



Report of the Board of Management

The value we add(ed)

Annual Report

2022/2023



www.pwc.nl



Our value-creation process provides an overview of how we use trends and developments our clients and their stakeholders are facing, the expectations of our stakeholders and the analysis of material topics as inputs. Aiming to build trust and deliver sustained outcomes that make a difference, it is key that our strategy and reporting is focused on the sustainability topics that matter most. Our material topics represent our most significant impacts on the economy, environment and people, including human rights. They are regularly reviewed to ensure they reflect relevant developments within our organisation and across our value chain. While the potential impact on clients is not currently measured, this will be part of our work on compliance with the Corporate Sustainability Reporting Directive (CSRD).

In 2022/2023 we have updated our materiality assessment in accordance with the revised voluntary GRI standards and specifically 'GRI 3: Material Topics 2021'. We have also considered the, at that time, draft requirements from the European Sustainability Reporting Standards (ESRS) that apply under the CSRD.

We show how we link these to core capitals and translate them into our strategic priorities, with the ultimate goal of adding value to stakeholders. In the short term, our efforts generate non-financial and financial output every year and we quantify progress via a set of KPIs related to these material themes.

Across our value chain, including how we work with suppliers and clients, PwC has an impact on the Sustainable Development Goals (SDGs) and creates value for stakeholders. We strive to generate long-term value by working with suppliers to have a positive impact on people and the environment. This includes embedding sustainability considerations in supplier selection and procurement processes and engaging in a continuous dialogue on how to have a positive impact together. The greatest impact in the

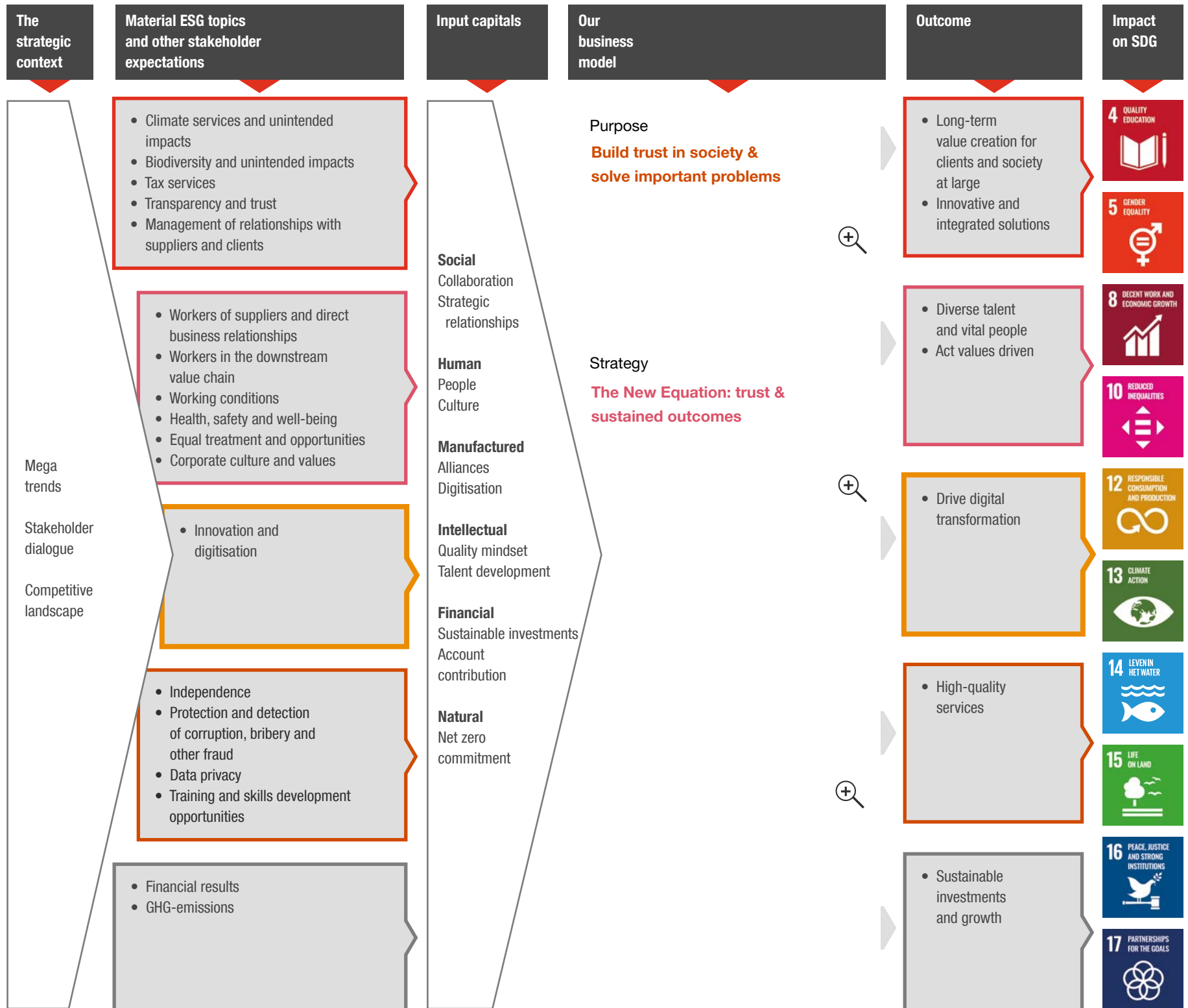
short and long term comes from our service delivery to clients as we help them improve their businesses and solve the issues that matter.

We use SDG impact measurement to define and monitor our value creation, using the UN SDGs and targets. See [Annual Report](#) page 34 for more detail.

Material topic	Main impact	Type of impact	Direction of impact
ESRS and economic topics	Description of material impacts	Actual or potential	Positive and/or negative
Climate change	Impact on climate change of scope 1, 2 and 3 GHG emissions from operations	Actual	-
	Impact on climate change of dedicated climate services and unintended impacts from services	Potential	+ / -
Biodiversity and ecosystems	Impact on biodiversity of dedicated climate services and unintended impacts from services	Potential	+ / -
Own workforce	Impact on employees of working conditions provided	Actual	+
	Impact on employees' health, safety and wellbeing	Actual	+ / -
	Impact on employees' right to equal treatment and opportunities	Actual	+ / -
	Impact on employees of training and skills development opportunities	Actual	+
Workers in the value chain	Impact on rights of workers of suppliers and direct business relationships	Potential	-
	Impact on rights of workers in the downstream value chain of dedicated workforce services and unintended impacts from services	Potential	+ / -
Business conduct	Impact on people and environment of corporate culture and values that promote responsible business	Potential	+
	Impact on people in the event of data privacy incidents	Potential	-
	Impact on society in the event of quality, including independence issues	Potential	-
	Impact on people and environment from management of relationships with suppliers and clients	Potential	+
Entity specific topics	Impact on society of sustainable tax services and unintended impacts from tax advice	Potential	+ / -
	Impact on society of prevention and detection of corruption, bribery and other fraud by services	Actual	+
	Impact on people and environment of services that promote transparency and trust in society	Actual	+
Economic	Impact on the economy of innovation and digitisation of services	Actual	+



Value-creation process



Our impact



Client focused

Business and societal challenges are becoming increasingly complex. That is why we need to bring together people with diverse skills, expertise 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.

Client focused	Material themes:	We are our clients' first choice on the issues that matter to them and their stakeholders
	Climate services and unintended impact*	<ul style="list-style-type: none"> • Have a clear focus on our clients and their stakeholders (including society) to stay relevant. • Build relationships at board level, strategic partnerships and with stakeholders; and have in-depth knowledge of what is important to them. • Understand the (ESG and digital) agenda of our clients. • Improve client engagement and experience; we are proactive and we listen, respond quickly and care. • Uphold (high-)quality services, and be trustworthy. • Lead by example (e.g. on ESG/digital/net zero).
	Biodiversity and unintended impact*	What is our impact
	Tax services	Finding the best solutions requires collaboration and the building of relationships with our clients and our stakeholders, and with each other. This is crucial if we are to provide high-quality services. Combining those relationships, knowledge and expertise with the right technology generates unprecedented opportunities. We arrive at better solutions when we look at how we can make things smarter from different backgrounds and angles. We take a leading role in the debate of societal relevant topics and share knowledge. We are associated with a variety of societal and professional organisations. We are transparent in our external reporting, even if it concerns a difficult subject.
Transparency and trust		How to reduce our negative impact
Management of relationship with suppliers and clients		<ul style="list-style-type: none"> • 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. • We have a <i>PwC NL Tax strategy</i> that gives guidance to all our people on tax matters and on how we act in relation to our clients and third parties we do business with. • We have a Third Party Code of Conduct that has been developed to set baseline expectations of our third parties across the worldwide network and help manage the risks associated with doing business with third parties.

* The potential impact we have on our clients is not measured yet.

Human-led, tech-powered

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.

Human-led, tech-powered	Material themes:	We leverage our technology assets, alliances and capabilities to make a difference for our clients
	Innovation and digitisation	<ul style="list-style-type: none"> • Be open to innovating our way of working, like with delivery centres. • Make technology and digital solutions an integral part of our service offering. • Accelerate our collaboration with alliance partners. • Continuously invest in digital capabilities and innovation.
		What is our impact
		We continually invest in our own digital transformation to enable PwC colleagues to combine human ingenuity with technology to deliver faster, data-driven and better outcomes for our clients. The Tomorrow 2.0 platform enables us to deliver integrated solutions in co-creation with the ecosystem. In addition, we drive our own digital transformation by digitising our processes and infrastructure.
		How to reduce our negative impact
		<ul style="list-style-type: none"> • We invest in the digitisation of our service offerings and delivery and our own processes and infrastructure, and the collaboration with technology partners. • We have a programme to enhance 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 upgrades and innovation. • We continue to invest in standardisation, automation and outsourcing non-judgemental work to contribute to improving quality of services.





Community of solvers

We aim to build trust and deliver sustained outcomes for our clients and society. To do so we bring our community of solvers together in many 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.

Community of solvers	Material themes:	We foster an inclusive and safe culture of collaboration where people feel valued and work with purpose, allowing us to attract, develop and retain the best and most diverse talent
	Workers of suppliers and direct business relationships*	<ul style="list-style-type: none"> Offer a distinctive development experience to attract, develop and retain the best, most diverse talent and continuously develop our skills (e.g. ESG/digital). Develop and inspire each other, and work with pride. Foster a culture of trust and collaboration within teams, BUs and with clients and stakeholders. Embrace diversity, and foster an inclusive culture and a safe (learning) environment. Work together with strategic partnerships, stakeholders and the global PwC Network.
	Workers in the downstream value chain*	<p>What is our impact</p> <p>We create an inclusive environment where innovation and providing integrated solutions are at the core of what we do. To retain talent and be fit for the future, we recognise the need to embrace an inclusive culture, adapting to the changing needs of generations, to be the employer of choice. We upskill our colleagues to improve their potential and changed our reward system. Our Global People Survey results (PEI, well-being and flexibility) are generally positive. We have high ambitions for gender equality, are reducing gender and cultural pay gaps, and have an ambitious well-being policy.</p>
	Working conditions	
	Health, safety and well-being	<p>How to reduce our negative impact</p> <ul style="list-style-type: none"> People make the difference: we focus on equal treatment and give our colleagues opportunities to grow and upskill. 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. 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 invest 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. We are working together in teams with diverse backgrounds and competencies within our firm and with our clients. The most important way to measure our success as an attractive employer is the annual Global People Survey, which allows our staff to (anonymously) tell us what they value in their work and where they see room for improvement.
	Equal treatment and opportunities	
Corporate culture and values		

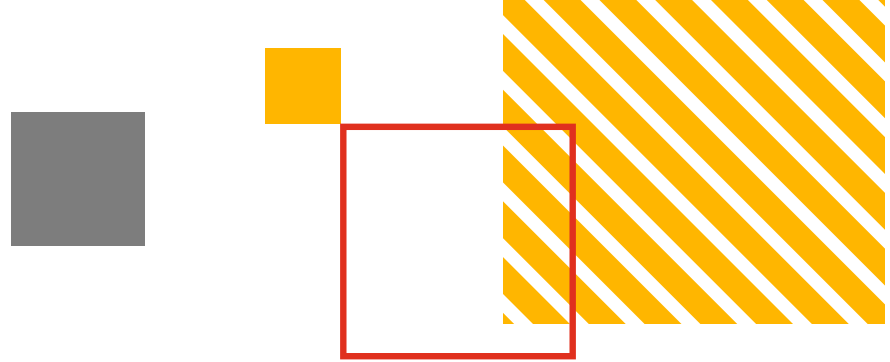
* The potential impact we have on our clients is not measured yet.

High quality

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

High quality	Material themes:	We are recognised for our commitment to high quality in everything we do
	Independence	<ul style="list-style-type: none"> Deliver high-quality services to clients and comply with applicable standards and policies.
	Protection and detection of corruption, bribery and other fraud	<p>What is our impact</p> <p>We deliver high-quality services to our clients. We build credibility and show that we are trustworthy. We anticipate relevant developments and changing risk perceptions. In line with SDG4 we upskill our colleagues and deploy outside-in perspectives to stay ahead and advise our clients. We want to provide the best quality in every aspect of our work. In doing so we have high internal standards to adhere to, like our Network Standards. Those standards address topics like information protection, anti-fraud & corruption, insider trading etc.</p>
	Data privacy	<p>How to reduce our negative impact</p> <ul style="list-style-type: none"> We only serve clients that fit our PwC values and have a financial crime risk rate that is acceptable on a net basis. We have Quality Management Systems (QMSs) in place to ensure we comply with laws and regulations, a.o. independence and data privacy. Internal monitoring of the operational excellence of the Quality Management System of our audit practice (LoS Assurance). An extensive description of our approach to further improve audit quality is included in our audit firm's Transparency Report. We monitor developments, stay in tune with oversight bodies and continuously improve our procedures and processes within the firm. We look at our lessons learned regularly to see if our controls and/or policy need to be refined or expanded.
Training and skills development opportunities		





Sustainable growth

Financial means are required if we are to enable sustainable investments and to successfully deliver on our purpose and strategy. That is why PwC strives for profitable growth. Sustainable growth is also about non-financial information, about achieving our goals in the field of ESG (e.g. diversity, integrity). Because we can only achieve financial growth if we practise what we preach.

Sustainable growth	Material themes:	We drive profitable growth as an enabler for investments and long-term competitiveness, to deliver on our purpose
	Financial results	<ul style="list-style-type: none"> • Develop and roll out our investment strategy. • Acceleration of growth propositions, innovation and new services. • Maintain focus on margin, delivery model and pricing.
	GHG emissions	<ul style="list-style-type: none"> • Deliver on our ambitions around ESG, digital, net zero and diversity.
		<p>What is our impact</p> <p>Financial capital is necessary to attract and retain the other types of capital. We are aware of the context in which we live and the uncertainties that influence our financial results. We continue to invest in quality and innovation of services and technical solutions in order to standardise our way of working and create a leading position in the market. We are aware of ESG challenges, how we use and conserve natural resources now and for future generations. We deliver sustained outcomes that have a positive impact on our operations, our colleagues and our services.</p>
		<p>How to reduce our negative impact</p> <ul style="list-style-type: none"> • Our goal is to become net zero with 2030 goals, in line with SDG13 (Climate action). • PwC is committed to decarbonising its operations, including its travel footprint, and neutralising its remaining climate impact by investing in carbon removal projects. We will also encourage our 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 goals.

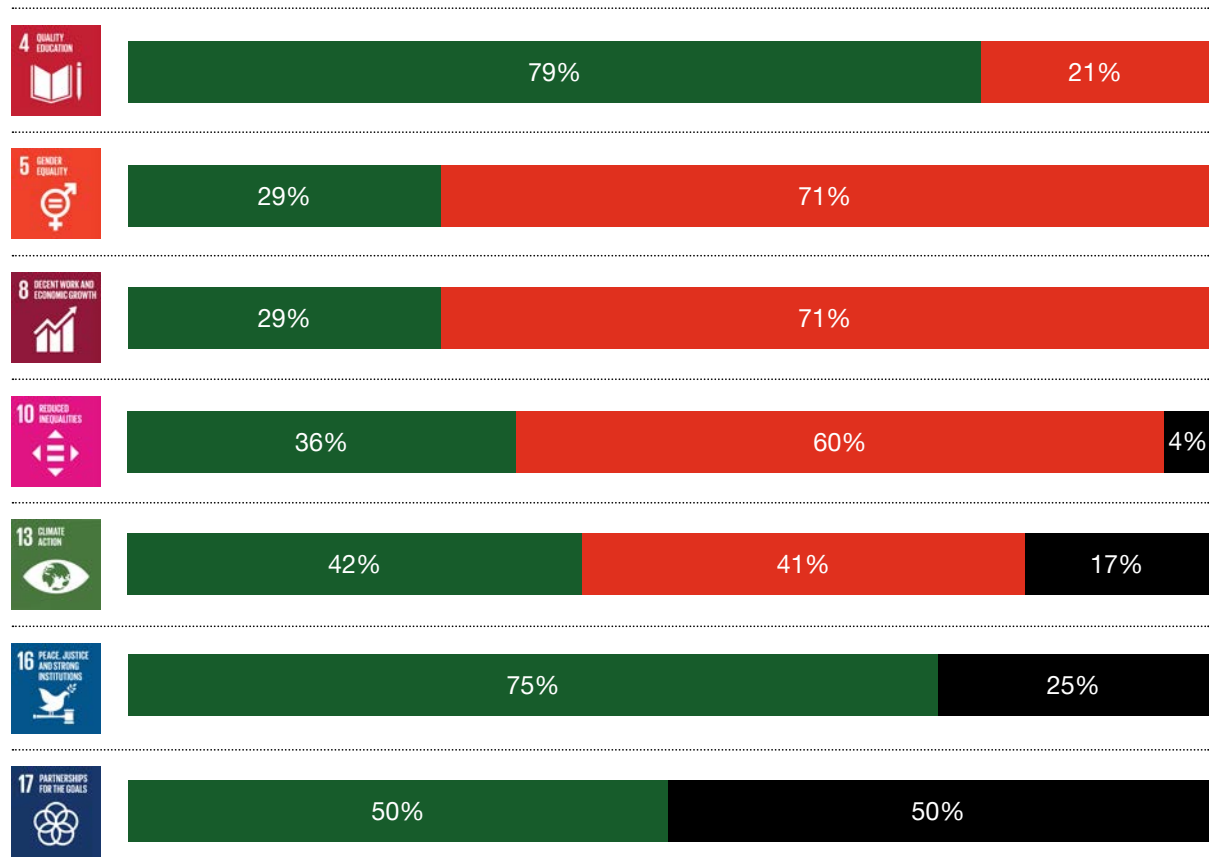


Overview results SDG Impact Measurement Annual Report 2022/2023

In this document we display in more detail the results of our SDG Impact Measurement as conducted for our Annual Report 2022/2023. The figure on this page shows a summary for our material SDGs.

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 for which no thresholds are defined. Examples are scores from the notifications submitted to the Business Conduct Committee and KPIs related to cultural backgrounds of support staff. Having these KPIs in our impact measurement allows us to monitor the development of the actual values on these KPIs over the 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 internal targets as thresholds. Our SDG Impact Measurement (SDG IM) thresholds are more ambitious than our overall PwC targets in a few cases such as gender equality. We use a 50% gender balance on all levels 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 8-11. The external auditor provided assurance on the outcomes presented in the figure on this page.

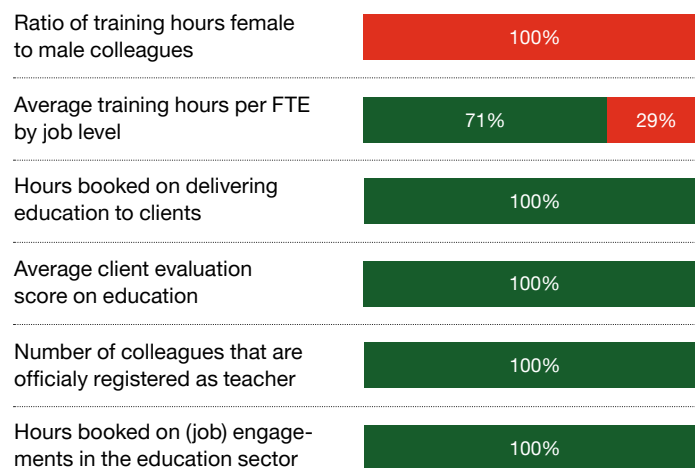


Appendix 1

Detailed results of our impact measurement



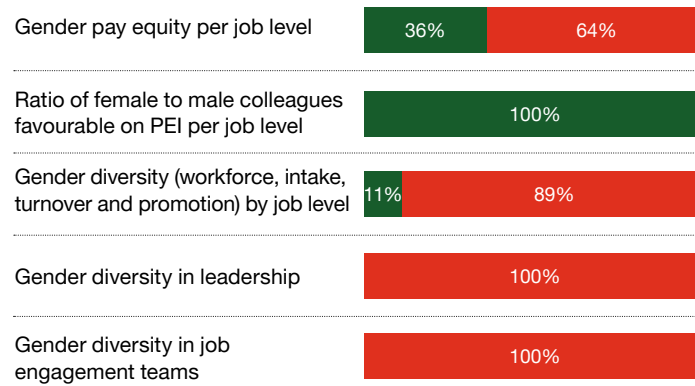
SDG4 - Quality education



- We offer an extensive Learning & Talent Development programme which contributes to SDG4: on average our male colleagues made more use of training than our female colleagues. The Learning & Talent Development programme provides more training opportunities to our colleagues than required by EU legislation or compared to the Dutch national average for corporations.
- We contribute to quality education by having various colleagues provide academic education alongside their work at PwC.



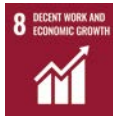
SDG5 - Gender equality



- Equal pay is the norm, whereby we consider a deviation of up to 5% acceptable (given calculation limitations). See [Annual Report](#) page 37 for the equal pay disclosure.
- The PEI increased compared to last year and is comparable between female and male colleagues, contributing to gender equality.
- We remain focused on our diversity targets, in among other things; intake, promotion and turnover, and take the necessary steps to meet them.
- The male/female ratio at the (Management and Supervisory) Board level and at other job levels represents, on average, a negative contribution to SDG5 as of 30 June. The appointment of three female supervisory board members on 1 July 2023 brought our ratio above 50%.
- We continue to stimulate a gender-balanced team composition in client-facing roles.

■ Positive ■ Neutral ■ Negative ■ Not calculated

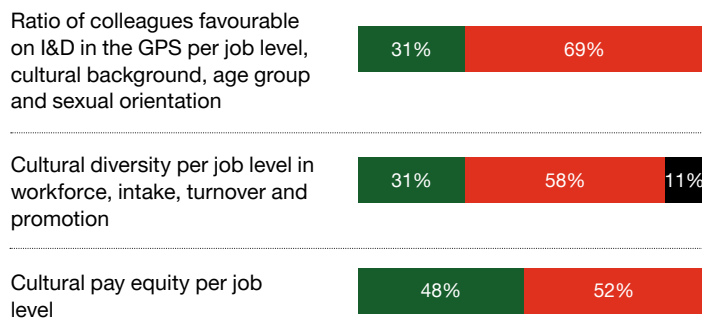




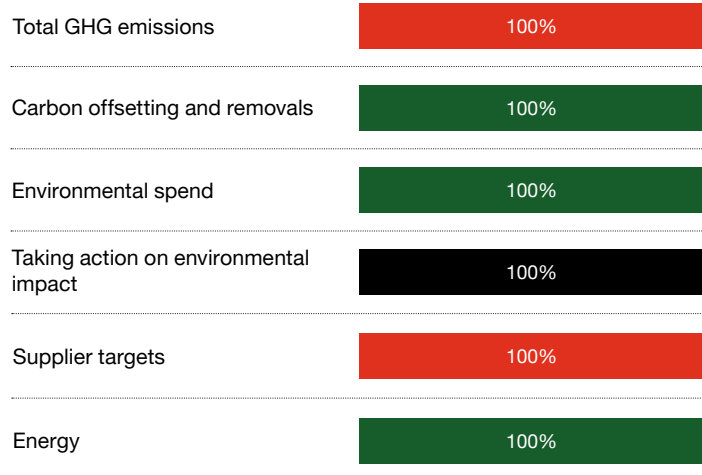
SDG8 - Decent work and economic growth



SDG10 - Reduced inequalities



SDG13 - Climate action



■ Positive ■ Neutral ■ Negative ■ Not calculated

- The threshold on our average yearly revenue per FTE has been raised to reflect (higher) internal targets. The 2022/2023 results have not met these thresholds, constituting a negative impact.
- Our sick leave decreased across all genders and backgrounds. While this translates into a positive impact in most areas, absence is still highest among female and non-western colleagues, and higher than the thresholds. This constitutes a negative impact on SDG8.
- We continue to see a positive score in the GPS on flexibility and well-being across all colleagues, job levels and backgrounds, which has a positive impact on SDG8. This is probably related to the increased well-being budget and improved flexibility of working hours.
- Our pro-bono work contributes to society by sharing knowledge and skills with impact-first organisations. We are transitioning towards larger pro-bono projects focused on equality of opportunity and climate where we can have a lasting impact. The number of hours committed to these organisations has increased over the past year. However, our hours are still less relative to the other firms in the bigger audit firms, resulting in a negative impact.
- Despite our efforts, we continue to encounter difficulties in fully achieving our cultural diversity objectives across various job levels. A cultural pay gap still exists in certain areas. However, utilising the data obtained from our GPS I&D-related inquiries, we can identify disparities across specific job levels, age groups, and cultural backgrounds. This is empowering us to take the measures necessary to address these deviations. Given that this will be a material topic under the CSRD, we expect increased attention on this topic in the future.
- We contribute, both positively and negatively, to SDG13 through a variety of ways.
- To reach our net zero commitment, we need to reduce our GHG emissions by 50% in absolute terms by 2030 and continue to move from carbon offsets to carbon removals (currently 50%) for the remaining emissions.
- We raise awareness about biodiversity and take various steps to realise our ambition of being net zero with 2030 goals. These include the use of the Environmental Footprint Insight dashboard, chairing the Anders Vliegen working group and flying on 100% sustainable aviation fuel. PwC office buildings comply with the 2023 energy-efficiency requirements defined by the Dutch government.
- The percentage of our suppliers that have science-based targets for emissions reduction is increasing, but still below our target for 2025.
- Our RE100 commitment along with hundreds of large global businesses who are committed to 100% renewable electricity. This means that 100% of our consumed electricity comes from renewable sources, including for the first time our self-generated electricity.





SDG16 - Peace, justice and strong institutions

Integrity (Complaints Committee and Business Conduct Committee)	100%
GPS score Leadership effectiveness (transparency)	100%
Reputation by favourable media coverage	100%
Stakeholder dialogue on purpose	100%

- Complaints to the Complaints Committee and notifications to the Business Conduct Committee indicate that our colleagues act with integrity and feel comfortable about speaking up for what's right. These indicators have no threshold and therefore get black scores in this impact measurement.
- The majority of our stakeholders state during dialogues that PwC builds trust in society and solves important problems.



SDG17 - Partnerships for the goals

Number of pro bono engagements for social enterprises	100%
Sponsorships by PwC	100%
Thought leadership and partnership to help solving important problems	100%
Investing in financial, volunteering and pro bono services	100%

- We contribute positively to SDG17 through our sponsorships, partnerships and support of social enterprises. We are considering extending long-term partnerships with several organisations to have an even larger impact.
- We monitor the extent to which our colleagues feel we invest in volunteering and pro-bono services via our Global People Survey. As this indicator does not have a threshold, the impact score related to these measurements is black in the figure.

■ Positive ■ Neutral ■ Negative ■ Not calculated



Appendix 2

Our SDG IM framework explained

Why we need the SDG IM framework

The SDG IM framework quantifies our contribution to the SDGs, gives insight into our impact and helps us reduce the negative impact. It also 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 impact throughout our value chain 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. The framework currently measures the impact of our operations and this year we continued the development of a framework to

measure the impact that we have throughout our value chain. 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 extended framework, we want to obtain insights into our upstream and downstream impact (positive, neutral or negative). We investigated the applicability of different possible methodologies to collect data and visualise the impact of our value chain.

Changes to the framework

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 deleted three indicators as they were no longer measured or steered upon and updated a few thresholds (e.g. average revenue growth, energy sourced from renewable sources according to the energy agreement '*Energieakkoord*'). No new KPIs were added. As the SDGs have been linked to our material topics, the KPIs previously reported under SDG7 and SDG12 are now reported under SDG13. The table below provides an overview of the changes made in the KPIs and thresholds, and why.



Our impact measurement framework in six steps

Further information and details can be found [here](#).

