed and further aligned with definitions used in our Annual Report. The thresholds that define when impact is positive or negative have been updated for several indicators and more ambitious targets have been set for SDG5. The table below provides an overview of the changes made in the KPIs and thresholds, and why.

Results of the 2021/2022 Impact Measurement



The green bars represent the percentage of indicators for which we have a positive contribution to achieving an SDG. The grey and red bars represent our neutral and negative contribution, respectively. The framework also contains (black) indicators without a threshold that are measured. Rather than displaying an annual impact, these indicators demonstrate how that impact develops over a number of years. Our approach uses the most ambitious thresholds, preferably based on legislation or objective external sources. Only when PwC targets are more ambitious do we use our own thresholds. The SDG IM targets are more ambitious than our overall PwC targets in a few cases such as gender equality. We strive for a 50% gender balance by 2030, which is a more ambitious threshold than the target set internally. Our approach and more detailed results from the SDG IM are set out on pages 12-14. The external auditor provided assurance on the outcomes presented in the figure on this page.

> Click on one of the thumbnails to view the full size version.

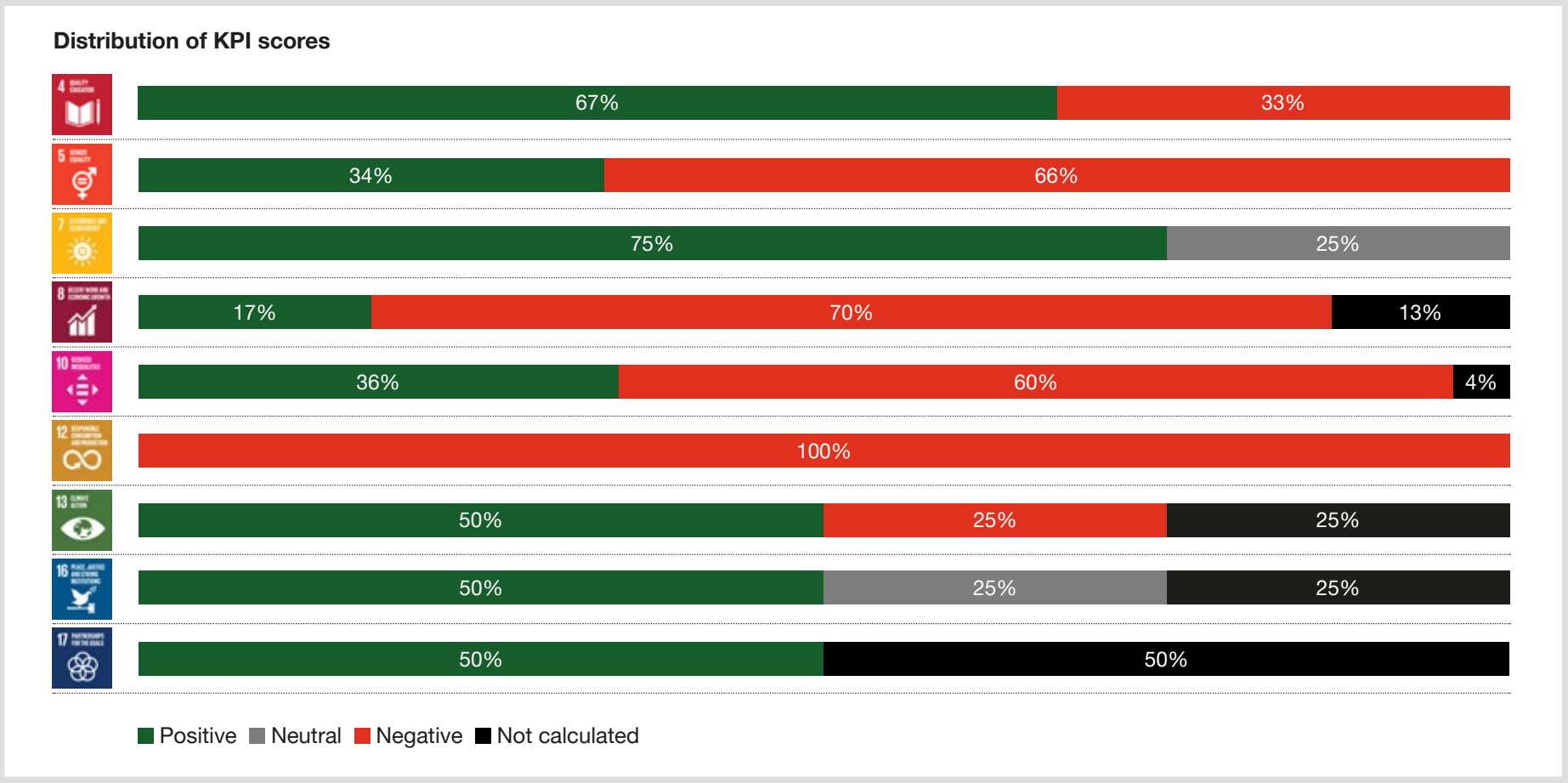


Overview results SDG Impact Measurement



Overview results **SDG Impact Measurement Annual Report 2021/2022**

In this document we display in more detail the results of our SDG Impact Measurement as conducted for our Annual Report 2021/2022. The figure below shows a summary for our nine material SDGs.



In the next sections we portray the scores per SDG.
The interpretation is explained in our annual report 2021/2022.



SDG4 - Quality education

Average training hours per FTE by job level	100%
Hours booked on (job) engagements in the education sector	100%
Hours booked on delivering education to clients	100%
Number of colleagues that are officially registered as teacher	100%
Average client evaluation score on education	100%
Ratio of training hours female to male colleagues	100%



SDG5 - Gender equality

Ratio of female to male colleagues favourable on PEI per job level	80%	20%
Gender pay equity per job level	36%	64%
Gender diversity (workforce, intake, turnover and promotion) by job level	22%	78%
Gender diversity in leadership	100%	



SDG7 - Affordable and clean energy

Renewable electricity use	100%
Renewable energy use	100%
Energy efficiency	100%
Renewable electricity generation	100%



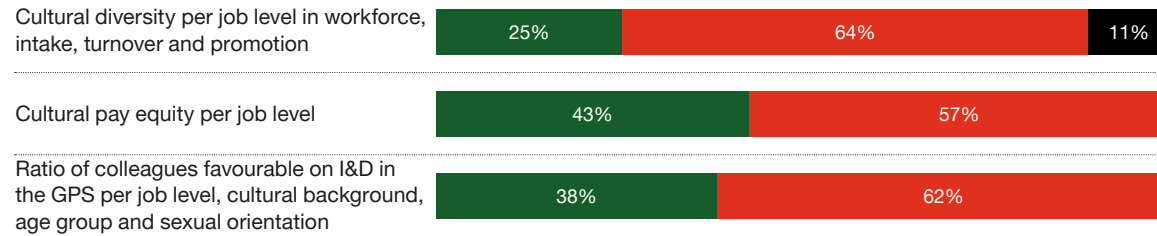
SDG8 - Decent work and economic growth

Well-being (sick leave, PEI and flexibility) by gender, job level and cultural background	67%	33%
Average revenue growth in the last 3 years per FTE	100%	
Digitization and innovation (digital assets, STEM, BXT and Digital Acumen)	50%	50%
Supporting social enterprises	100%	

■ Positive ■ Neutral ■ Negative ■ Not calculated



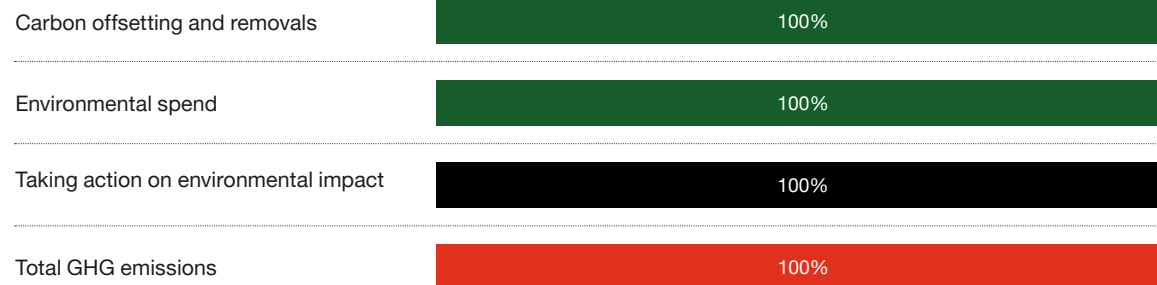
SDG10 - Reduced inequalities



SDG12 - Responsible consumption and production



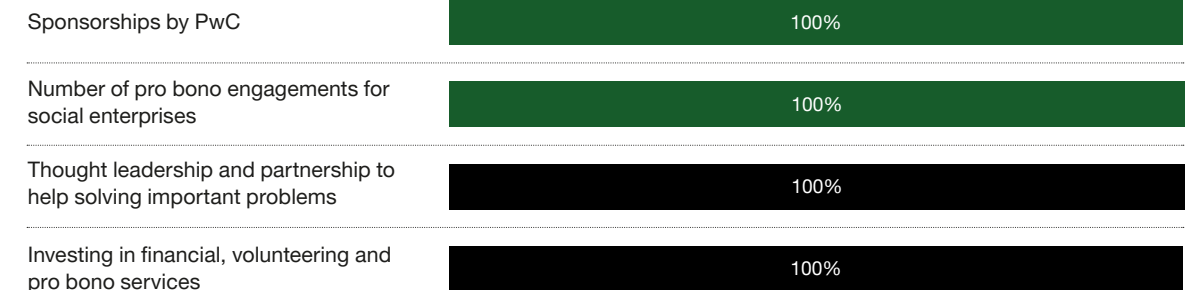
SDG13 - Climate action



SDG16 - Peace, justice and strong institutions



SDG17 - Partnerships for the goals



■ Positive ■ Neutral ■ Negative ■ Not calculated