



The 2024 Transparency Report

PricewaterhouseCoopers Consultores,
Auditores y Compañía Limitada

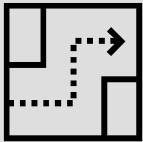


Contents



03

Message from
leadership



09

Our approach to
quality



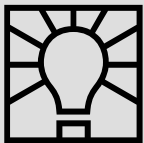
13

Cultures and values



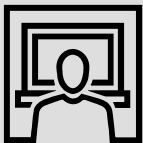
21

Our people



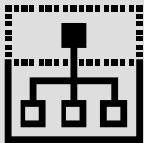
25

Our approach



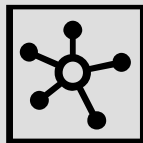
30

Monitoring



34

PwC Network



36

Legal and
governance
structure





Message from leadership



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Message from leadership



Welcome to our 2024 Transparency report

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 149 countries with more than 370,000 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

PwC's approach to building trust is designed to meet rising expectations of transparency, accountability and stakeholder engagement. It combines expertise in audit, tax and compliance activities with a drive to expand specialist capabilities in areas such as cyber security, data privacy, ESG and AI. It also recognises the importance of quality - and that reporting and compliance represent just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies and appropriate governance. It is part of our public interest commitment to consistently perform quality engagements and be transparent about our system of quality management.

Similar to building trust, delivering sustained outcomes requires us to work in an integrated way. Instead of taking a traditional technology-driven approach to transformation, PwC focuses on the outcomes that our work is seeking to achieve. To deliver the agreed outcomes, we then mobilise our expertise in areas including – among many others – strategy, digital and cloud services, value creation, people and organisation, tax, sustainability reporting, deals, business recovery services, legal and compliance.

Our strategy builds on our ongoing commitment to quality.



Message from leadership

The partners of PricewaterhouseCoopers Consultores, Auditores, y Compañía Limitada (PwC Chile), hereby present the Transparency report 2024, in the middle of a special year since we are celebrating 110 years in Chile. This document gives us the opportunity to show our stakeholders the way we work, as well as important figures that reflect our performance during the year. As you will see, this report also, reaffirms our commitment to quality in all areas.

Every year brings new challenges, but we are always preparing ourselves to deliver the best services to our clients, whether companies or individuals, and to address the diverse uncertainties the market and the economy present to us. In that regard, building trust in society and solve important problems is the purpose of more than 1430 employees which whom we address the mission of building and adding value to society. This commitment contributes to strengthen PwC's reputation and image, as well as building a better society. This differentiating role is developed by the experience of our members driven by our engagement to innovation and technology, making our Firm and people fundamental in what the PwC Network has called "The New Equation" a future that is human-led and tech-led.

All organizations and individuals who trust in our trajectory, capacity and expertise, compel us to act with the utmost responsibility to deliver the highest standards in the solutions we develop. This report reflects that commitment. Consequently, year after year, our contribution to society goes far beyond our purpose and that's why we are always seeking to be leading actors, either in instances to improve public policies, discussion forums on the most important topics for our country, relationships with our stakeholders, and of course, in supporting companies to be more efficient, transparent and productive.

Furthermore, I would like to share two relevant facts: the first one, is that as part of our Quality System, in November 2023 the [Independent Quality Advisory Committee](#) started to meet regularly. It is composed by three experienced members who have a deep understanding of the interests of both those who prepare the financial statements and auditors, as well as investors and regulators. The second one, is that aligned with our purpose, this year we presented the Trustworthy Study, based on what was done by PwC US, and adapted to local reality with an indicator that collected the opinion of 4.566 persons among directors, collaborators, and consumers which has had a great reception in the business and academic ecosystem enabling a relevant dialogue between clients and companies.

Finally, regarding the 110th anniversary of our firm, we want to emphasize that it is not easy to find companies that have those years of experience in our country. The time it's more than the half of the independent history of Chile. Being part of PwC is a great kind of pride also a high responsibility. We have in our core, the "flawless principle", which is nothing more than making the greatest effort to do the right thing. Please review our Transparency report 2024, which will provide you in depth of our commitment to PwC's values and DNA, our progress in talent managing and leadership and achievements that we have built. This report is prepared in accordance with the relevant UE regulatory requirements, in particular Article 13 of Regulation n° 537/2014 which covers our financial year 2024.



Renzo Corona
Senior partner



A message from our Assurance Leader

We share our Transparency report 2024, which was elaborated in a relevant period considering the international geopolitical contingency, inauspicious economic growth data at a local level, but also with challenges and opportunities for our firm in Chile.

In this scenario, our report shows the systems, processes and policies that we have implemented to maintain the quality of our work, as well as the sustainability of our meaningful results. Among other matters, this document presents the main Audit Quality Indicators (AQIs), which keep an eye on aspects ranging from the talent to compliance with the required training.

As part of our quality system, in November 2023 the independent quality advisory committee started to meet, currently composed by three experienced members who have a deep understanding of the interests of both those who prepare the financial statements and auditors, investors and regulators. The establishment of the committee made us the first Chilean firm that have independent advisors unrelated to the firm and its partners, focused on audit quality, providing a great contribution with fresh perspectives on old and emerging challenges. We have also incorporated the results of the inspection process carried out into the audit work, convinced that a good internal quality management system, with independent compliance, are key to moving our firm in the right direction.

Our independent audits have helped to face a higher risk environment, providing financial information and facilitating the proper operation of the local financial market, but we have also continued to strengthen our practice towards securing non-financial information including ESG indicators, always considering and updating ourselves to the new local and international regulations to attend the requirements of our clients.

Aligned with our purpose of building trust in society, this year we present the trustworthy study, based on what was done by PwC US and adapted to the Chilean reality, we have built an indicator with a triple view of executive directors, collaborators and consumers, which has had an excellent reception in the business and academic ecosystem, generating analysis, dialogue and strengthening companies.

As the audit business is a fundamental feature for our brand in the country, we have continued over time a multidisciplinary team development, always enhancing the digital and technological skills of our professionals to address the challenges of our clients with senior quality.

We have a very important role in the market, built on dedication, commitment and professionalism. In that regard, we are glad to share this report with our stakeholders to let them know more about us, our purpose and what we have achieved this year.



Fernando Orihuela
Assurance Leader

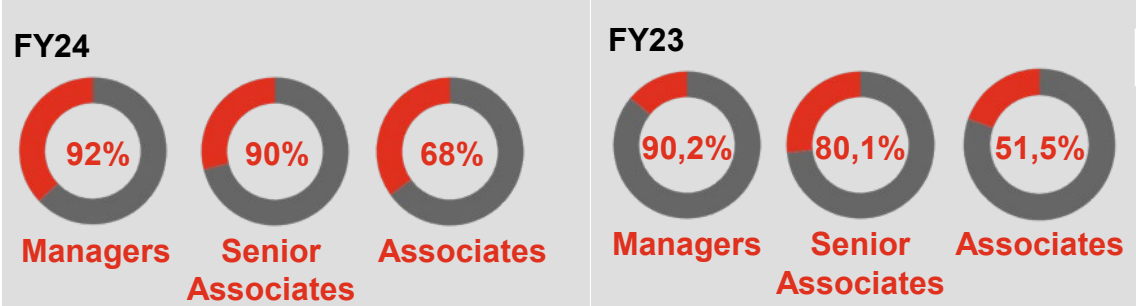
Year in review

| Partner and staff survey | Audit quality reviews - external | 2024 PCAOB inspection report |
|--|---|---|
| <div>84%</div> <div>of our staff and partners participated in our Global Pulse Survey.</div> <div>83%</div> <div>of the respondents believe they are encouraged to deliver high quality audits</div> | <div>Results from Audit and non-Audit Engagement Compliance Review performed by PwC International Team (number of engagements reviewed)</div> <div><div><div>FY24</div><div>13</div></div><div><div>FY23</div><div>13</div></div></div> <div>CompliantNon-Compliant</div> | <div>Number of audit quality reviews performed by the PCAOB and results</div> <div><div>0</div><div>Audits included in Part 1</div><div>0</div><div>Audits inspected</div></div> <div><div>Restatements</div><div><div>0</div></div><div>Number of financial statement restatements involving PIE audits due to material errors</div><div>0%</div><div>Percentage of restatements of financial statement for issuer audit clients</div></div> |
| <div>Audit quality reviews - internal inspections</div> <div><div>100%</div><div>100%</div><div>100%</div></div> <div>FY24FY23FY22</div> <div>CompliantCompliant with improvements required</div> | | |
| <div>Our system of quality management</div> <div>Number of hours spent on monitoring</div> <div>+2000 hours</div> | <div>19 quality findings in FY24</div> <div>12 Quality findings identified and remediated; 7 Quality findings in progress for remediation.</div> | <div>Real time reviews (internal)</div> <div>Number of audit engagements included in the real time review program</div> <div>20 audit engagements</div> <div>With over 5,250 hours spent by a fully dedicated team</div> |
| <div>Assurance Training FY24</div> <div>Average hours achieved by partners and staff</div> <div><div>5271123</div><div>onlineclassroomtotal</div></div> <div>Total hours completed</div> <div>76,033</div> | <div>Assurance Training FY23</div> <div>Average hours achieved by partners and staff</div> <div><div>722799</div><div>onlineclassroomtotal</div></div> <div>Total hours completed</div> <div>61,599</div> | <div>Auditing and accounting training hours</div> <div>Number of hours of auditing and accounting training mandated by PwC annually</div> <div><div>Partners</div><div>21,6</div><div>Managers</div><div>23,2</div><div>Senior Associates</div><div>95,2</div><div>Associates</div><div>121,9</div></div> <div>0102030405060708090</div> |

Year in review

| Leveraged ratio of audit-related hours for audit team members | | | | | | | | | | | | | | | | | |
|---|----|---------|---|----|------|------|----|-----|---|------|-----|---|----|------|--|--|--|
| | | FY24 | | | | FY23 | | | | FY22 | | | | FY21 | | | |
| Partners | to | Manager | 1 | to | 3.2 | 1 | To | 4.0 | 1 | To | 4.0 | 1 | To | 4.0 | | | |
| Manager | to | Staff | 1 | to | 4.5 | 1 | to | 4.0 | 1 | to | 4.0 | 1 | to | 4.0 | | | |
| Partners | to | Staff | 1 | to | 14.4 | 1 | to | 16 | 1 | to | 14 | 1 | to | 14 | | | |

Average retention rate by staff level



Technical support

1 to 7

Ratio of partners serving in technical support roles to the total number of audit partners



Experience of our partners

Partners' average years of experience at PwC

17,8 years

Please see the full report for additional information regarding the data points shown. [Electronic users may click on the data points to navigate to additional information.](#)





Our approach

to quality



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Our approach to quality



International Standard on Quality Management 1 (ISQM 1)

In December 2020, the International Auditing and Assurance Standards Board (IAASB), approved and released three new and revised standards that strengthen and modernise a firm's approach to quality management, including the International Standard on Quality Management (ISQM 1). This standard which became effective 15 December 2022 required all firms to have designed and implement the requirements of the standard and evaluate their System of Quality Management (SoQM) under the new standard by 15 December 2023.

ISQM 1 is an objectives-based approach that expects firms to have a system of quality management (SoQM) that operates in a continuous and iterative manner taking into consideration the conditions, events, circumstances, actions and inactions that impact a firm. It enhances the firm's responsibilities around monitoring and remediation, emphasising the need for more proactive, real time monitoring of the SoQM, a more effective, efficient, and timely root cause analysis process, and timely and effective remediation of deficiencies.

ISQM 1 states that the objective of the firm is to design, implement and operate a SoQM that provides the firm with reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

The standard goes on to say that the public interest is served by the consistent performance of quality engagements and that this is enabled by an effective system of quality management.



A specific focus on audit quality across the Network

The PwC Network's Assurance QMSE framework

Delivering high-quality work is at the heart of what we do at PwC; it is what our stakeholders rightly expect of us.

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC Network has established the Quality Management for Service Excellence (QMSE) framework which integrates quality management into how each firm runs its business and manages risk.

The QMSE framework is designed to align with the objectives and requirements of ISQM 1 and provides a model for quality management in PwC firms that integrates quality management into business processes and the firm-wide risk management process. Under QMSE, our overall quality objective is supported by a series of underlying quality management objectives and each firm's SoQM should be designed and operated so that the overall quality objective, which includes meeting the objectives and requirements of ISQM 1, is achieved with reasonable assurance.



Overall quality objective

To have the necessary capabilities in our organisation and to deploy our people to consistently use our methodologies, processes and technology to deliver services in an effective and efficient manner to fulfil the expectations of our clients and other stakeholders

Integrated and aligned in the right way

Our SoQM includes quality objectives are identified from the following components of ISQM 1 as well as any additional objectives the PwC Network has identified in the QMSE framework:

- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication

To help us achieve these objectives, the PwC Network invests significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

Our approach to quality

These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that each firm tailors to reflect our individual circumstances. Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

The Quality Management Process

The achievement of these objectives is supported by a **quality management process (QMP)** established by our firm and Assurance leadership, business process owners, and partners and staff. This quality management process includes:

- identifying risks to achieving the quality objectives
- designing and implementing responses to the assessed quality risks
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators
- continuously improving the system of quality management when areas for improvement are identified by performing root cause analyses and implementing remedial actions and
- establishing a quality-related recognition and accountability framework to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations through consistent and transparent use in appraisals, remuneration, and career progression decisions.

This involves the integrated use of Assurance Quality Indicators to aim to predict quality issues, Real Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues and a Recognition and Accountability Framework to reinforce quality behaviours, culture and actions



Our firm's system of quality management

Our system of quality management (SoQM) must be designed, implemented and operating on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment. This is our Quality Management Process (QMP).

Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objective taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.

Our risk assessment process

The past several years have seen unprecedented challenges and our firm's SoQM has helped us navigate and respond to the impact that identified factors had on our ability to achieve the overall assurance quality objective - to deliver quality audit engagements. Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework. We consider how and the degree to which a condition, event, circumstance, action or inaction may adversely affect the achievement of the quality objectives which may result 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 the firm's SoQM, including the risk responses

A quality risk is one that has a reasonable possibility of occurring and individually, or in combination with other quality risks, could adversely affect the achievement of one or more quality objectives.

Every year, we carry out a process of reviewing and updating any new risk factors that may affect quality objectives. In FY24, some risk factors were identified, such as the impacts associated with cybersecurity, compliance and greater relevance of ESG and learning integrity aspects, among others. These quality risks were analyzed and integrated into our QMSE risk matrix with their respective mitigation responses. Our SoQM is designed under a focus of continuous monitoring of risk factors and a remediation process that allows timely and corrective actions to be taken on quality observations, all aligned with ISQM1.

Our firm's system of quality management



Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

22 AQIs have been implemented and monitored on a quarterly basis. The AQI provides useful insight to identify a potential quality issues or major deviations in our quality processes based on defined thresholds. Relevant AQIs are related to monitoring for example, non-attendance mandatory training, independence exceptions, percentage of rotation of our professionals, workload, non-complaint engagements, among others.

Throughout this transparency report, we have provided insight into the policies and procedures we have designed, implemented and are operating to reduce the quality risks we have identified to an acceptable level and help us achieve reasonable assurance over the firm's SoQM.

As mentioned above, some of our policies and procedures are provided by the PwC Network which we have assessed to determine that these resources are appropriate for use as part of our SoQM and in the performance of engagements. The following sections of the report cover the following ISQM 1 quality objectives:

- Cultures and values – Governance and leadership, relevant ethical requirements, acceptance and continuance of client relationships and specific engagements
- Our people – Human resources
- Our approach – Intellectual and technological resources, engagement performance, information and communication

Our monitoring and remediation process

In the section, Monitoring, found on page 30, we have described the types of ongoing and periodic monitoring our firm has designed, implemented and are operating to provide relevant and reliable information about our firm's SoQM and to help us take appropriate actions over any identified deficiencies so we can remediate those deficiencies effectively and on a timely basis. To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and are operating a root cause analysis program that is described further on page 33.

The information gathered from our monitoring and remediation process along with other sources of information, such as external reviews, is used to help us evaluate our SoQM.

Statement on the firm's system of quality management

During the year, we completed our evaluation of the firm's system of quality management under ISQM 1. On behalf of PwC Chile, Country Senior Partner, Territory Assurance Leader and Assurance Quality Leader have evaluated whether our firm's SoQM provides us reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Based on all the relevant information of the firm's SoQM, as of June 30, 2024, we believe our SoQM provides us with reasonable assurance that the quality objectives of ISQM1 noted above have been achieved.



Cultures and

values



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Our culture and values



Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of more than 370,000 people. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.



Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a comprehensive system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As the services that our network provides change and develop, and the needs and expectations of our stakeholders also change, the PwC network is continually reviewing and updating the scale, scope and operations of our PwC firms' systems of quality management and investing in programmes to enhance the quality of the services that the PwC network provides.



Our firm's commitment to quality



Leadership and tone at the top

Our purpose and values are the foundation of our success. 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, including guiding our leadership actions, and how we deliver 'trust in what matters'.

Trust in what matters

Today companies are judged on far more than financial outcomes. A company's performance in areas like ESG, cybersecurity, can affect its reputation, staff retention, access to capital, and ultimately enterprise value.

That's why we're evolving our assurance offering to provide confidence not just in companies' financial statements but in their broader impact.

We call this 'trust in what matters.' We apply rigorous standards to analyse companies' performance on issues such as climate and diversity. This helps companies demonstrate their progress, enabling these firms to build trust, enhance their corporate reputations, and grow enterprise value.

We encourage our clients to understand what matters to their stakeholders, and we deliver assured information about the company's performance on these measures. We believe that if it needs to be trusted, it needs to be assured. High-quality assurance heightens accountability and trust while giving companies a robust basis for tracking and working to improve their performance.

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

This culture is supported by appropriate tone at the top through regular communication from leadership to all partners and staff about the firm's commitment to quality. Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements. Leadership and engagement partners take the lead on these actions as they role model the expected behaviours in interactions with clients and teams. We measure whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our quality objectives. 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.



Audit Quality Measures

- People Engagement Index scores: 77%
- Quality Behavior Index scores: 73%



Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high-quality culture. Our RAF has been designed to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations by holding Partners, including non-Partner Engagement Leaders accountable for quality behaviours and quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies.
- **Behaviours:** We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective
- **Interventions/recognition:** We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality.
- **Consequences/reward:** We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives.

PwC Chile uses the RAF to appropriately reinforce the firm's quality objectives and the right quality behaviours including the key inputs and outputs of the rest of the quality management process.



Ethics, independence and objectivity



Ethics

At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:

- i. **Integrity** – to be straightforward and honest in all professional and business relationships.
- ii. **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- iii. **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- iv. **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, 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, nor use the information for the personal advantage of the professional accountant or third parties.
- v. **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firms and partner's taxes, sanctions laws, internal audit and insider trading. 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 annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff comply with the standards developed by the PwC Network and leadership in PwC Chile monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Chile has adopted PwC's Global Code of Conduct, Network Standards and related policies that clearly describe the behaviours expected of our partners and other professionals-behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, PwC Chile provides an overview of the PwC Global Code of Conduct and the expected behaviours for all partners and staff, who should follow these expectations throughout their professional careers at our firm. As part of the values and expectations in the Code, they also have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition, every partner and staff are required to complete new hire training, which covers the ethics and compliance network standards, including ethics and the Code of Conduct.

PwC has implemented a network-wide confidential ethics helpline for the reporting of questions or concerns related to behaviours that are inconsistent with the Code of Conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for their confidential matters and investigations. The ethics helpline is also available for third parties, including clients. The ethics helpline allows our partners, staff and third parties to feel safe raising a question or concern without fear of retaliation.

The PwC Code of Conduct and the ethics helpline are available on-line for all internal and external stakeholders at <https://www.pwc.com/ethics>.

PwC Chile has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.



Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, the Policy identifies key areas where an SEC requirement is more restrictive. Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to, or instead of, the Policy in the associated paragraph. PwC Chile has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The partner is supported by a team of independence specialists. The PRI reports directly to The Territory Senior Partner.

Independence policies and practices

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

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g., bank accounts and loans by partners, staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit partners.

These policies and processes are designed to help PwC firms comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

PwC Chile supplements the PwC Global Independence Policy as required by local regulations where they are more restrictive than the network's policy.

Independence-related systems and tools

As a member of the PwC network, PwC Chile has access to a number of systems and tools which support PwC firms and their personnel in executing and complying with their independence policies and procedures. These include:

- The Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of clients of the PwC firm and those of other PwC firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and the Authorisation for Services system;
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and managerial practice staff before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client or there is a change in the restriction status of a security, this system automatically informs those holding relevant securities of the requirement to sell the security where required;
- Authorisation for Services (AFS) which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service.

Independence-related systems and tools, continued

- Joint Business Relationships (JBR) which is a global system used to clear joint (close) business relationships from an independence perspective. JBR is used to facilitate PwC firms' compliance with JBR requirements for new and existing joint business relationships. It assists independence specialists in gathering information to assess, from an independence perspective, the permissibility of proposed joint business relationships and in monitoring the continued permissibility of previously approved existing joint business relationships;
- My Compliance Dashboard (MCD) which is a global compliance system that facilitates annual compliance confirmations, engagement independence confirmations and reporting; and
- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g., those set by regulation or professional requirements) where the breach has cross-border implications (e.g., where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code or relevant independence regulations.

PwC Chile also has a number of Chile-specific systems which include:

- A rotation tracking system which monitors compliance with PwC Chile audit rotation policies for engagement leaders, other key audit partners involved in an audit; and
- A database that records all approved close business relationships entered into by The PwC Chile. These relationships are reviewed on a six-month basis to ensure their ongoing permissibility.

Independence training and confirmations

PwC Chile provides all partners and practice staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on PwC Chile independence policy and related topics. Additionally, face-to-face training is delivered to members of the practise on an as-needed basis by PwC Chile's independence specialists and risk and quality teams.

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the PwC firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for every client.

Independence monitoring and disciplinary policy

PwC Chile is responsible for monitoring the effectiveness of its system of quality management in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes;
- Personal independence compliance testing of a random selection of, at a minimum, partners and practice managers as a means of monitoring compliance with independence policies; and
- An annual assessment of our firm's adherence with the PwC network's standard relating to independence.

The results of PwC Chile's monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

PwC Chile has an Accountability Framework and supporting disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the PwC firm and the engagement team and the need for actions or safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The PwC firm also follows supplemental local requirements relating to the reporting of breaches. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Chile's systems and processes and for additional guidance and training.

Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary. The policies and processes we have in place emphasise risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.



Client and Engagement Acceptance and Continuance

PwC Chile has a process in place to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance). Acceptance facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client, or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation, by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

PwC firms (including PwC firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance.





Our

people



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Our people



People strategy

Our people strategy was developed in support of our broader business strategy, The New Equation. We are focused on being the world's leading developer of talent and enabling our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the well-being of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

Our primary objective is to serve as a strategic partner to our internal clients by implementing technology driven tools and processes that enhance productivity and efficiency.

We aim to being recognized as a top workplace in our industry, driven by our culture, diversity, values and commitment to merit. For the first time, PwC Chile has been included in the Merco's ranking of the top 100 Chilean companies for attracting and retaining talent. This is a huge achievement that reinforces our appeal to have the best professionals in the field.



The PwC Professional

The PwC Professional is the set of behaviours we expect of all our people, at all levels, to demonstrate with each other and with our clients and other stakeholders. When we focus on the behaviours that guide our interactions, we create opportunities to build trust and empower our teams to deliver distinctive outcomes. This is how we build trust in society and solve important problems.



Audit Quality Measures

- Average staff retention rate: 82%
- Partner and manager hours in relation to total engagement hours: 23%
- Average planned utilisation in hours: 70%
- Actual utilisation in hours: 75%



Our people



Inclusion and diversity

At PwC, we're an organisation that fosters a culture of belonging and equity where our diverse workforce can thrive and feel like they belong. We do this by delivering on our Inclusion First strategy, which is centred on action, accountability and advocacy, in each of our member firms, across the PwC network.

We embrace and encourage differences and help our people actively develop the skills to work and lead inclusively with our focus on gender equity, disability inclusion, LGBT+ inclusion and social inclusion. Underpinning this is ensuring our systems and behaviours are inclusive.



Recruitment

PwC Chile aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the firm in FY24, we recruited over 376 new people, including 372 university graduates



Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.



Feedback and continuous development

Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. Feedback on performance and progression is collected via our Snapshot tool, a simple, mobile-enabled technology. We also use Workday to give and receive upward and peer feedback. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm



Career progression

PwC Chile uses The PwC Professional, our global career progression framework, which sets out clear expectations at all staff levels across five key dimensions. The framework underpins all elements of career development and helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's Team Leader to discuss their development, progression and performance.



Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent. PwC Chile has adopted strategies to impact on retention positively such as: Change of offices; PwC DNA (Training Program); and Teamwork plan (based on GPS results).



Global People Survey

Each PwC firm participates in an annual Global People Survey, administered across the network to all our partners and staff. PwC Chile is responsible for analyzing and communicating results locally, along with clearly defined actions to address feedback.

For this fiscal year, the participation of the firm's employees increased by 4%, which allows us to have representative data to be able to carry out concrete actions.

Regarding our Code of Conduct, the GPS results indicate that the standard is maintained with respect to the perception that we all work with an ethical code of conduct.

Learning and education



Professional Development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom, virtual classroom and on-demand learning, and on-the-job real time coaching/development. Our flexible training portfolio facilitates personalized learning with access to a variety of educational materials that range from webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualized path to promotion and support them in prioritizing and managing their time more effectively when preparing for professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.



Audit Quality Measures

- Average training hours per audit professional: 123 hours.
- Mandatory training attendance: 99%



Continuing education

We, and other PwC firms, are committed to delivering quality assurance services around the world. To maximise consistency in the network, the formal curricula, developed at the Network level, provide access to training materials covering the PwC audit approach and tools, as well as areas of audit risk and areas of focus for quality improvement. This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support. The curricula supports our primary training objective of quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset. The design of the curricula allows us to select, based on local needs, when we will deliver the training. Our Learning & Education (L&E) Leader along with Sub-Line of service leaders define what additional training is appropriate – technical or non-technical- to address any additional specific local needs. In this regard, L&E adds details specific to our local needs by developing tailored programmes, while also utilizing training programmes used from other Network groups (e.g., GAQ-CRS training on IFRS) and externally sourced training, covering both technical and non-technical training.

For the upcoming FY, alongside technical and non-technical trainings, one of the strategic cornerstones defined by our firm is to expand training in leadership, coaching and teamwork. This is what we called our "DNA Project." In this regard, the skills we aim to develop are directly align with our corporate DNA, our values, practices, and conduct. Finally, we are working on technology trainings focused on data analytics such as Alteryx, Power BI, among others.



Our training investment in people

Assurance Training FY24

Average hours achieved by partners and staff

| | | |
|--------|-----------|-------|
| 52 | 71 | 123 |
| online | classroom | total |

FY24 Total hours completed
76,033

Assurance Training FY23

Average hours achieved by partners and staff

| | | |
|--------|-----------|-------|
| 72 | 27 | 99 |
| online | classroom | total |

FY23 Total hours completed
61,599

Mandatory
training
attendance

99%

Of partners and staff have
completed all mandatory training
attendance in FY24



Our

approach



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Our approach

As a member of the PwC network, PwC Chile has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.



Tools and technologies to support our audit



Our technology

Aura, our global audit documentation platform, is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real time dashboards show teams audit progress and the impact of scoping decisions more quickly.

Connect is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations- in real time.

Connect Audit Manager streamlines, standardises and automates group and component teams coordination for group and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.

Instructions Tool automates and standardises the creation of interoffice instructions based on reporting and specific engagement requirements.

Halo, our data auditing tools, address large volumes of data, analysing whole populations to improve risk assessment, analysis and testing. For example, Halo for Journals enables the identification of relevant journals based on defined criteria making it easier for engagement teams to explore and visualise the data to identify client journal entries to analyse and start the testing process.

Count, which facilitates the end-to-end process for observing inventory counts, allows our engagement teams to create and manage count procedures, counters to record results directly onto their mobile device or tablet and engagement teams to export final results into Aura.

PwC Confirmations, our global, secure, web-based confirmation platform providing a guided experience to preparing, sending, monitoring and receiving electronic and paper responses for our auditors and third-party confirmers as well as a dashboard view to assist in status updates. The Confirmer portal allows confirmers to easily navigate and provide responses.

Halo Platform enables our engagement teams to manage all data extractions, executions and storage for all applications through one central location, allowing our engagement teams to monitor the status of data uploads and use the acquired entity data for multiple applications during the audit.

Assisted Disclosure Checking allows users to match disclosure requirements (checklist) to disclosures within the entity's financial statements, including the primary statements and the related footnotes.



Our next generation audit

As part of our commitment to building trust and delivering sustained outcomes, the PwC network is investing in a multi-year effort to deliver a new global audit platform to power our next generation audit, ultimately replacing our legacy technologies such as Aura and Connect. By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise, and automate our audit work. PwC's investment will accelerate ongoing innovation and enable us to respond to changing stakeholders' needs while taking advantage of emerging technologies, including generative AI, providing a transformed audit experience focusing on continuous quality enhancement. PwC's vision for NGA is to provide efficient, robust and independent assurance and audit insights across financial and non-financial information, helping to build trust in what matters to our stakeholders. As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience.

There have been significant investments across the PwC network into Generative AI as we seek to reimagine how we further enable our people by leveraging the power of AI. We are focused on promoting a culture of responsible usage of AI while supporting ongoing interest and quickly evolving potential use cases for AI including Generative AI.





Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their direction, supervision and review responsibilities as part of the normal course of the audit.



Confidentiality and Information Security

PwC Chile is aligned with PwC Network's information security policies, which allow us to establish the standards required to comply with our obligations to clients, suppliers and third parties, as well as with regulatory frameworks. Confidentiality and information security are key elements of our professional responsibilities as a firm to meet and achieve excellence in service. The elements related to the security and confidentiality of information are evaluated as part of our system quality management, allowing us to identify any risk that may be relevant to the member firm in the provision of services. Our focus on protecting the security and confidentiality of our clients, suppliers and third parties requires a holistic and collaborative approach to reduce risks in an increasingly challenging technological environment. Our continuous improvement model through regular assessments of our controls allow the compliance with our information security policy, strengthen our security organization, align with industry best practices and improve our internal control frameworks.

Data Privacy

PwC Chile is committed to the privacy and protection of personal data. Complying with PwC standards and regulatory frameworks is our priority to sustain responsibility with the data and requirements of our clients, suppliers and third parties. Member firm is aligned with PwC Network's data policy and information protection standard, developing an information protection program that allows us to establish a secure data life cycle. The new regulatory requirements in the territory will allow us to consolidate our position on privacy, strengthening our data governance to continue building a solid culture in terms of protection and privacy, always working to respect the rights of data owners.

Information Security

Information Security is a high priority for the PwC Network. Our firm is accountable to our people, clients, suppliers, and other stakeholders to protect information that is entrusted to us. Failure to protect information could potentially harm the individuals whose information our firm holds, lead our firm to suffer regulatory sanctions or other financial losses, and impact the PwC reputation and brand. As such, our firm complies with the Information Security Policy which outlines the minimum security requirements for all PwC Firms.





Evolving delivery model

The Assurance Tasking Team (ATT) is a project that aims at formalizing the structure of remote work or teleworking that our assistants have been doing since the beginning of the pandemic (COVID-19). Through the use of available technological and methodological tools, with a high focus on quality and efficiency, ATT seeks that the Audit teams in the field focus their efforts on tasks that are perceived with added value by our clients, centralizing all those activities that involve a low level of risk, do not require a high level of professional judgment and are highly routine, in a team of assistants specialized in this type of tasks (Audit Assistants B). ATT has improved the way we efficiently manage our resources.



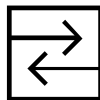
National Technical function

PwC Chile provides to the engagement teams use expert knowledge and specialists in the performance of engagements. Perform an ongoing assessment of risks to achieving the expert knowledge objective and develop appropriate responses to address those risks. All of the above is the responsibility of the Assurance consultation system team (ACS).



Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, coach the team and maintain audit quality. Engagement teams utilise Aura which has capabilities to effectively monitor the progress of the engagement to determine that all work has been completed and reviewed by appropriate individuals, including the engagement leader.



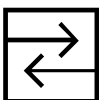
Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the member firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, significant risks and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.



Consultation culture

Although we are confident that our members use the appropriate skills, methodologies and experience to deliver distinctive quality, to find specialized assistance when appropriate is essential to our firm. Our firm has significant policies to empower our members to speak up to raise any disagreement relating to significant accounting matters. Whether there might be ignorance, doubts or interpretation needs, at PwC Chile, good risk management involves consultation with experts by sharing our doubts with others. Our firm also has an open doors policy: all partners and professionals from a superior position must maintain the predisposition to resolve doubts from any member of PwC Chile. Actually, the first source in consultation processes happens inside of each team by the understanding that no one should take decisions on their own. In order to facilitate the consultation processes, the Technical Committee uses a system to manage and control the technical consultation process, in which the query is initiated with the required background information and assigned for review. Once the Technical Committee has reviewed the consultation, it is approved by the Partner and sent back to the audit team for its implementation. Subsequently, the team must attach on the same basis the evidence that the guide has been implemented.



Differences of opinion

If there are differences of opinions, these are reviewed with the ACS team. In more complex situations, the assurance and risk leader could participate. As a firm we have obtained few cases regarding difference of opinion, but if situations of this nature exist, we have formal protocols to address these situations.



Monitoring



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Monitoring



Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of PwC Chile. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

Our firm's monitoring includes an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards (also referred to as our ongoing monitoring). This includes the use of Real-Time Assurance.



Audit Quality Measures FY24

- Total number of ECRs: **13**.
- Number of ECRs rated as Compliant: **13**, Compliant with Improvement Required: **0**, Non-Compliant: **0**.
- ECRs rated as Compliant: **100%**, Compliant with Improvement Required: **0%**, Non-Compliant related to total number of ECRs: **0%**.
- Financial statement restatements involving PIE audits due to material errors: **0**.
- Frequency and impact of accounting errors (that may not result in restatements): **low**.

Restatements

0 Number of financial statement restatements involving PIE audits due to material errors: **0**



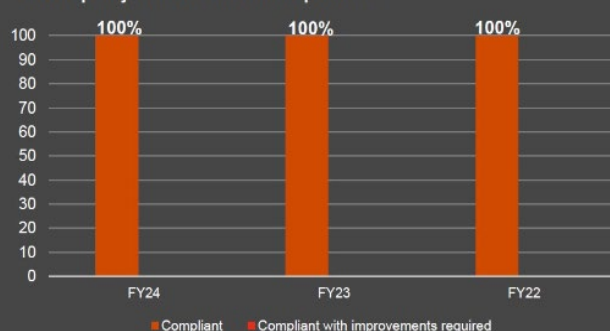
Aim to Prevent: Real Time Assurance

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.

Our firm's monitoring procedures include an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards. This includes the use of Real Time Assurance (RTA). The RTA programme is designed, implemented and operating to identify potential engagement quality issues in real-time to (a) support resolution before those issues become quality findings and (b) coach engagement teams to consistently deliver quality services and is appropriately integrated with the rest of the quality management process.

RTA programme uses experienced practitioners or R&Q professionals as reviewers. RTA programme provides other benefits to audit quality by providing additional coaching to engagement teams and identification of shareable practices.

Audit quality reviews - internal inspections

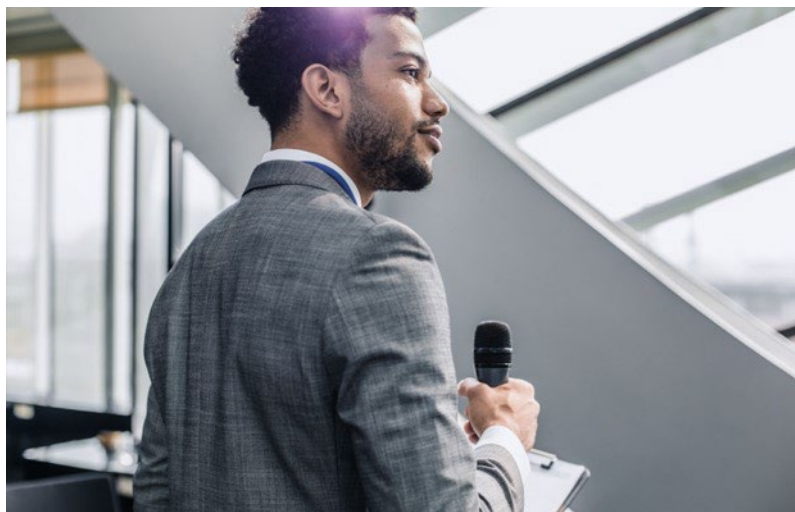


Monitoring

In addition to the ongoing monitoring noted above, our monitoring also encompasses periodic assessment of our SoQM which includes the review of completed engagements (Engagement Compliance Reviews - ECR), as well as periodic monitoring of our SoQM by an objective team within our firm. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM. ECRs are performed under a network-wide inspection programme based on professional standards and PwC audit methodology.

ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit, non-audit assurance or related services reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each signer is reviewed at least once every 2 years, unless a more frequent review is required based on the profile of that signer's client engagements.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers may be sourced from other PwC firms if needed to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.



Audit Quality Measures

- Total number of file reviews by external regulators: 0
- Number of file reviews by PCAOB: 0
- Number of file reviews by other external regulators resulting in non-compliance: 0

Monitoring

Additionally, the PwC network undertakes periodic reviews to evaluate certain elements of PwC firms' systems of quality management. The network also looks at the PwC firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

The inspection results are reported to our firm's leadership who are responsible for analysing the results of the inspections along with quality findings identified from all sources of information, for performing timely **root cause analysis**, and for implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible engagement leader or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework.

Assurance engagement leaders of our firm receive information on the results of the network inspection program, designed for their use in assessing the scope of audit work they determine needs to be performed and their reliance on work performed by PwC firms in connection with their audit of a client's financial statements.



Learn: Root cause Analysis

Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide an effective environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies whether identified through our own internal inspections process or through external inspections and other inputs such as our Global People Survey and financial statement restatements and accounting errors to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of root cause specialists identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without engagement-level findings is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, whether key engagement team members are in the same geography as the client, the number of years that key engagement team members have been on the engagement, the number of other audits that engagement partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was performed.

Our goal is to understand how quality audits may differ from those with engagement-level findings, and to evaluate how these learnings may be used to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality management.

Following a root cause analysis, PwC Chile prepares an Audit Quality Improvement Plan (QIP), which outlines the actions to address the underlined potential causal factors contributing to the review results, from both PwC Chile internal reviews and external regulators reviews.



PwC

network



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

PwC network



PricewaterhouseCoopers International Limited

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in or have other connections to PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, the Network Leadership Team and Board of PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC network. In addition, member firms may request the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

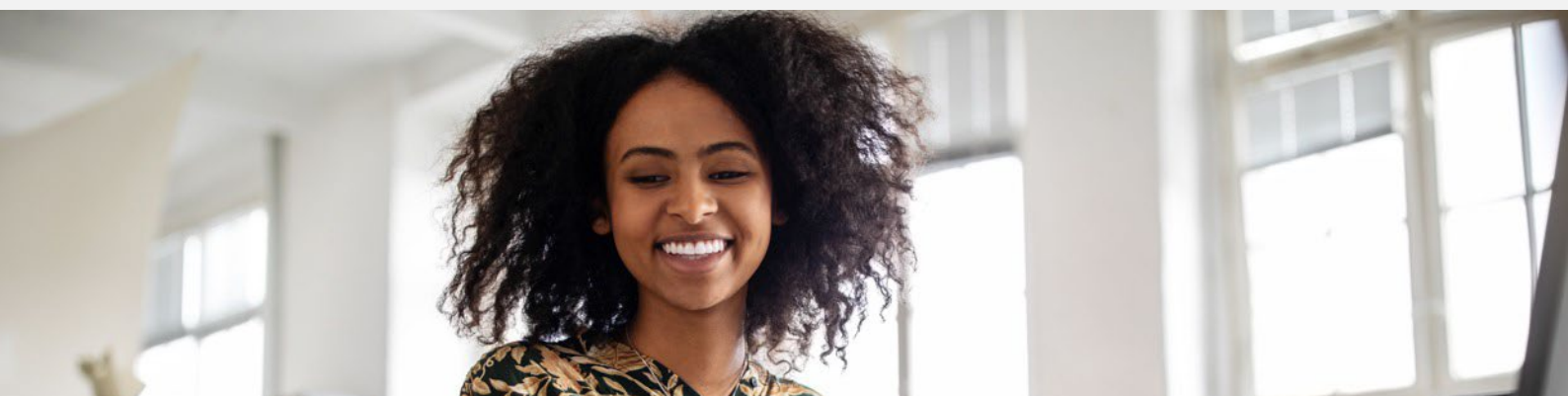
The PwC network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain "PricewaterhouseCoopers", however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other PwC firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.



The governance bodies of PwCIL are:

The governance bodies of PwCIL are:

- **Global Board**, which is 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 elected partners from PwC firms around the world and one or more external independent directors. Please refer to the following [page on the PwC Global website](#) for a list of the current members of the Global Board.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up 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**, which is 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 PwC firms to coordinate activities across all areas of our business.





Legal and governance

structure



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Legal and governance structure



Legal structure and ownership of the PwC Chile.

PwC Chile is a limited liability partnership, formed under the laws of Chile entirely owned by Partners of PwC Chile. It is governed by its Partners, in accordance with good corporate governance principles, local regulations and PwC Chile's bylaws. These principles and regulations ensure that decisions are made in the best interest of the firm and its members, including its partners and employees, always seeking the provision of high-quality services to PwC Chile's clients.



Governance structure of the PwC Chile

PwC Chile is led by the Country Senior Partner (CSP) who oversees the management of the firm, ensuring the implementation and maintenance of PwC Network's standards and has the ultimate responsibility for establishing processes to ensure quality in the delivery of services across all our business areas.

Other governance bodies of PwC Chile are:

The Country Leadership Team (CLT): It's an executive committee, that holds monthly meetings, composed by the Lead Partner of each line of services (Assurance, Advisory and Tax Legal Services), and the partners of Risk & Quality, Technology/IT, Finance, Human Capital and Marketing & Communications. This committee is chaired by the Country Senior Partner, and it oversees the overall management of the firm. Since its members have executive positions and client portfolios, they are constantly informed about the state of the business and the main needs and concerns of both internal staff and clients.

Currently, as of July 2024, there are 9 members of the CLT: Renzo Corona, the Country Senior Partner; Fernando Orihuela, Leader of Assurance; Federico Morello, Leader of Advisory, Francisco Selamé, Leader of Tax and Legal Services; Sandra Benedetto, partner in charge of Human Capital (HC); Ricardo Arraño, partner in charge of Risk & Quality (R&Q); Jonathan Yeomans, partner in charge of Operations (Finance); Gonzalo Schmidt, partner in charge of Marketing & Communications (M&C) and Gonzalo Riederer, Partner in charge of Technology (IT)



Renzo Corona
Territory Senior Partner



Fernando Orihuela
Leader of Assurance



Federico Morello
Leader of Advisory



Francisco Selamé
Leader of Tax and Legal Services



Sandra Benedetto
Partner in charge of Human Capital (HC)



Ricardo Arraño
Partner in charge of Risk & Quality (R&Q)



Gonzalo Riederer
Partner in charge of Technology (IT)



Gonzalo Schmidt
Partner in charge of Marketing & Communications (M&C)



Jonathan Yeomans
Partner in charge of Operations (Finance)

Legal and governance structure

The Oversight Board: It's a non-executive body, independent from the CSP, composed by three partners of PwC Chile. Its role is to oversight the functions of the CSP, the firm's management, as well as the partners admissions. The members of the Oversight Board currently are: Sergio Tubío, Loreto Pelegrí and Luis Avello.



Territory Leadership's Responsibility for Quality

Risk & Quality function is crucial to perform our activities. Like any other organization, PwC faces risks that could lead to economic losses and damage its reputation, among other relevant consequences. Key identified risks include possible regulatory changes, client evaluation and acceptance, loss of independence and breaches on personal data, information security or client confidentiality.

In this regard, the Risk & Quality leadership has developed an accurate working relationship, with strong leadership and fostering effective teamwork. Before any work begins, our professionals under the leadership of the Risk & Quality leaders conduct thorough risk assessments for both potential clients and services. These in addition to the ethical conduct of our employees has allowed us to strengthen and upheld our brand's value.

Our commitment to quality is fundamental to our Assurance, Advisory and Tax and Legal services, forming the basis of PwC Chile's prestige. All activities are governed by a comprehensive framework of internal standards and policies established for all PwC firms, which are continuously reviewed locally and internationally and enhanced to adapt to the evolving professional dynamics and increasing market sophistication. Additionally, PwC Chile have a Risk professional team, with technical knowledge, exclusively focus on risk matters that provide support to all areas of the Firm. Finally, the Risk & Quality partners critically evaluate compliance with our methodologies and professional standards to ensure the performance of high-quality services according to the highest standards.

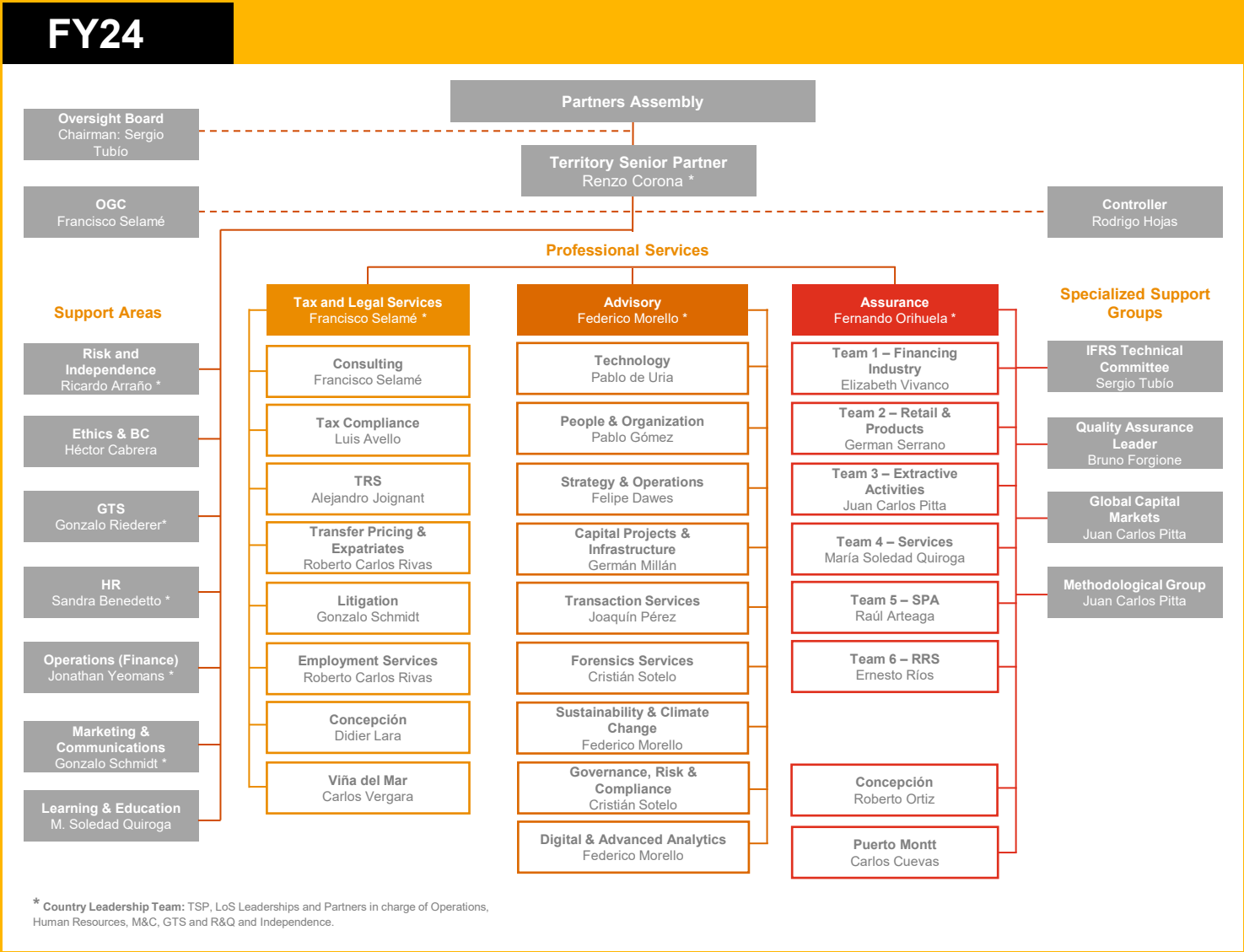
Financial information¹

The total turnover of PricewaterhouseCoopers Consultores, Auditores y Compañía Limitada during fiscal year 2024, ending on June 30, 2024, amounted CLP 103.375.271, where assurance services represent approximately a 46%. PwC Chile have not carried out a statutory audit, during the year ended June 30, 2024, for Public Interest Entities, according to Article 13 of the EU Regulation 537/2014's definition of PIE.

¹ All Financial Information is expressed in thousands of Chilean pesos (CLP).

Public Interest Entities Audited by PwC Chile

During the period covered by this report, PwC Chile has not signed an audit opinion for Public Interest Entities, according to Article 13 of the EU Regulation 537/2014's definition of PIE.



Offices in Chile





[pwc.com](https://www.pwc.com)

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