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# Sustainability Report

1 July 2022 – 30 June 2023



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“Most of all, I’m proud of the way we manage opportunities together. This year has been difficult for us all not because of health issues but because of the economic situation. In some business lines extra opportunities meant extra workload, in others the lack of opportunities gave us additional tasks and a constant pressure to build a market, with successes and failures that come with it.”

**Tamás Lőcsei**

Country Managing Partner

## Message from the CEO

Last year was a particularly difficult one, as we had to deal with difficulties such as the still ongoing war in Ukraine and the food and energy crisis it has caused, as well as problems with global supply chains, and constant market volatility. We faced many challenges that required focused attention, not only from businesses but also from all members of society.

In light of all this, I’m particularly pleased to say that PwC Hungary closed a successful financial year at the end of June 2023 as a result of true teamwork. I’m proud of how we have managed opportunities, or challenges caused by the lack of opportunities in certain business lines, and shown that together we can achieve more. In the meantime, we have developed a lot not only individually or professionally, but also as a company and as a team. As always, we have worked with our clients and communities and remain committed to PwC’s long-term mission to build trust and accelerate sustainable growth.

In our annual sustainability report, we report on how we are delivering on this ambition. We transparently show our stakeholders that corporate growth and sustainability cannot be separated and that their synergy is the key to long-term success. Companies that ignore sustainability considerations at a time of economic difficulty are at a competitive disadvantage in a market where compliance with increasingly complex regulations offers the opportunity to transform to more efficient operations.

The European Sustainability Reporting Standards (ESRS), adopted by the European Commission at the end of July 2023, cover the full range of environmental, social and corporate governance issues, from climate change to biodiversity, human rights, and the presentation of companies’ sustainability impacts. The standards will be applied by companies covered by the Corporate Sustainability Reporting Directive (CSRD), which will affect Hungarian financial institutions and listed companies from 2024, and almost the entire medium-sized enterprises sector from next year. There may still be ample time to prepare, but developing reporting frameworks is a lengthy and often investment-intensive process.

At the same time, it is important to understand that measuring our social impact is not only essential because of a legal obligation, but it is the key to the future. Reducing emissions, mitigating our environmental impact, the ever-widening social gap and the plight of disadvantaged groups, or challenges in public education, are all issues that call for action

from all of us. At PwC, in each client engagement, we work to build a better future, drive innovation, and reduce emissions. In order to achieve net-zero emissions from our own operations, we use 100% renewable energy, while continuously reducing emissions from business travel.

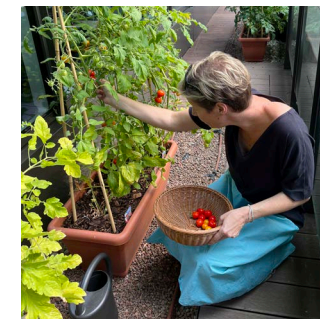
We do our best for a more inclusive and equitable society: we cooperate with numerous NGOs, and support disadvantaged social groups. In the past financial year, 269 of our people spent a total of 2,963 hours volunteering and doing pro bono work. Now in its second year, we are celebrating Diversity Week and striving to be distinctively diverse and inclusive, while ensuring that everyone with the right skills and talent has an opportunity at our company.

Accountability and compliance are cornerstones of our operations. Our colleagues take part in a rigorous risk management and cybersecurity training every year to ensure that they perform their work according to the highest standards. Our commitment to quality extends to our suppliers and internal systems, and we are relentless in improving our processes and screening new clients.

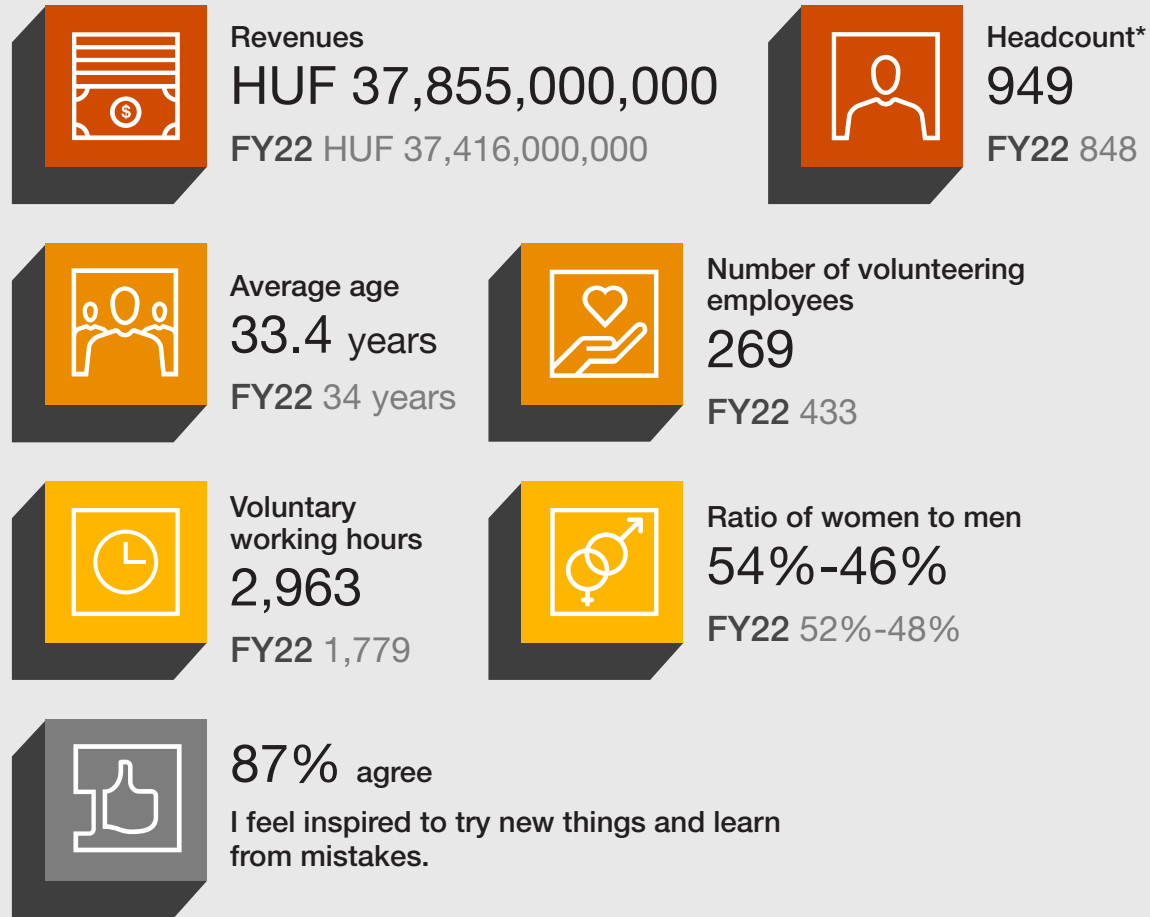
Among our biggest client successes this year, I'm particularly proud of managing the change of ownership of a petrol station network, and supporting an energy supplier in a global merger and listing on the Budapest Stock Exchange. Our projects also included agile transformation, sustainability, improving tourism resilience at EU level, and NextGen Audit development. But most of all, I'm proud of the way we have managed opportunities together in a year marked this time not by health challenges but by economic difficulty.

Our goal is to help create positive, lasting change in the world for a sustainable and inclusive future. In this report, we share many stories where we do just that. We share these stories not only because we are proud of what we have achieved so far, but also because we want to inspire others that together we can do more.

On behalf of the leadership of PwC Hungary, I would like to thank all our colleagues for their hard work and enthusiasm, which contribute to our success every day.



# FY23 in numbers



\* In FY22, employee trainees were included in a separate category along with CWR trainees; in FY23 they are included in staff headcount as they have employment contracts.



## Our achievements



11 students successfully passed their exams and completed the first year of PwC Finance Academy.



82%

of our employees are proud to work at PwC and 70% would recommend PwC as a great place to work.



Our Global Inclusion First strategy now includes our first Disability Inclusion strategy and a new LGBTQ+ Inclusion strategy.



We organised Diversity Week in our Budapest office for the second time.



Globally

36,285

new jobs were created by PwC, and we had 129,829 new joiners.



We cover

100%

of the energy consumption of our offices from renewable sources.

# Our approach

“Having trust in sustainability reporting is critical for investors. In our materiality review, we identified 18 topics that we will report on this year, and with the continuous professional support of our ESG team, we have also put

special emphasis on data quality and verification.”



**Csaba Polacsek,**  
Partner

PwC Hungary began publishing its annual sustainability report in 2012. This report provides an overview of the efforts we made in a given financial year to find valuable solutions for today's challenges and complex business problems. In this document, we summarise the activities our colleagues carry out every day, aligned with our strategy, to ensure PwC's operation as a sustainable business. Our goal is to continually improve our economic, social and environmental performance and to contribute to the development of the Hungarian and global economy.

Our report is an important management tool, as it provides a comprehensive overview of our past performance and future direction. The internal review carried out as part of the reporting process clarified the extent to which our corporate systems and processes affect our economic, environmental and social performance, and highlighted the areas for improvement that could further improve our performance in the field of sustainability.

We have prepared our report in accordance with international GRI (Global Reporting Initiative) standards, without independent third-party certification.

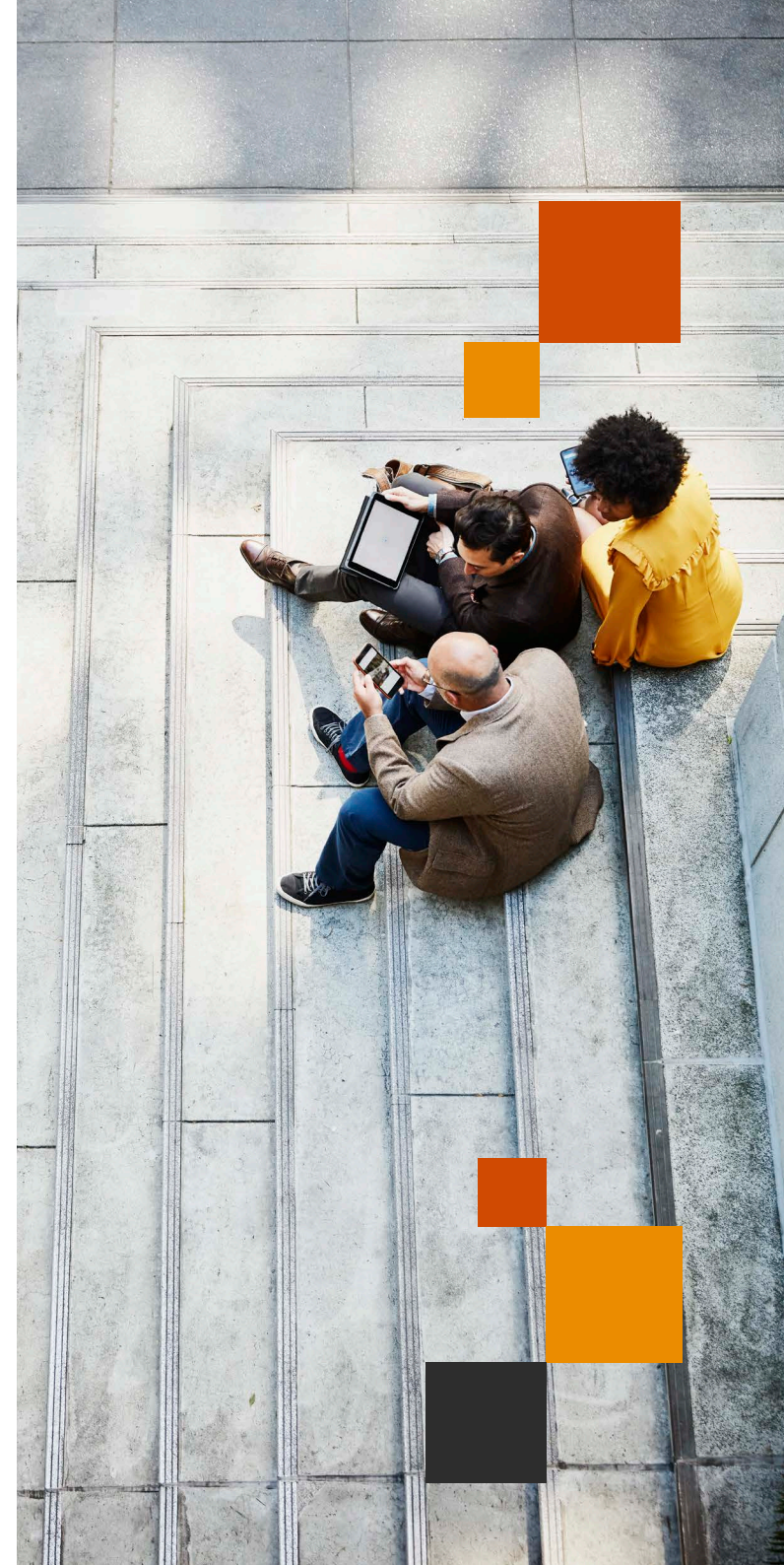
We followed the GRI reporting framework for both the structure of the report and the reporting process. We have prepared our sustainability report in accordance with the GRI Core option to report about economic and social impacts, emphasizing the following principles for defining report content and quality: materiality, stakeholder inclusiveness, completeness, accuracy, comparability, timeliness, reliability, balance, and the sustainability context.

The report covers all PwC entities operating in Hungary and their sustainability performance, and presents consolidated information on their economic, social and environmental performance:

- PwC Könyvvizsgáló Kft.
- PwC Magyarország Kft.
- indirectly, Réti, Várszegi & Partners Law Firm PwC Legal (in their case, economic performance indicators are not covered by the report)

The reporting period includes – in accordance with our financial year – the one-year interval between 1 July 2022 and 30 June 2023 (FY23 or 2023 financial year). Due to the non-calendar financial year, besides the information and data, the special measurement and calculation methods are also shown where necessary. Where possible, we have also provided the data of the previous financial year (FY22) to facilitate comparison.

We use the experience gained during the reporting process, as well as the feedback we receive, to improve our sustainability performance.





## Reporting process

In our reporting process, we have progressed in accordance with the steps outlined in the GRI criteria system. Firstly, we determined the focal points (important issues) that are relevant for the future of the company and are closely related to our objectives. As a second step, we conducted benchmark analysis and mapped our broader stakeholder groups\* and ranked them according to their influence. Then we summarized the most important topics that they think are relevant to the operation of our company and weighted them based on national and international benchmarks and

employee preferences. As a final step, the list was validated by senior management. The preparation of our sustainability report goes through preliminary and ex post approval, both for the purpose of establishing materiality aspects and for reporting on them. If you have any questions or comments concerning our sustainability report or PwC's operation, please e-mail us at [hu\\_info@pwc.com](mailto:hu_info@pwc.com). We will use your feedback to improve next year's report.

*\* Stakeholder groups or "stakeholders" are those persons and small or large social groups that influence the effectiveness of corporate operation, or on whom the company has any economic, environmental or social impact and who gain benefits or suffer disadvantages as a result of the company's operation.*





## Defining material topics

We summarise below the topics that constitute the basis for how we do business and that are the most important in terms of the sustainability of PwC’s operations. We report on the performance of the previous financial year by means of these topics. The topics covered here have been defined on the basis of the information requested by our leaders and representatives of our various units. Every year, we define the right tools to examine and improve these topics, and to

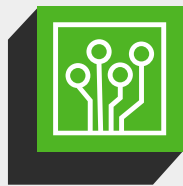
make them sustainable.

In order to determine the topics, we collected information on an ongoing basis, analysed our activities, coordinated with our organisational units, engaged stakeholder groups, and incorporated feedback.

We ranked the relevant areas and topics according to their strategic importance and their social, economic and environmental impact on our stakeholders.



Economic performance



Digitalisation



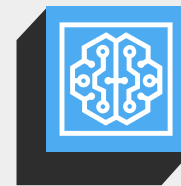
Sustainability services



Human rights



Communities



Artificial intelligence



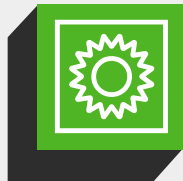
Data protection



Ethical business practices, regulatory compliance



Customer satisfaction



Climate change



Reducing GHG emissions



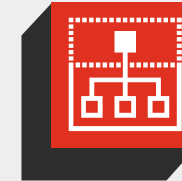
Fair compensation



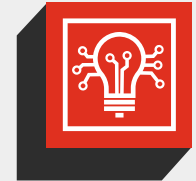
Health and safety in the workplace



Training and upskilling



Corporate governance



Innovation



Diversity and inclusion



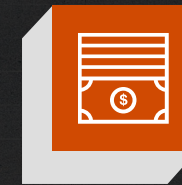
Attracting and retaining talent

# About PwC

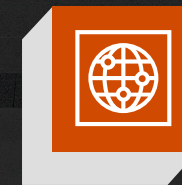
PwC is one of the world's leading business consultancy firms. We help our clients achieve their goals through our industry-specific professional services. With offices in 151 countries and more than 364,000 people, we are among the leading professional services networks in the world. We help organisations and individuals create the value they're looking for, by delivering quality in assurance, tax, advisory and technology consulting services.

At PwC, our purpose is to build trust in society and solve important problems. At the same time, we help organisations transform to achieve lasting success in today's fast-changing world.

## PwC Global



**USD 53.1 bn**  
in revenue  
FY22 USD 50.3 bn



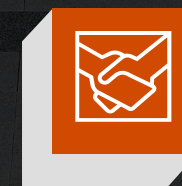
**151** countries  
FY22 152



**688** cities  
FY22 688



**364,232**  
employees  
FY22 328,000

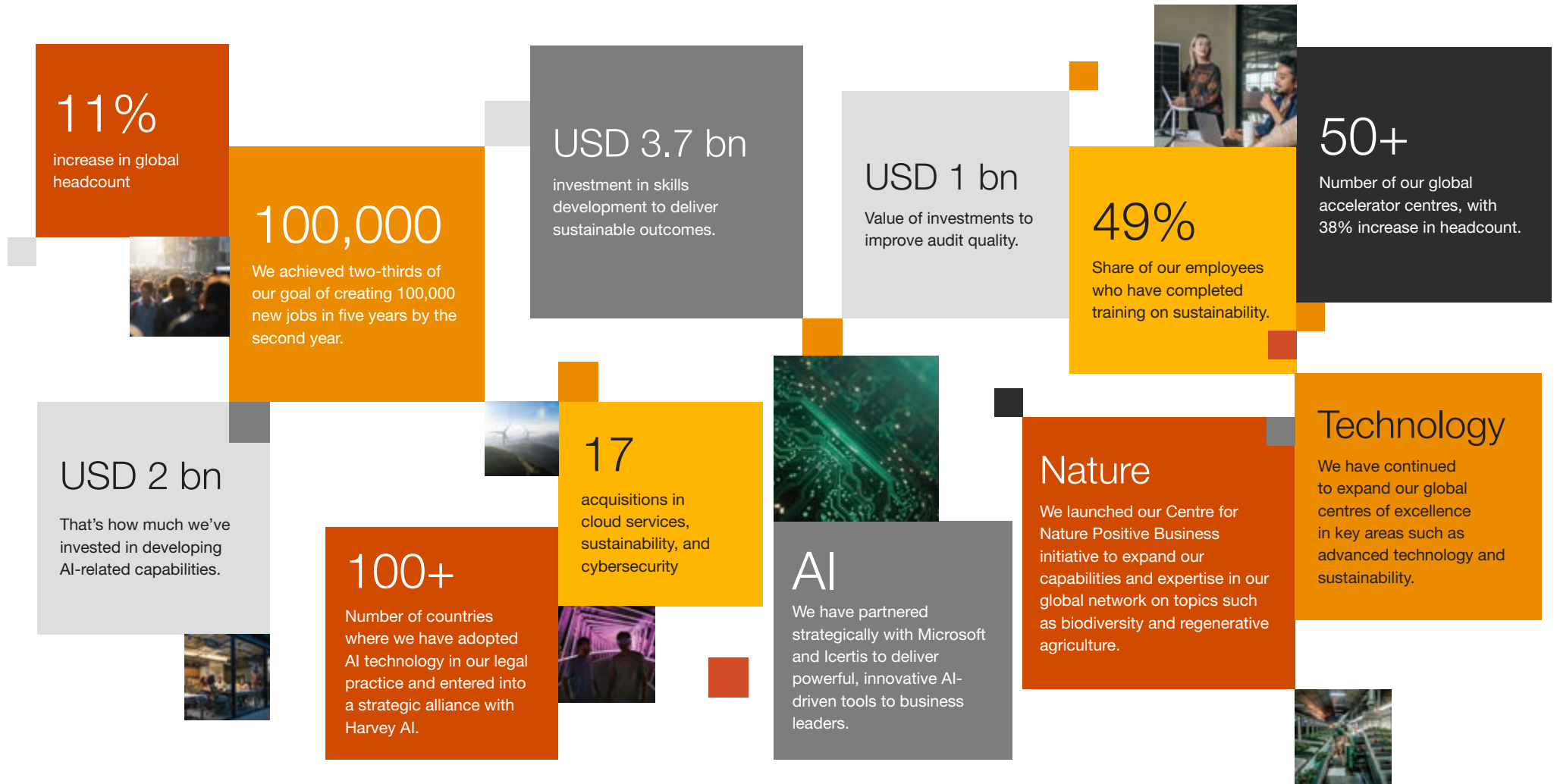


**178,707** clients  
FY22 191,000



## The New Equation: our global strategy

Our strategy combines human ingenuity, experience and innovative technologies to help organisations build trust and deliver sustained outcomes. Below we showcase some outstanding success stories of our strategy in action.



## Awards and recognition



**Fortune 100 Best Companies to Work For**  
30<sup>th</sup> place



**Microsoft Partner of the Year 2023**  
Awardees or nominees in 14 categories



**Digital Innovation of the Year Award 2023**  
Suite of global AI services to support auditors





# Our culture and values




As the opportunities and challenges we all see get bigger and more complex, we continue to adapt. But as we evolve as a business, what must drive everything we do is our collective and individual commitment to the PwC Purpose and our values. It is important that we stand for the quality and professional integrity that are cornerstones of our operations,

even when faced with the most difficult challenges.”



**Árpád Balázs,**  
Partner



At PwC, we strive to address the world's biggest challenges, working together to solve important problems and build trust in society. We facilitate the operation, adaptation and development of complicated systems – whether capital markets, economic or tax systems – in an increasingly complex and fast-paced world in order to enable them to benefit communities and society.

We aim to support our clients in making informed decisions and operating in an efficient manner. Our values drive who we are, what causes we support and how we behave. We have shaped our values together and we all play a role in making these values show in our day-to-day operations. These values help us achieve our goals.

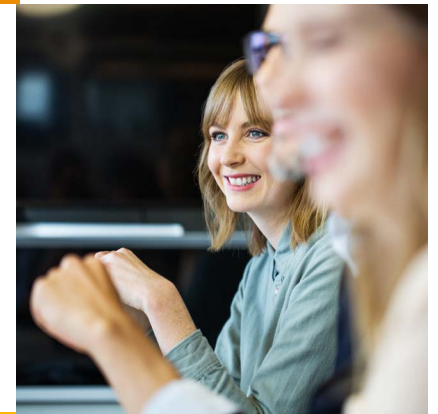
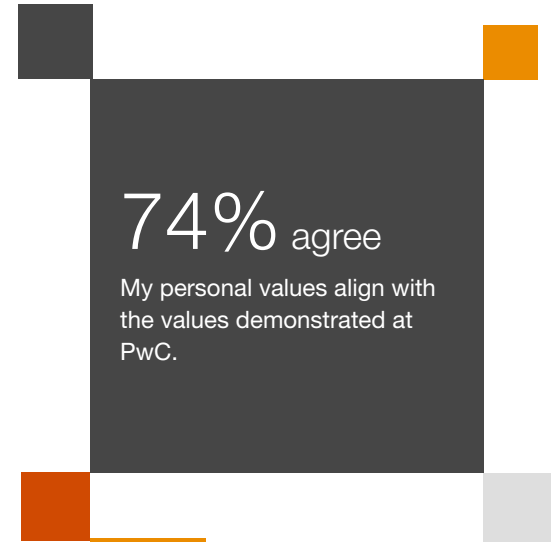
Despite the different backgrounds and cultures in which we work within the PwC network, we have common values all over the world. Our values guide us in our conduct with our clients and colleagues, and make us responsible for delivering the best possible performance in all cases. This is the key to our success.

The trust of our clients, employees and communities in PwC as well as our strict ethical standards guide us in all our activities. Our values constitute the foundation for our Code of Conduct, which serves as a reference framework for our everyday decision-making and business activities.

## Our values

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
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## Building trust

Building trust is at the heart of our strategy. We help our clients build trust with their stakeholders, just as PwC's own success depends on the trust others place in us. Trust can be earned slowly and lost quickly, so building it and maintaining a strong ethical culture based on quality and integrity is a process that requires commitment and strong leadership.

At PwC, we define quality service as one that consistently meets the expectations of our stakeholders and which complies with all applicable standards and policies. An important part of delivering against this quality definition is building a culture across a global network of 364,000 people, including more than one thousand people working at PwC Hungary, where 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.

To further strengthen our commitment to maintaining and promoting a strong ethical culture, PwC's [Code of Conduct](#) and the [Global Tax Code of Conduct](#) were updated this year. Thanks to this unified approach, the PwC network will further strengthen the value of our profession and, most importantly, we will continue to build trust with our clients and stakeholders.







# PwC in Hungary

In Hungary, in our offices in Budapest and Győr, 949 employees assist our clients in three main service areas: assurance, tax and legal, and advisory services, and in many other specialities. We have grown to become a leading audit and business advisory firm because we have been gathering experience ever since we were established in 1854. We use this experience and combine it with our local expertise. The source of this experience and expertise is our people, on whom our present and future depends.

## Corporate governance

PwC Ltd. is a limited liability company. The shares and voting rights of the company are held by:

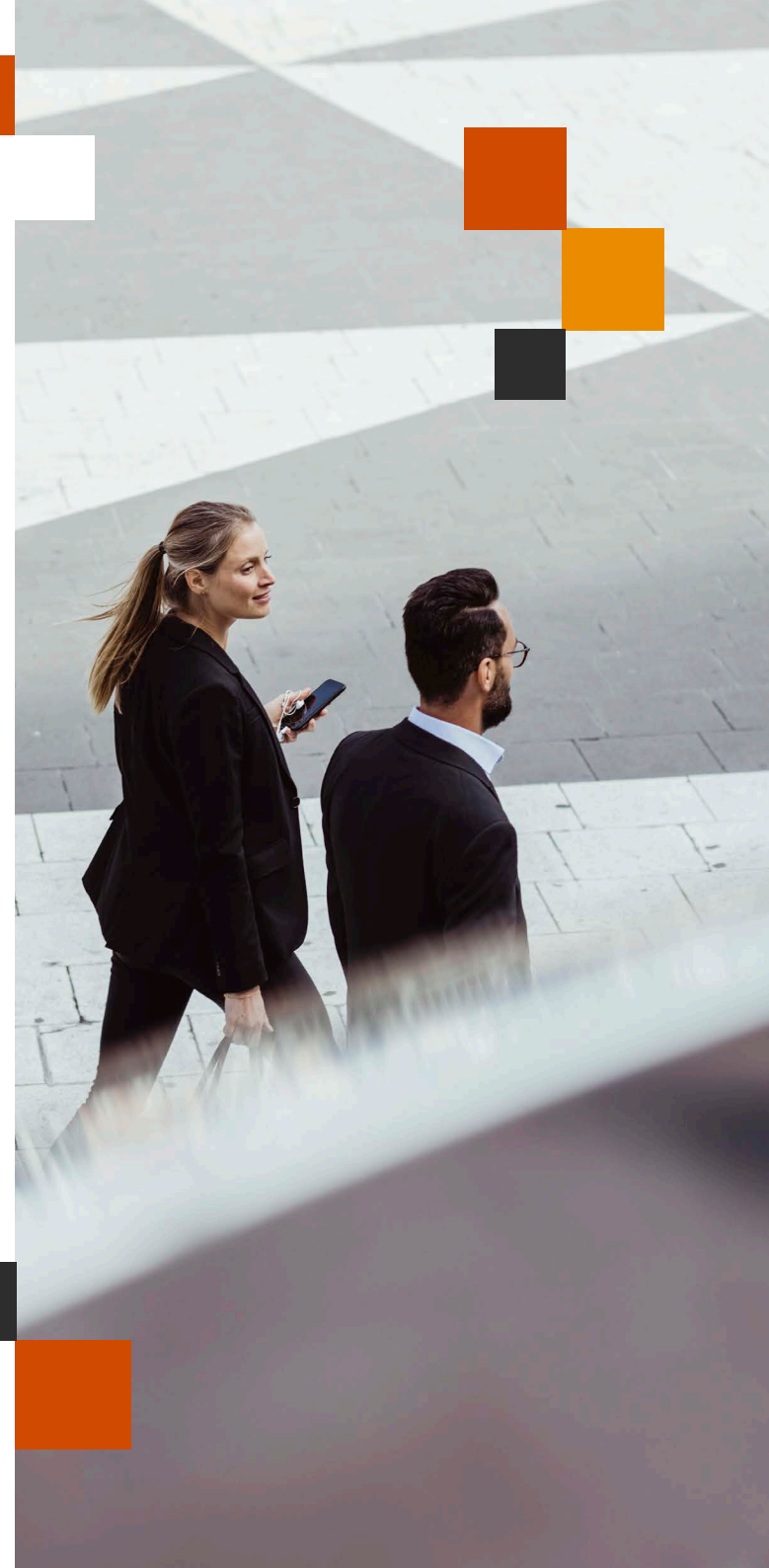
- PricewaterhouseCoopers CEE Firm Services s.r.o. (86.75% ownership, registered in Slovakia),
- PricewaterhouseCoopers Spolka z o.o. (11.75 % ownership, registered in Poland), and
- PricewaterhouseCoopers Eastern Europe BV (1.5% ownership, registered in the Netherlands).

Such entities are ultimately owned by the partners of PricewaterhouseCoopers member firms.

PwC Ltd. is a member of PricewaterhouseCoopers International Limited.

PwC Ltd. cooperates with other Central and Eastern European member firms to provide services to local and mutual international clients operating in our region. This cooperation is organised through a regional management team which, in addition to ensuring the adherence of these regional firms to the policies and procedures of PwC International, enables resource sharing, the enforcement of risk management policies and quality standards.

Each national member firm also has its own management structure in place, in accordance with relevant legal and operational requirements. This legal structure and network arrangement gives each member firm the flexibility and autonomy to respond quickly and effectively to conditions in its local market. It also reflects the fact that regulatory authorities in some countries grant the right to practise as auditors to nationally based firms in which locally qualified professional auditors (or in the European Union a combination of auditors and or EU audit firms) have at least a majority ownership and control.



## Governance

Within the Central and Eastern European grouping of PwC member firms, which includes 27 national territories, a matrix system of management is operated. Each partner votes every four years in an election that chooses a PwC CEE Chief Executive, who in turn appoints a Management Board, including representatives from geographical and business lines and Operational Leaders.

This Management Board is responsible for setting broad business objectives and ensuring compliance with PwC International policies. Across geographical lines the policy and business objectives of each principal business line (Assurance, Tax & Legal and Advisory) are set by the business line management team. Oversight of the Regional Management Board on behalf of the partners is carried out by an elected regional Partners Council, which approves key policies and decisions which affect partners and the firm.

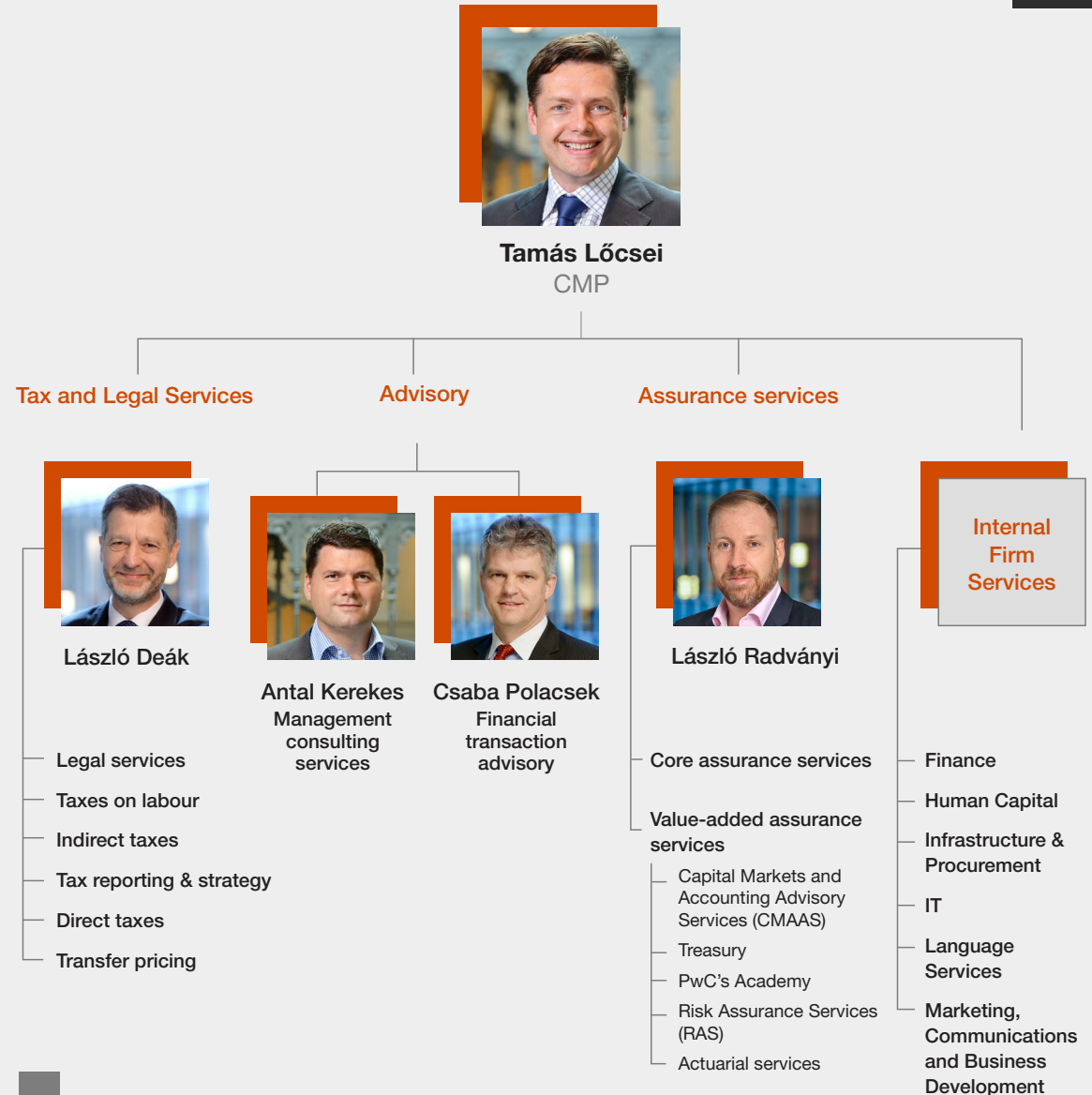
PwC Ltd. is managed by the managing directors, appointed by the shareholders. The managing directors as of 30 June 2023 are:

- Dr. Tamás Lőcsei;
- László Radványi, ACCA;
- Árpád Balázs ACCA, registered statutory auditor;
- Éva Barsi, ACCA, registered statutory auditor and
- Szilvia Szabados, ACCA, registered statutory auditor.

A three-member Supervisory Board was also elected, consisting of the following members: Dr. Zoltán Várszegi, Paul Grocott and László Deák.

The Company's supreme body is the Shareholders' Meeting, which is convened at least once annually.

## PwC Hungary's organisational structure between 1 July 2022 and 30 June 2023



## PwC’s global network

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. The PwC network is not a global partnership, a single firm, or a multinational corporation. The PwC network consists of firms which are separate legal entities.

**PricewaterhouseCoopers International Limited (“PwCIL”) is one of the world’s largest networks of professional services firms. PwC’s 364,000 employees help our clients and stakeholders in 151 countries with industry-specific audit, tax, legal and advisory services.**

### PricewaterhouseCoopers International Limited

Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), a UK private company limited by guarantee. PwCIL does not practice accountancy or provide services to clients. Rather its purpose is to act as a coordinating entity for member firms in the PwC network, focusing on key areas such as strategy, brand, risk and quality. PwCIL works to develop and implement policies and initiatives to create a common and coordinated approach for PwC firms. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, member firms may draw upon 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. 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 member 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. PwCIL has no right or ability to control member firm’s exercise of professional judgement.

### 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. Board members are elected by partners from all PwC firms around the world every four years.
- 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 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 network firms to coordinate activities across all areas of our business.

The CEO of PwC CEE is Adam Kraso , who is a member of the Strategy Council and maintains relationships with the Network Leadership Team.





## Our services

### Assurance services

#### Audit services

- Audit or review of standalone or consolidated financial statements prepared in accordance with HU GAAP (Generally Accepted Accounting Principles), US GAAP, IFRS (International Financial Reporting Standards), (or other) and in accordance with ISA (International Standards on Auditing) or other GAAS
- Audit or review of group reporting packages
- Interim review reporting
- Special purpose audit reports
- Audit support

#### Risk Assurance Services

- Governance, risk and compliance
  - Internal audit services
  - Enterprise risk management
  - Compliance
  - Business controls improvement
  - Interim management
- Cybersecurity and data privacy
  - Information security compliance and vendor management
  - Information security strategy management
  - The human side of IT security
  - Data protection
  - Incident management and response
  - Implementation and operation of information security tools
- Data-driven audit and process development
- SAP solutions and services

#### Accounting and capital markets advisory (CMAAS) and PwC's Academy

- Accounting and capital markets advisory services
- Treasury services
- Future of Finance
- Controlling advisory
- Advisory services for the financial sector
- Actuarial services
- Placement of accounting experts
- PwC's Academy
  - Training consultancy
  - Design and development of online training courses
  - E-learning series
  - Training framework and training management services
  - Professional training courses (classroom and online)
  - Professional qualifications

### Tax and Legal Services

#### Tax advisory

- Tax Controversy & Dispute Resolution
- Tax policy
- State aid and tax incentives
- Tax reporting & strategy
  - Consulting on tax and accounting technology
  - Tax strategy & operation
  - Accounting review
  - Accounting compliance services
  - Payroll accounting
  - Payroll review
  - Tax returns and deferred tax
  - Staff leasing
  - Company Gateway ("Cégkapu") services
- Indirect Tax
  - Value added tax
  - Smart Tax – automated tax solutions
  - Customs and international trade
  - Excise duty, environmental product fee, and public health product tax
  - E-invoicing and e-archiving
- Direct taxes
  - Mergers and acquisitions (M&A)
  - General corporate tax consulting & restructuring
  - R&D-related tax allowances
  - Sports consulting
  - Development tax incentive
  - Tax incentive for investment projects related to energy efficiency
  - Advice on tax matters concerning real estate
  - Tax advice to family-owned businesses and business owners
- International tax services
- IFRS direct taxation matters
- Transfer pricing
- Transfer pricing documentation
  - Advance pricing agreement (APA) requests
  - Transfer pricing consulting, planning, formulating transfer pricing policies
- Audit of Tax
- Global Mobility
  - Global Mobility consulting and compliance services
  - Global visa solutions
  - Employer-paid personal income tax and social security contributions
  - Marketing campaigns and corporate events

#### Legal services

- Company law, company conversions
- Acquisitions
- Disputes and litigation
- Land and buildings
- Financing and banking transactions
- Competition law and consumer protection
- Data protection law
- Employment law
- Pharma and health
- Intellectual property and IT law
- Energy, utilities and mining
- Public procurement, transport, other public services, and state aid
- Economic criminal law
- Private clients
- Sports law services
- E-commerce – legal services
- Environmental law

### Advisory

#### Management consulting services

- Industry sectors
  - Energy and public utility consulting
  - Technology, Media & Telecommunications
  - Financial sector
  - Tourism
  - Public service consulting (public administration, healthcare, education, development policy)
  - Logistics and postal services
- Solutions
  - Strategy & Operation
  - CRM & Customer Technologies
  - Project, program and investment management
  - Innovation management and start-ups
  - Future of Finance
  - CIO and IT implementation consulting
  - Data Analytics – Enterprise Analytics & Data Solutions
  - Digital business strategy and operation

#### Financial and transaction advisory

- Valuation & business advisory
- Transaction services
- Business recovery services
- Infrastructure and transport consulting
- M&A and financing advisory services
- Real estate consulting

#### People and Organisation

- Change management and communication
- HR analyses and surveys
- HR organisation and functions
- Strategic HRM
- organisational culture
- Remuneration and benefits

#### Forensic & Compliance services

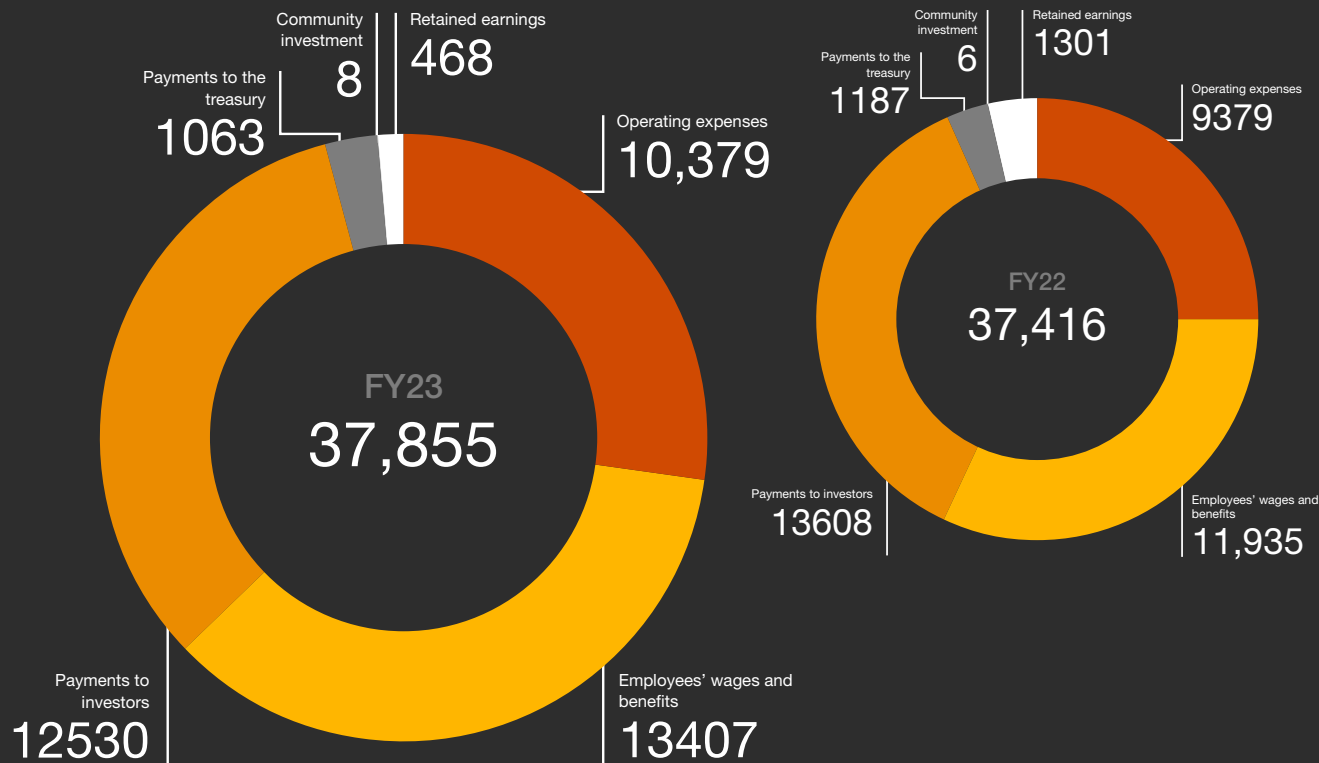
- Reactive services
- Litigation support
- Preventive services

### Services across business lines

- CFO services
- Controlling advisory
- Sports business advisory
- ESG and sustainable business solutions

## Economic performance

Economic value generated and distributed at group level (million HUF)



## Industry sectors






# Corporate governance

“We design our business operations and processes to provide consistently high-quality services. To this end, we invest significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, tools and technology at both the network level and within our



firm, and a continuous programme of innovation and investment in our technology.”

**László Deák,**  
Partner



## Our CR strategy

Sustainability requires not only good intentions, but also a tangible, practical plan to achieve real results. We need to tackle the negative impacts of climate change, build a diverse and inclusive society, and make our activities transparent. In fact, these principles – and more – need to be incorporated into the operation of our firm as a whole, from investments and suppliers to sustainable innovation.

We are a global network, and this gives us the opportunity and responsibility to be part of solving global challenges. We are committed to positive and sustainable change, both in our business and where we live and work. Together with others, we seek solutions to make the world more resilient, inclusive and capable of solving important problems.

PwC's commitment to sustainable development is reflected in the financial and social value that our services help create. We build trust by offering long-term solutions to the most pressing issues through the skills and knowledge of our people. PwC has been a signatory to the UN Global Compact (UNGC) since 2002 and is deeply committed to its ten principles in the areas of human rights, labour, the environment, and anti-corruption.

We report on our activities in the Communication on Progress every year. Click [here](#) for the latest report. We align our operations and strategy with the 17 Sustainable Development Goals and related commitments adopted by the UN in 2015. Of the 17 Sustainable Development Goals, our strategy focuses on goals that our industry can have the most significant impact on and that afford us the greatest opportunity.

### Good health and well-being



The health and well-being of our staff is our number one priority. We offer various programmes and flexible options to help them improve their quality of life in addition to work quality. We also support social causes that improve the living conditions of disadvantaged groups.

### Quality education



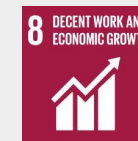
Our people are our greatest asset, and keeping their skills and knowledge up-to-date is key to our success. We believe that education and providing future generations with the skills to meet the challenges of the digital age play a crucial role in societal success, so we share our knowledge by making it widely available.

### Gender equality



Gender equality is one of the focus areas of PwC's global diversity strategy. We provide equal opportunities regardless of gender, support women's career paths, and aim to increase the proportion of women in leadership positions.

### Honest work and economic growth



We look for opportunities not only through our CS activities, but also in the services we provide, to contribute to sustainable development both locally and globally. As an engine of change, we support our clients in their efforts to promote sustainable development, integrate sustainability aspects into the services we provide, apply the latest digital technologies in our operations, provide a job to more than a thousand people, and make significant contributions to the local economy through our fiscal (tax) payments.

### Climate action



In September 2020, the PwC global network announced a worldwide commitment to achieving net zero greenhouse gas emissions by 2030. This means that we will halve our total operational greenhouse gas emissions within a decade, and invest in carbon removal and storage projects to compensate for all remaining emissions. We will also work with key suppliers and support them to tackle their climate impact.





Our Corporate Sustainability (CS) strategy focuses on community initiatives and environmental protection. We aim to achieve measurable and lasting positive changes in society and the environment both globally and locally. In our sustainability report, we provide transparent information about our corporate responsibility efforts to our stakeholders.

Together with the Sustainability Manager, the Partner responsible for sustainability manages CS as a function, and primarily the programmes aimed at increasing positive impacts and reducing negative ones. This is how projects, action plans and initiatives are coordinated and supervised as part of our CS strategy. The Marketing, Communications and Business Development team is responsible for consistent internal and external CS communication. Conceptual and strategic CS planning is the task of the CS strategy team, which includes the head of Marketing (Borbála Palotai), the CS Manager (Cecília Szőke), and a partner from the Assurance service line (Balázs Mészáros, who also serves as CEE Sustainability Leader), who provide technical support to the CS team. Planning is carried out in consultation and cooperation with our CMP, while specific programmes are organised and implemented by our staff. The content of our Sustainability Report is approved by Balázs Mészáros, Partner.






# Community engagement

“We believe that we can create permanent and sustainable value for our direct and indirect stakeholders through our core professional activities, technical expertise and related services. Accordingly, we want to involve as many of our colleagues as possible in



providing professional assistance or pro bono services to non-profit organisations.”

**Balázs Mészáros,**  
Partner responsible for  
sustainability



We are committed to helping as many people as possible to play a greater role in our economy and society. That's why we support individuals and communities – NGOs, social and micro-enterprises – in developing the skills they need to thrive. In 2018, PwC made a global commitment to invest in upskilling 15 million people by 2022 to maximize their potential. So far, we have reached 23.7 million beneficiaries, more than ten million of them with our flagship New world. New skills. programme, which focuses on developing the skills needed to navigate today's digital world.



## Community impact



Number of general volunteers

**201**

FY22 433



Skilled volunteers

**74**

FY22 54



General volunteer hours

**1617**

FY22 1,779



Skilled volunteer hours

**759**

FY22 528



Donations for community programmes

**HUF 1,630,000**

FY22 HUF 1,100,000



Value of in-kind donations

**HUF 1,846,540**

FY22 HUF 910,000



Employee donations

**HUF 1,182,000**

FY22 HUF 2,752,130



Pro bono engagements

**3**

FY22 3



Discounted engagements

**2**

FY22 1



Number of beneficiaries (for all community programmes)

**2,583**

FY22 334



Voluntary and pro bono activities (global performance indicators)



Number of volunteers

42,666

FY22 34,254



Number of volunteer hours

870,403

FY22 789,579



Number of general beneficiaries

2,029,980

FY22 4,078,006



Community investment

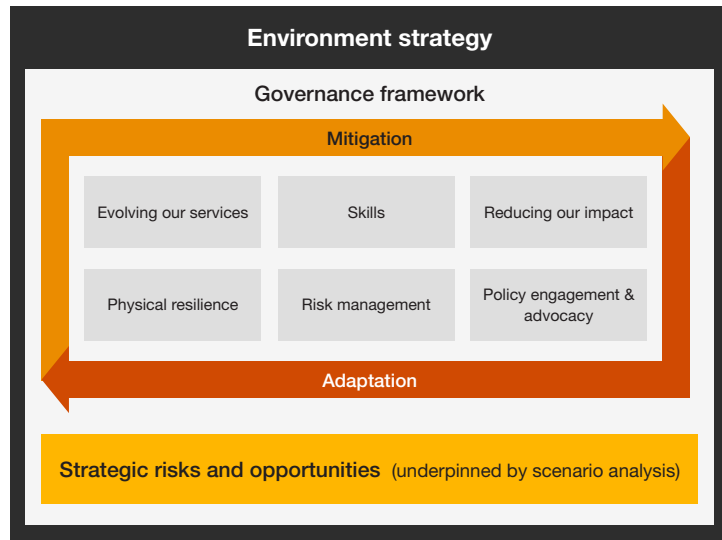
USD 240.4 million

FY22 USD 222.5 million

## Our environmental strategy

Sustainability is central to our New Equation global strategy to build trust in society and solve important problems. We are committed to playing our part in the global transition to a greener world. A key part of our commitment is making sure we are doing what we can to limit our own impact on the environment and lead by example.

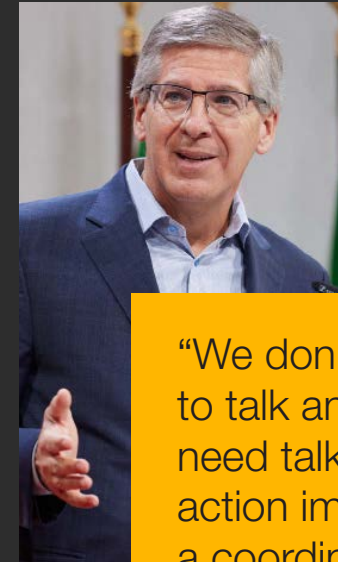
Our science-based targets (SBTs) to reach net zero carbon emissions by 2030 were validated in July 2021 by the Science Based Targets initiative (SBTi) and are aligned to a 1.5 degree climate scenario.



Our focus is concentrated on pursuing the two central and interconnected agendas – firstly the global push to reduce our impact on the environment as quickly as possible (mitigation). Secondly, adapting to the risks that are already causing devastating impacts across the globe (adaptation).

Each pillar supports one or both of these issues, and we are always looking to see what difference we can make across one or more areas:

- We continuously evolve our services and embed consideration of climate risk into our operations to ensure that we remain a sustainable business.
- To enable this, we need to transform our knowledge and build new skills (for example, we are upskilling our people through our Global ESG Academy).
- We have set science-based targets to reduce carbon in our own business, and we buy carbon credits to help mitigate remaining emissions.
- We are building greater physical resilience across our network to climate hazards, and we are also helping our clients and communities to adapt and prepare for environmental impacts.
- Our enterprise risk management framework continues to evolve dynamically in response to the emerging environmental risks for our business.
- It is our responsibility to use our voice to encourage cooperation across sectors and encourage business, governments, citizens and global organisations to join forces in their efforts to avoid the catastrophic effects of climate change.



“We don’t have time to talk any more. We need talk to turn to action immediately, on a coordinated and a scaled basis.”

**Bob Moritz,**  
PwC Global Chair,  
Global Solutions Summit, May 2023

### Our global near-term targets

reducing absolute scope 1 and 2 emissions by

# 50%

from a FY19 baseline by FY30

transition to

# 100%

renewable electricity in all member firms by FY30  
(already over 90%)

reducing absolute scope 3 business travel  
emissions by

# 50%

from a FY19 baseline by FY30

# 50%

of our purchased goods and services suppliers (by  
emissions) setting science-based targets to reduce  
their own climate impact by FY25



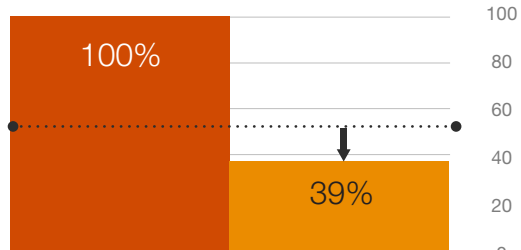
We will also continue to offset our emissions through high-quality carbon credits, transitioning our carbon offset portfolio to 100% carbon removals from FY30.

Our commitment to reach net zero greenhouse gas (GHG) emissions with 2030 goals is at the core of our strategy and extends across our network. Our global targets are cascaded to our member firms and supported by an overall framework for action. The PwC CEE Territory Senior Partner (TSP) is accountable for progress to net zero in a region that comprises 27 countries. Making progress on implementation plans is a key performance indicator for TSPs. The multi-year plan sets out obligations for member firms whose leaders are responsible for implementation. This makes sure there's accountability at the most senior levels of our business.

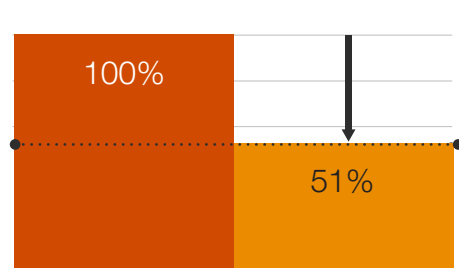
### How we are progressing against our targets

FY19 baseline    FY23    ●-● Target

#### Reducing our scope 1 and 2 emissions



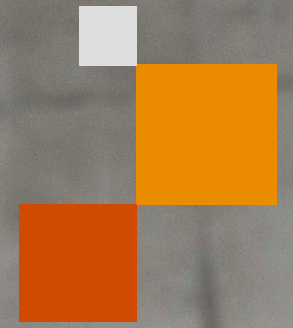
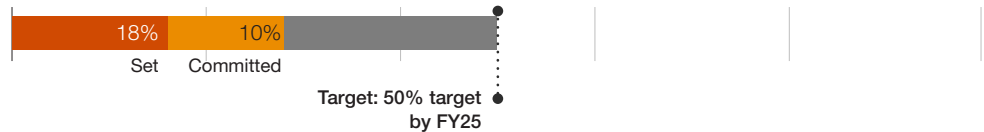
#### Reducing our scope 3 business travel emissions



#### Increasing our renewable electricity usage



#### Encouraging our suppliers to set SBTs



# Ethical business practices

“We encourage collaboration, are transparent and communicate openly, sharing ideas and information within the PwC network. This high level of cooperation is built on trust, which helps us work and serve our clients more efficiently.”



**Péter Biczó,**  
Partner, Ethics Leader



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 build trust in how we do business, with each other and in our communities.

As auditors of financial statements and providers of other types of professional services, PwC member firms and their Partners and staff are expected to comply with

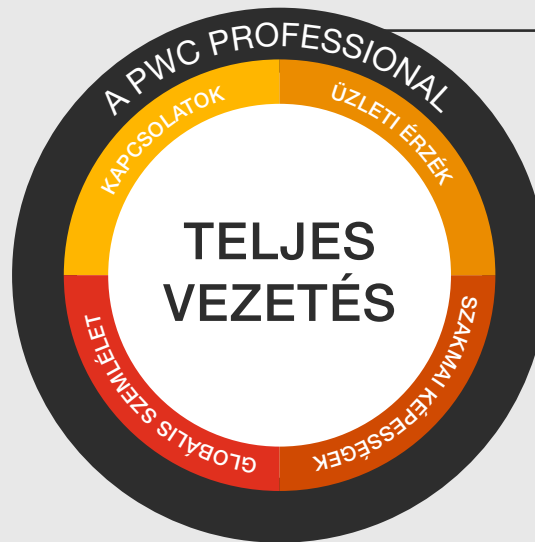
the fundamental principles of objectivity, integrity, and professional behaviour. In relation to Assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the [Code of Ethics](#), including international independence standards, contains minimum requirements with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary. More than 295,000 partners and staff undergo training every year to ensure they comply with our ethical standards and all applicable laws.

88% agree  
My colleagues behave in accordance with the PwC Code of Conduct.



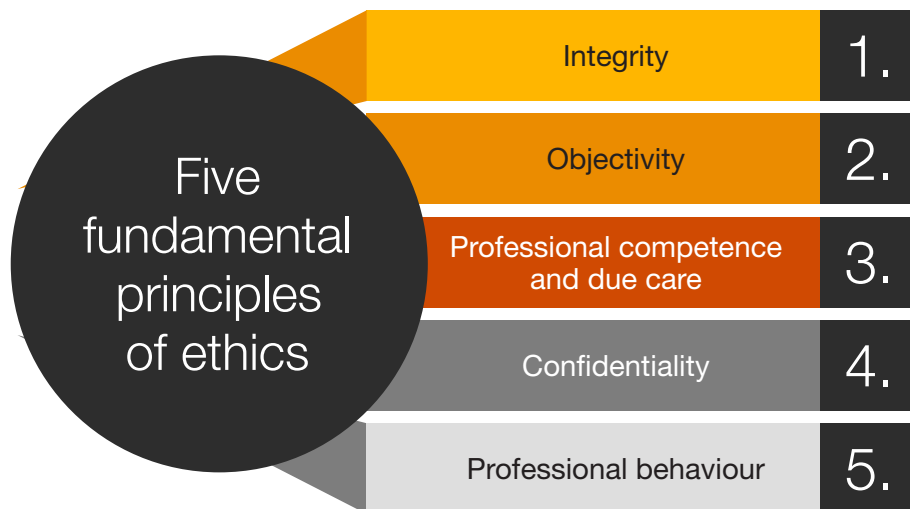
At each level and dimension of the PwC Professional, expectations on ethical behaviour are defined.



The most innovative solutions come from working together with colleagues and clients. Effective collaboration enables innovation.

The PwC CEE Partner Responsible for Independence (PRI) is responsible for implementing the [PwC Global Independence Policy](#), including managing the related independence processes and providing support to the business. The PRI is supported by a team of independence specialists. The PRI reports directly to the CEE Chief Risk Officer, a member of the CEE firm's Leadership Team.

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



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, firm's 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 uphold and comply with the standards developed by the PwC network and leadership in PwC Ltd. monitors compliance with these obligations.

There was one case of non-compliance with laws and regulations during the reporting period: the PwC auditor who signed the audit report failed to administer the qualification required for signature. We admitted our responsibility and issued a new report with a new auditor. We covered the costs incurred due to the error.

We investigate and assess corruption risks in all our business activities.

All staff are informed about anti-corruption policies and procedures, including interns (FY22: 58, FY23: 79) and contractors (FY22: 69, FY23: 63).

There were no confirmed cases of corruption or legal proceedings arising from anti-competitive behaviour.

We take appropriate measures to ensure the safety of PwC staff. We provide a safe working environment free of abusive, violent, threatening or other disruptive behaviour. We do not tolerate harassment, discrimination, retaliation, bullying, or disrespectful behaviour. This applies regardless of race, religion, ethnicity, colour, age, gender, or sexual orientation. We encourage open dialogue to create an environment where everyone can have open and honest discussions.

In accordance with Act XXV of 2023 on complaints, public interest disclosures and rules related to whistleblowing, we regularly share our whistleblowing policy with our colleagues, which describes in detail how persons raising a concern will be protected. The PwC Ethics Helpline is a confidential and secure channel for anyone to file a protected report. Concerns may be reported online, by phone or in person, as stated in our policy.

In all cases, we conduct investigations discreetly and very carefully, and we do not tolerate any form of retaliation. If anyone encounters a situation that is inconsistent with our firm's Code of Ethics, it must be reported.

There were no reports of discrimination in FY23.

More information on ethical behaviour, independence and objectivity can be found in our [Transparency Report](#).

## Human rights

No human rights violations were reported during the period concerned. We believe it's our responsibility to respect and uphold the human rights of our people and any other individuals we are in contact with. We seek to integrate human rights into our existing business practices, in accordance with our human rights policy. [PwC's Global Human Rights Statement](#) is available on our website.





# Quality assurance and risk management

“Today, businesses are judged on much more than just their financial results. A company’s performance in areas such as ESG or cybersecurity can affect its reputation, employee retention, access to capital, and ultimately its goodwill. That’s why we’re developing our assurance services to provide assurance not only on companies’ financial statements, but

also on their impact on people and the environment.”



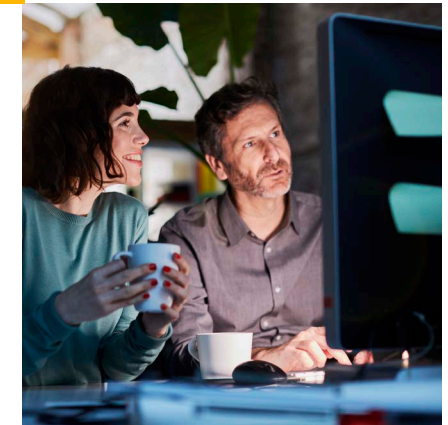
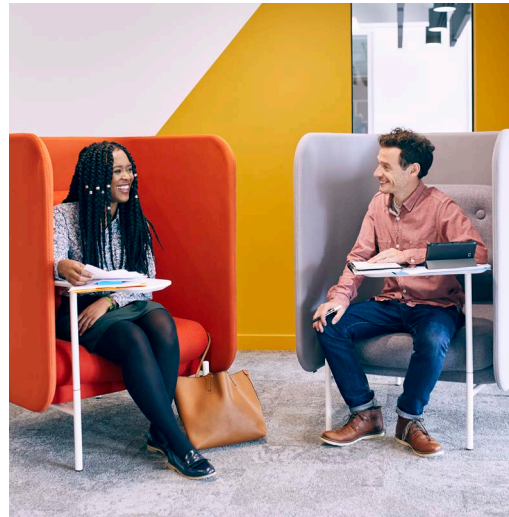
**László Radványi,**  
Partner, Assurance Leader



We apply strict standards to measure a company's performance on issues such as climate and diversity. This helps businesses demonstrate their progress, allowing them to build trust, improve their reputation, and increase their value. We encourage our clients to understand what matters to stakeholders and provide verified information about their company's performance in these matters. We believe that before we trust something, we must first verify it. High-quality assurance increases accountability and trust, while providing companies with a solid foundation to monitor and improve their performance.

86% agree

I have the opportunity to work on challenging assignments that contribute to my development.



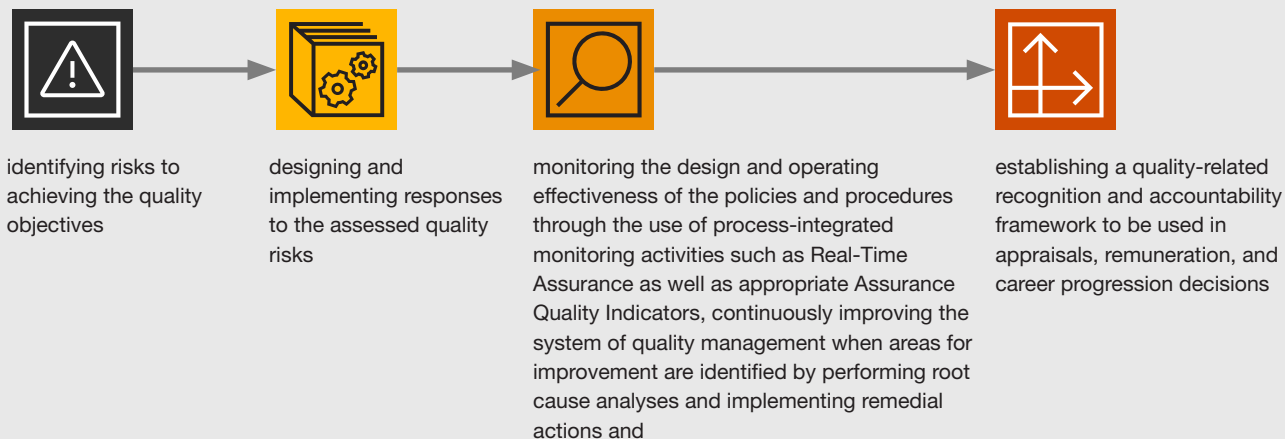
## The PwC network's Assurance QMSE framework

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. This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives and each firm's system of quality management (SoQM) should be designed and operated so that the overall quality objective, which includes meeting the objectives of ISQM 1, is achieved with reasonable assurance.

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. 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, partners and staff. This quality management process includes:



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.

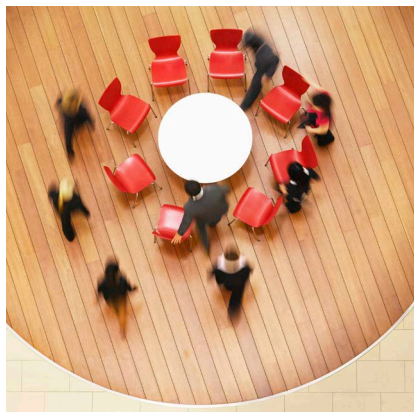
This ongoing process includes monitoring, evaluating, assessing, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment. This is our Quality Management Process (QMP).

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.

The past several years have seen unprecedented challenges and our firm's SoQM under the QMSE framework has helped us navigate and react to the impact that identified factors had on our ability to achieve the overall assurance quality objective – to deliver quality audit engagements.

Our SoQM involves a dynamic risk assessment process that takes and analyses the information about these conditions, events, circumstances, actions or inactions, 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

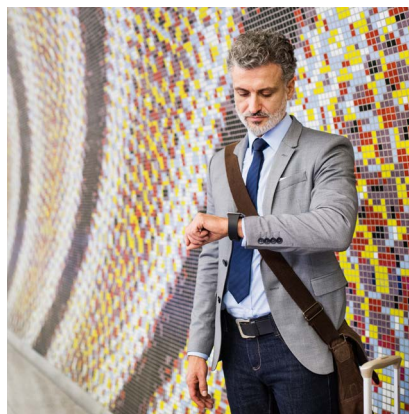


### The CEE regional approach

PwC CEE operates on a regional basis and consequently there is a significant regional management over processes, controls and systems. These are supplemented by local policies and procedures that address local risks and the implementation of regional requirements. Local leadership has reviewed and assessed both the CEE regional and local territory components of the SoQM.

Key events, circumstances and actions that impacted our SoQM during the year were:


- The adoption of ISQM 1 and the incremental associated stress on the assessment of systems and service providers was substantial. This required the use of our Risk Assurance specialists to augment the QMSE team.
- Some of the central CEE functions were previously staffed in Russia (in the previous year). With the exit of the Russian firm from the network this meant that people were redeployed to fill any gaps. This was assessed and planned for prior to the exit of the aforementioned firm.



### 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 our services change and develop, and the needs and expectations of our stakeholders also change, we are continually reviewing and updating the scale, scope and operations of our system of quality management and investing in programmes to enhance the quality of the services that we provide.





# Digitalization and artificial intelligence

“We have shifted to a more technology-oriented service portfolio, which includes implementation. We are building managed services, implemented IT solutions, and technology alliances.”



**Antal Kerekes,**  
Partner, Technology Advisory





Most companies face the challenges posed by the continuously increasing volume and complexity of digital projects, driven by technological advances. IT implementation makes up a significant portion of these projects, where planning, alignment, execution and follow-up activities have serious impact on the future of the entire company. So we are developing our services to offer more digital solutions.

Business leaders are asking: What impact will AI have on my organisation, and is our business model threatened by AI disruption? Of course, everyone is looking to capitalise on AI opportunities, but this will require new capabilities, and AI should be built in a responsible and transparent way needed to maintain the confidence of customers and wider stakeholders.

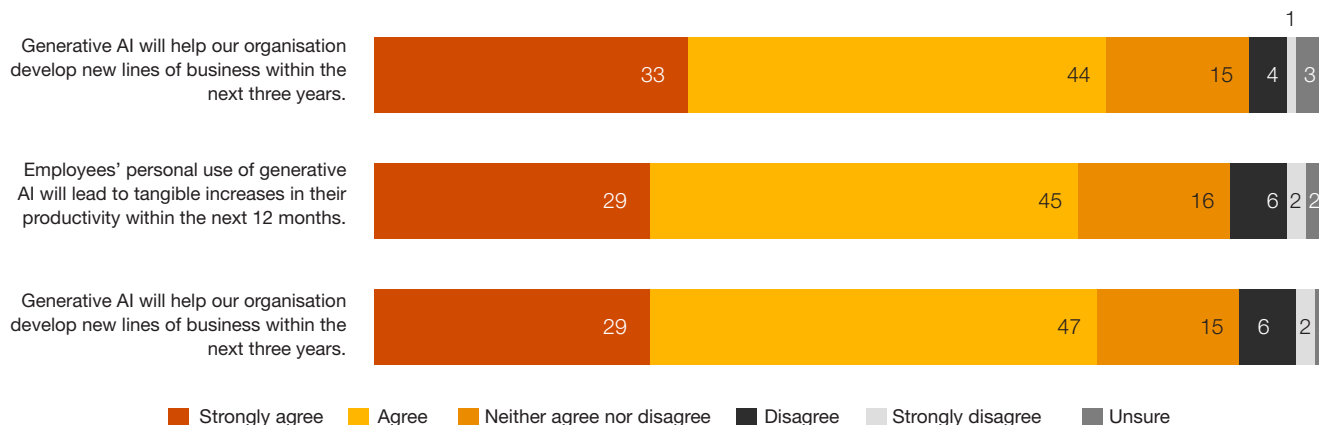
These are the strategic questions that will fundamentally transform the way companies operate even in the short

term, which is why there has been a lot of research on this topic in our global network ([How CEOs can tap AI's full potential, PwC's Global Artificial Intelligence Study](#), [PwC's 2023 Global Asset and Wealth Management Survey](#), [AI Business Survey](#)), and in our 2023 CEO Survey, we are looking at CEOs' expectations and concerns regarding generative AI.

According to PwC's latest Global Digital Trust Insights survey, mitigating cyber risk is the second priority for CEOs in 2024 after digital and technology risks. More than two-thirds (69%) say they'll use GenAI for cyber defence in the next 12 months. However, they believe GenAI will usher in a new wave of cyber threats such as business email compromise. Companies need to establish sound AI governance and get ahead of risks that could come from potential abuses of GenAI. Sixty-three percent of senior execs feel personally comfortable using GenAI tools even without data governance policies in place.

### Business expectations of generative AI

To what extent do you agree or disagree with the above statements about Generative AI?  
Number of respondents: 3876



Source: PwC, 2024 Global Digital Trust Insights

“The Serbian online reporting tool developed by PwC Hungary is a milestone project professionally, as it is the first containerized application created by SmartTax, which, thanks to modern technology, enables us to serve our clients at an even higher level. A framework has also been developed beyond the Serbian



use case, which can be implemented in any country.”

**Kornél Szeőcs,**  
Director, Indirect Tax

Therefore, the biggest dilemma faced by senior executives is how to use the new tools without creating new risks in their organisation and society, and how to use generative AI in an ethical and responsible way.

The ambivalent perception of AI stems from the fact that automated solutions and machine learning pose both threats and opportunities depending on how we use them. In 2019 PwC estimated that a quarter of Hungarian jobs would be affected by AI by the mid-2030s. Although Hungary is a marginal player in the field of AI in the global economy, global corporations are increasingly using AI-based tools, so those who do not devote resources to preparing for AI will be left behind and at a competitive disadvantage.

In an effort to drive the development of generative AI services, PwC plans to invest \$1 billion in generative artificial intelligence globally, working with Microsoft and leveraging OpenAI's GPT-4, ChatGPT and the Azure OpenAI Service, which offer coding and language models that will enable us to help our clients succeed at an even higher level. To do this, we are also modernizing our own internal platforms and upskilling our staff, so AI will truly revolutionize our work.

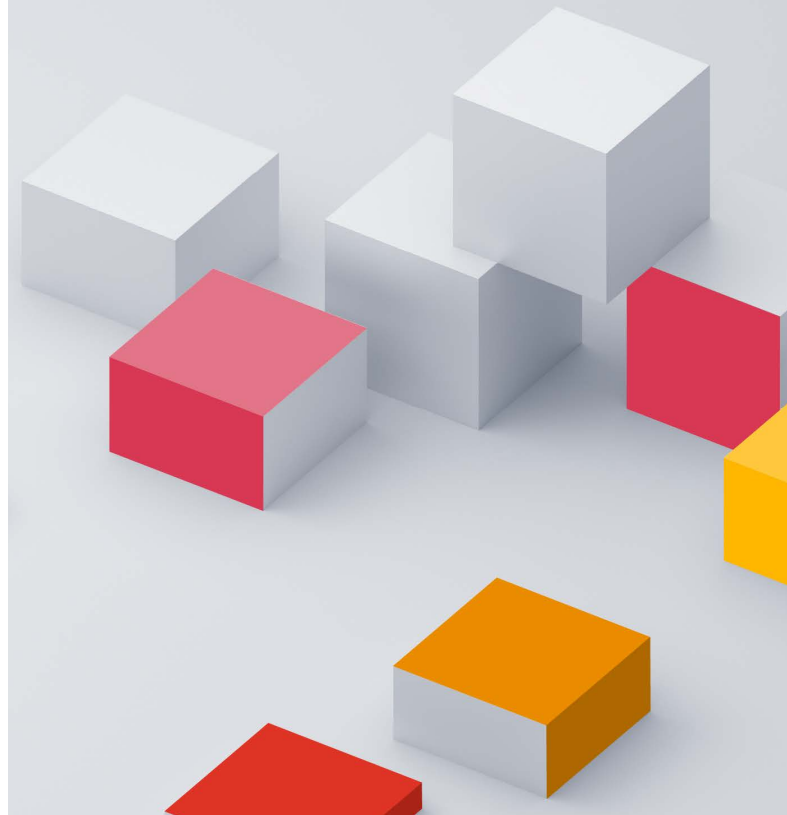
### Innovation Jam

During this year's Innovation Jam, our colleagues had the opportunity to hear presentations on neurosurgery, ChatGPT, space technology and IP, and participated in workshops, VR games, and AI guided tours.



In the future, the metaverse could become a realistic world where people can have unique virtual experiences, and do many things that can be done in real life (for example, buying products, services, entering into contracts, working, entertainment, etc.).

### PwC Global Entertainment & Media Outlook 2022-2026



## PwC supported the creation of the Artificial Intelligence Innovation Centre and an AI strategy.

Based on information received from the Hungarian AI Coalition, we conducted an analysis of the legal environment, needs and possible forms of supporting the AI ecosystem, as well as raising AI awareness. Based on the analysis and international benchmarking, PwC developed an operating model and a service portfolio to create an AI Innovation Hub. As part of this process, we identified AI Innovation Hub target groups and developed the service portfolio, pricing model, resource plan, organisational plan, and the Hub's first-year budget.



“Hungary has recognised the importance of providing multifaceted support not only to the AI ecosystem, but also to ordinary people to fully exploit the potential of the new technology and avoid pitfalls. To create the AI Innovation Hub, we used PwC’s expertise in AI technology, the legal framework of the



public sector, and operating models.”

**Csilla Stéger,**  
Senior Manager, Public  
Sector Consulting

# Sustainability services

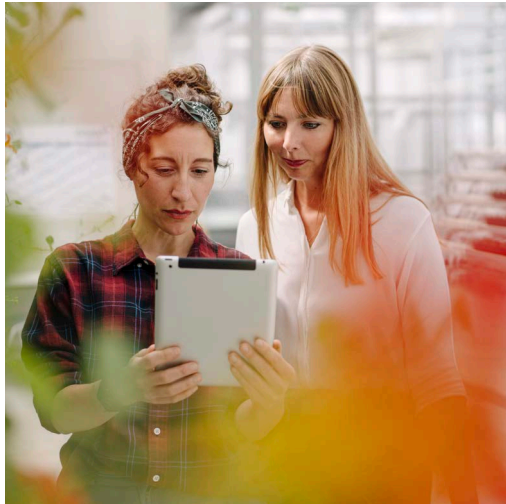
“Sustainability isn’t about ticking off tasks, it’s about making a difference – in a business, in your personal life, and in the immediate and wider environment around you for the future. Sustainability is the creation of outcomes that create value and drive growth while strengthening our environment and society. A distinctive feature of PwC’s ESG platform is that it implements cooperation across lines of service, in which tasks are not separated into business areas, but require full,



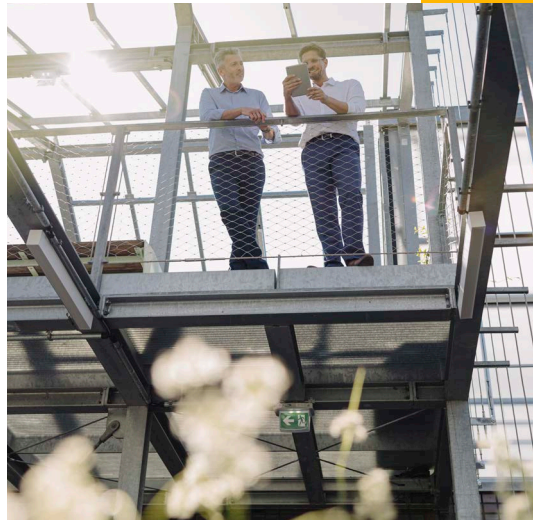
continuous and intensive teamwork, which enables us to provide complex solutions to emerging client needs.”

**Anita Hatta,**  
Lead Partner, ESG Services

One of our key roles in the transition to a global sustainable future is to help our clients understand and address the challenges posed by climate change, social processes and corporate governance, and understand and measure impacts, risks and opportunities. Sustainability and environmental protection are at the heart of our global strategy, as demonstrated by our commitment to invest \$12 billion across our global network over the next five years. This includes acquisitions and investments in technology and the capabilities of our people.



The PwC Net Zero Economy Index shows progress on decarbonisation is falling alarmingly short of what is required to limit global warming to 1.5°C above pre-industrial levels.



To achieve its ambitious climate targets, the European Union has established a new framework for sustainability legislation, which will transform the entire structure of the economy both in the European Union and in Hungary, bringing fundamental changes to all economic players in Hungary. The new EU regulatory trends, along with international ESG market processes, indicate that Hungarian companies will be facing rapidly changing and increasingly stringent sustainability regulations and market expectations. These changes will affect nearly every aspect of business, including taxes, manufacturing, procurement, supply-chain management, finance and human resources, as well as corporate reporting.

As a result of the above, sustainability considerations are becoming more and more financially relevant and therefore need to be audited by trusted partners. That is why we have launched and are continuously expanding our sustainability services – we want to be a trusted partner for our Hungarian clients in this new compliance environment. With our services, we help our clients remain competitive by ensuring that they comply with the ever stricter international and Hungarian sustainability regulations, as well as with market expectations. We want to contribute to our clients' competitive advantage over the long term by assisting them in setting up sustainable operations and adopting best market practices.



**Strategy and transformation**



**Reporting & Assurance**



**Climate change**

- Developing a sustainability strategy (SDG integration)
- Reviewing and improving performance indicators
- Analysing the impact of business operation (materiality assessment)



**Sustainable value chain**

- Mapping and analysis of risk scenarios related to climate change
- Developing green financial products
- Sustainable real estate development
- Green fleet
- Sustainable urban development (smart city)



**Responsible investment**

- Tax allowances / subsidies
- Creating a sustainable value chain
- Developing circular economy models
- Supporting net zero transformation



**Sustainable finances**

- Non-financial reports (sustainability, ESG, CSR)
- Developing reporting methodologies and systems

- Supporting corporate ESG categorisation
- Certification of green financial products

Health check

Sustainability strategy development

Implementing sustainable operation

Sustainability reporting system

Review, continuous development

“Companies are pushing forward with plans to mitigate climate change by decarbonizing their operations, improving the performance and resilience of their supply chains, and engaging others to do the same. More than 3,000 companies and financial institutions are participating in the Science Based Targets initiative (SBTi) to reduce their emissions



by setting science-based targets.”

**Dr. Rita Szalay,**  
Law Firm Member  
responsible for ESG

## Our client work related to sustainability

Our ESG advisory team supported both Hungarian and foreign-owned large and medium-sized companies operating in Hungary during the year in various sustainability developments and performing the related administrative tasks.

This included support for preparing sustainability reports under the GRI framework. GRI is the most widely used ESG reporting framework today, which also serves to prepare for reporting under the EU's upcoming mandatory sustainability reporting standards (ESRS). In addition, in the SME sector, we prepared reports in accordance with the simplified framework of the BSE's ESG Pilot advisory programme, calculated GHG emissions, and supported companies in a special rating process. In addition, as an independent auditor, we also audited sustainability reports.

In addition to reporting and ratings, our ESG team also reviewed internal regulatory compliance, which always included performing gap analyses of related projects, and developing proposals to supplement existing policies (including the sustainability due diligence of supply chains in line with expected regulations, or the specific obligations of financial entities).

Thanks to our expertise in energy and the transition to a green economy, our references with battery manufacturers, and our dedicated China Desk, we worked on developing a complex energy and decarbonization strategy tailored to the Hungarian site of the world's largest battery manufacturer.

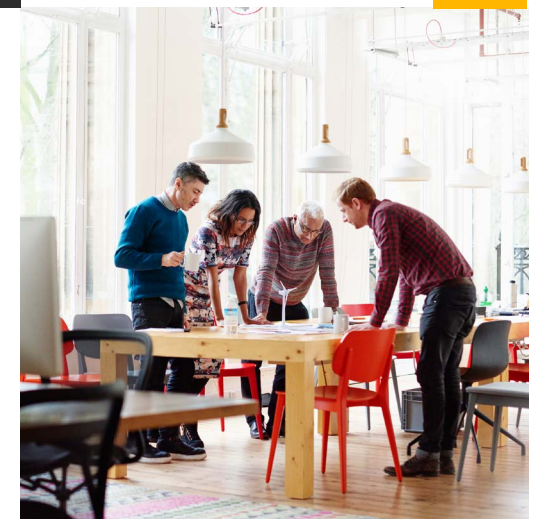
We also organised numerous ESG-related events, webinars, and training series.

Together with the Czech PwC firm, we supported a Hungarian financial institution in adopting the European Investment Bank's Green Gateway framework. The aim of the project was to increase the share of loans that meet the EIB's criteria for green lending. To this end, we performed a comprehensive market analysis, made recommendations for simplifying EIB's green lending practices, and organised training sessions on the use of EIB's assets.

“As a result of our work, EIB gained a better view of how its green products are perceived in the market, future financing opportunities, and how to use

its funds as efficiently as possible.”

**Szabolcs Mezei,**  
Partner



# Diversity and equity

“Our global Inclusion First strategy demonstrates our commitment to making a difference in diversity and inclusion within and outside PwC. We know that the success of our business strategy depends on our ability to bring together diverse talent, skills and perspectives to continue to build trust and help our clients deliver sustainable outcomes.”



**Márta Szűcs,**  
Partner responsible for diversity



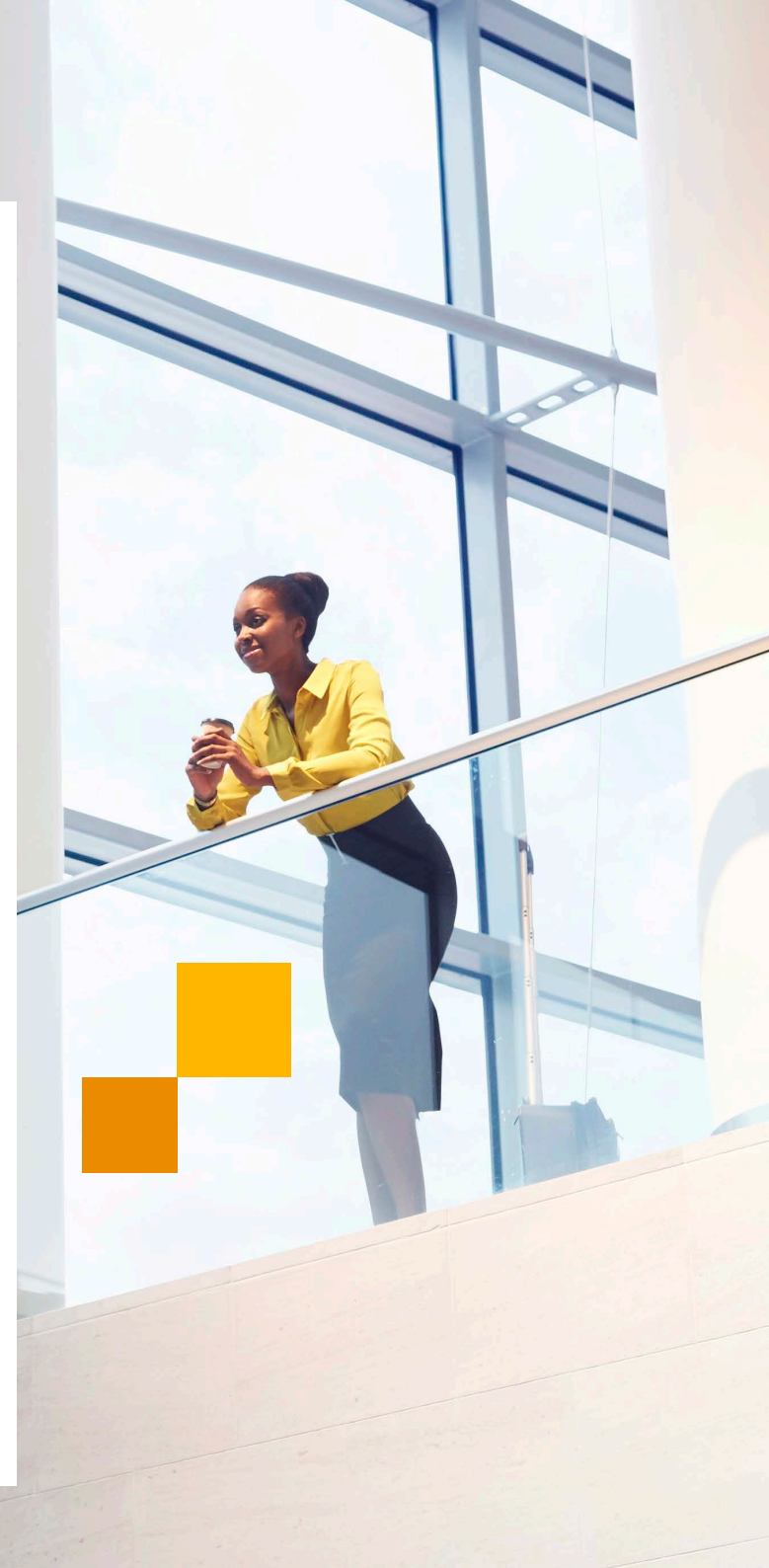
To scale our global commitment to I&D in a locally sensitive way, we have created a flexible framework that allows each member firm to align with our global Inclusion First strategy in a way that makes sense for the dynamics of their country or region and respects where each territory is on its I&D journey. We put inclusion not just at the heart of our global I&D strategy, but also in how we execute this strategy across the PwC network.

### The principles of our approach:

- Member firms commit to adopting an I&D strategy centred on inclusion first systems and behaviours.
- Each member firm combines that with a focus on gender and at least one further dimension of diversity that is of local importance.
- Member firms also apply a purpose-driven approach to their local I&D strategies, focusing on social inclusion to elevate their change efforts both within and beyond PwC.

### Key I&D challenges for FY23:

- Raising awareness and I&D education to develop an inclusive mindset.
- Incorporating training on conscious bias into team and leadership development programmes.
- Putting into practice our ambitious targets for increasing the share of women in leadership in all functions, and striving for gender equality, especially in Advisory.
- Demonstrating leadership commitment to key issues and minority groups.
- Providing meaningful support to our LGBTQ+ employees.
- Obtaining reliable data on disability-related matters.



## Our diversity indicators

### Inclusion & diversity highlights

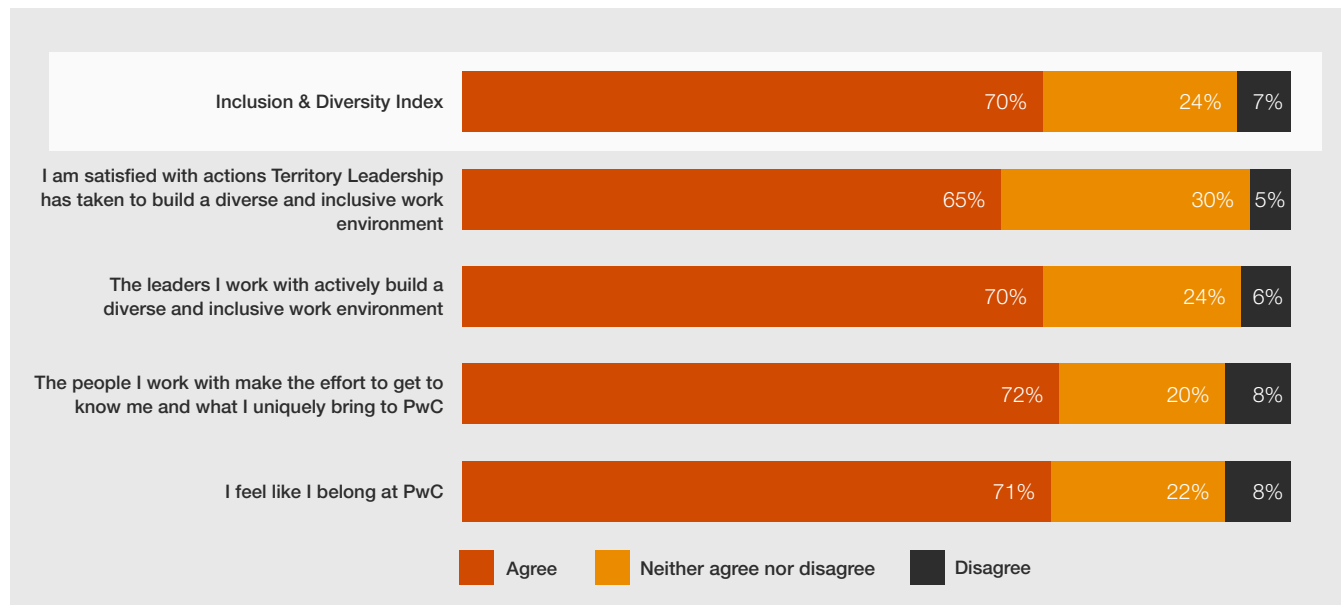
- We have launched our first Global Disability Inclusion strategy, which requires all member firms to take specific actions over the next three years to drive accessibility and inclusion for people with disabilities. (For example, employees are now invited to voluntarily disclose their disability as a core demographic in our Global People Survey.)
- To increase the representation of women in leadership positions, we are monitoring the achievement of global and regional goals across all functions. Women now account for 20% of PwC’s Network Leadership Team. In addition, 47% of our Global Board members are women.
- We have introduced a new Global LGBTQ+ Inclusion strategy that places the priority of care for our people and their safety at its heart, allowing us to adapt the ways we advocate for and support our LGBTQ+ community. One

of our Hungarian colleagues, a Director, is a member of the CEE Shine Network for LGBTQ+ and allies.

- Our 12-hour Inclusive Mindset learning programme is available to all partners and staff across the PwC network, aimed at developing critical human skills and foster an inclusive work culture.

Visit [www.pwc.com/inclusion](http://www.pwc.com/inclusion) to find out more about our Global Inclusion First strategy.

After 2021, we conducted another survey at the end of this financial year to find out how our employees feel about corporate diversity and inclusion. We are developing our action plan for FY24 based on these results and feedback.



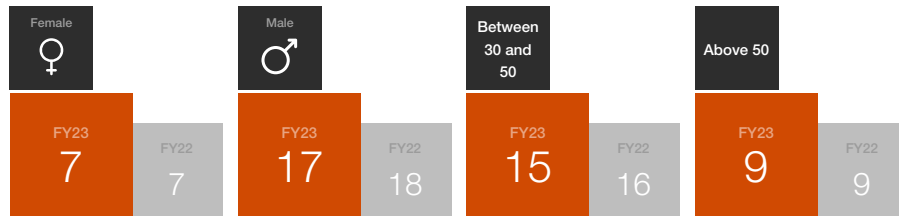
“Employers can make a material improvement to women’s empowerment in the workplace by focusing on fair reward, autonomy, inclusive leadership and instituting a data-driven diversity strategy. The aim is to create a workplace culture where there are equal opportunities at every



stage of career development.”

**Anita Mekler,**  
Partner

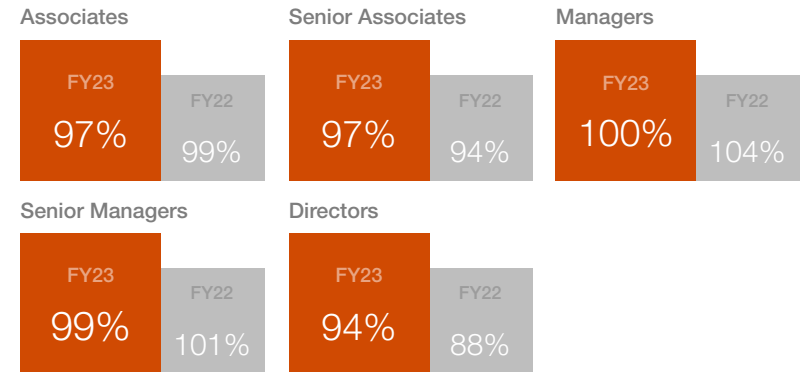
### Composition of management by gender and age



### Percentage of staff by position



### Ratio of basic salary and remuneration of women to men



Of the OECD countries, Hungary charted the greatest improvement in absolute terms from 2020 to 2021 on the Women in Work Index. Hungary has also made significant gains in country rankings, improving nine places from 22<sup>nd</sup> to 13<sup>th</sup> place.



“I’m involved in several initiatives aimed at supporting talented children from disadvantaged backgrounds. A common problem with these initiatives is that financial support is often not spent in a useful or transparent way. In the Romaster programme, PwC provides the money, the mentors approve specific goals, and in addition to financial support, we also have a personal relationship with our mentees. We see what they need, and we can contribute to their intellectual, professional and spiritual growth in ways that would not be possible in their own environment.

Our mentee is a girl from a small village who will be the first among her siblings to obtain a higher education degree, living in a big city. She has to overcome prejudice, her own lack of self-esteem, and in addition to studying she has to work for a living, and find harmony between her old and new life. I sincerely respect her for the determination and diligence with

which she moves forward on her journey, and I hope we can help her earn the degree she desires.”



**Éva Barsi,**  
Partner

### Supporting disadvantaged groups

Since 2022 we have participated in the Romaster programme, in which senior colleagues mentor Roma youth during their university studies. In FY23 we supported two students.

We are working with Bagázs Public Benefit Association to support the schooling of young people living in Roma settlements in Bag and Dány and helping adults with professional advice to succeed in life.

“Studying together is often challenging after a day full of meetings because I have to convey things that seem obvious to me as simply and as clearly as possible, so that I can genuinely help the student’s development. When Virdzsi successfully passes a test or solves a maths exercise flawlessly on her own, I’m so happy for her, and she’s happy too! It’s these little pieces of feedback that motivate me the most in this programme.”



**Boglárka Herczeg**

“I really liked the organisation’s approach of helping disadvantaged youth with their studies rather than just providing a financial donation. A positive aspect of the “Tartom és emelem” programme is that they are not specifically looking for professionals for teaching and tutoring, but rather for people who take care of these students to help them catch up with the school curriculum.”



**Dorottya Virág Mák**

## Diversity Week

This year we organised Diversity Week for the second time to showcase the diverse communities in which we live and work. We aimed to give our people insight into the diversity of Hungarian society, the power of different perspectives, and the importance of understanding and cooperation.

During Diversity Week, our colleagues had the opportunity to encounter different realities. The first event focused on social inclusion; participants included the representatives of Bagázs Foundation which aims to help the reintegration of young Roma women into the labour market, one of our colleagues who is a mentor in the Foundation's "Tartom-emelem" programme, and a young girl from the Roma community. The discussion also touched on overcoming centuries-old patterns and the life-changing role of education, as well as on the key role of mentoring and a supportive environment in escaping poverty and unemployment.

In another discussion with our colleagues, we learned about different life situations, how people can maintain balance in their lives as parents and as leaders working at PwC.

And just as we did last year, we dedicated an entire afternoon to Living Library, where our colleagues had the opportunity to meet and talk with people from different minority groups, e.g. LGBTQ+, people with physical or mental disabilities, people from disadvantaged social backgrounds, etc. In total, we had more than 300 participants, and the article reporting on these programmes was one of the most read in the summer issue of our internal magazine.



“They spoke very honestly about their situation, which was often traumatic, about their world view, and how they are treated by society. During these conversations, it became clear to me that religion, national identity, sexual orientation, disability or the attached labels don't matter because we feel the same way, and we each have our concerns and opinions about the world around us. If only we listened to each other more, we would understand each other much better, and focus less on differences and more on what we have in common.”



# Our stakeholders

Once again we had a year without office lockdowns, allowing us to work in person together. We started the year with a record number of employees, did volunteering work in October, and launched the PwC Beer Circle, in addition to the PwC Wine Club, for our clients. We are proud of the successes our colleagues achieved in sports: at the autumn soccer cup in Milan, our Ultrabalaton running teams, as well as the participants of the PwC Heroes programme. This year, our Mental Health programme became available to all. In addition to helping each other and clients, many colleagues are also actively participating in programmes for NGOs by sharing their knowledge.

## Relations with stakeholders

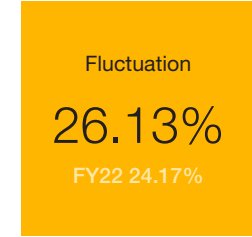
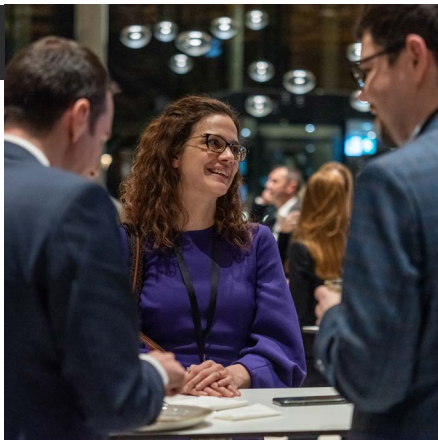
Stakeholder group	Communication tools	Forms of cooperation in FY23	Development opportunities
Employees	Global people survey, annual performance evaluation, regular career meetings and coaching, staff events, internal staff magazine, newsletters.	Annual global people survey across the PwC network. We usually organise our internal events in a hybrid format, and in our internal staff magazine we publish inspiring stories. We improve our internal processes through continuous technological innovation and offer up-to-date tools to enhance our employees' skills.	Incorporating feedback into our operations, leading to real action. Reviewing critical areas also during the year. Supporting the mental well-being of our colleagues, involving external experts, is a focus for us at PwC. Launching programmes that provide the experience of belonging to a community by focusing on interpersonal contacts. Further expanding our professional knowledge bases, knowledge sharing, facilitating cooperation between sectors.
Customers and clients	Client feedback surveys, newsletters, professional events, studies, social media campaigns, tenders.	Building relationships and demonstrating PwC's expertise in various events, e.g. presenting the Hungarian CEO Survey, Future of Finance and EVP surveys, CFO Club, beer and wine dinners, programmes at the Budapest Sports Arena. Publication topics include: blockchain technology, metaverse, employee preferences, changes in consumer habits, and social listening.	Optimising client experience by considering environmental factors. Serving the needs of both groups of participants at hybrid events. Mitigating the economic damage caused by the pandemic and the war, introducing personalised services.
Suppliers	Traditional dialogue with suppliers, tenders, feedback	We work with responsible, certified suppliers.	Screening suppliers, top 20 suppliers with SBTi certification. Communicating our net zero commitments.
Government and regulatory bodies	Participation in professional forums, publications, surveys, membership in professional organisations, press releases.	Inviting external organisations and experts (e.g. NAV and Ministry of Finance experts); topics: VAT in the digital age; Changes in tax reporting, EU objectives; Details of the planned e-VAT and regulatory potential; Current tax issues.	Reviewing professional materials, active participation in the preparation as a consulting partner. Facilitating dialogue between regulators and businesses, organising joint events.
Next generation, potential employees	Youth surveys; participation in job fairs, open days and career days, and academic competitions; youth projects and competitions; social media campaigns.	Participating in career fairs and vocational guidance programmes, employee preference surveys.	Stepping up employer branding activities for career starters.
Local communities, non-profit organisations	Participation in professional forums and events, collaboration in non-profit projects, volunteer tasks, pro bono services, training, and memberships.	Civil Mentoring Programme, in-house training day for non-profits, pro bono and discounted services, volunteer day. Cooperation with professional organisations, e.g. BCSDH, ÖKA, Civil Impact, Scale Impact, SIMPACT.	Adopting and sharing best practices, involving as many employees as possible in activities, and facilitating civil society cooperation. Increasing the rate of digital skills development in training programmes.
Media	Newsletters, professional events, studies, social media campaigns, statements.	Preparing press releases, expert interviews, professional articles, newsletters, and background materials.	Current tax and legal issues, monitoring and clearly explaining changes; supplementing materials prepared by the global network with local information.

## Staff

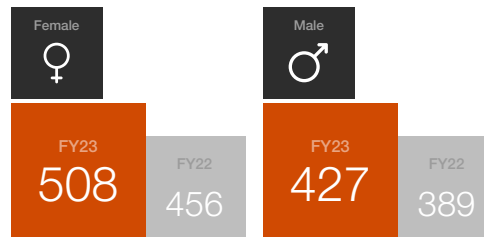
PwC's most valuable assets are our people because they have the knowledge, professional expertise and experience on which we build our services. This is enriched by a wide variety of human factors that carry the feeling of belonging to a community. At PwC we focus on ambition, competence, flexibility, leadership and networking skills and develop them every day.

84% agree

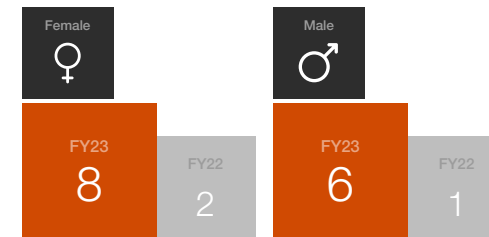
I understand how my work contributes to PwC's purpose.



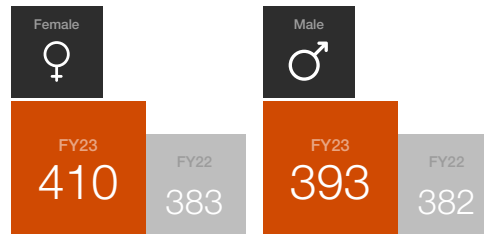
### Permanent staff



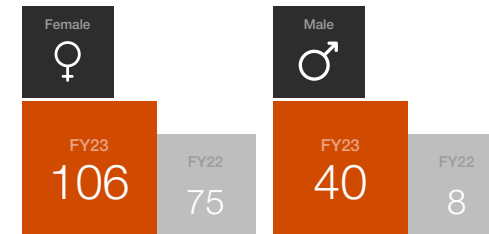
### Temporary staff



### Full-time employees



### Part-time employees



### Workers who are not employees



\* Data for FY22 and FY23 provided based on reports from our HR system; headcount figures as of the last day of each financial year, i.e. 30 June 2022 and 30 June 2023.



## Remuneration policies

Partners are remunerated out of the profits of the firm and are personally responsible for funding pensions and other benefits such as medical care. The Partner evaluation and compensation process is fully compliant with the independence requirements of the IESBA Code of Ethics for Professional Accountants, which disallows a Partner to be assessed or rewarded for selling non-assurance services to own audit clients. A Partner's remuneration is based on the Partner's contribution to the firm during the year and is finalised following the completion of the annual audits for the national firms.

The allocation is reviewed and approved by the CEE Partner Council. Each Partner's remuneration is based on their responsibility with equity units being allocated on the basis of a matrix, which primarily takes account of the Partner's current role within the firm. There is also a variable (performance element), reflecting how a Partner and the teams they work with perform in a given year.

More information can be found in our [Transparency Report](#).

### Benefits

#### Benefits

Cafeteria, insurance, promoting health, paid company holidays, learning & development, sports, flexitime, company events, sabbatical leave, extended paternal leave, tech equipment, fruit day

#### Other incentives

Instant recognition card, loyalty recognition, success story award for teams, Key Talent programme

#### Financial incentives

New business bonus, referral bonus, project bonus

#### Variable pay

Company bonus and/or sales incentives

#### Guaranteed pay



## Cafeteria plan

Members of staff who are employed (except those participating in dual education) or on secondment are entitled to participate if they work at least 20 hours per week.

The annual Cafeteria amount is HUF 480,000. In 2023 the following benefits could be chosen:

	Tickets for cultural events		Healthcare Services
	Language course support		Support for nursery/ kindergarten fees
	Home office allowance		Fuel card top-up (Only for company car users)
	SZÉP Card – accommodation		Cash allowance (Cafeteria benefit paid in cash)

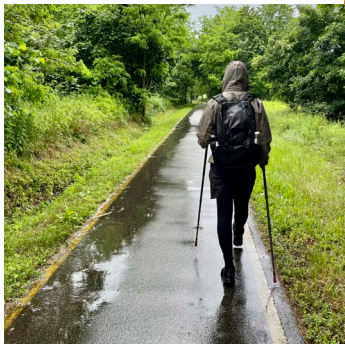


At PwC, we aim to make life more pleasant and easier for our people. We offer free, unlimited coffee to keep people going during the week, and on Thursday evenings they can start off the weekend with a complimentary spritzer at the bistro downstairs. We endeavour to enhance our people's health with various free or discounted specialist medical examinations, general medical consultation, and weekly fruit days. We arrange for many discounted services to be offered in our office (massage, shoemaker, tailor, dry cleaning).

## Health and safety in the workplace

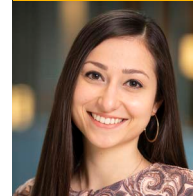
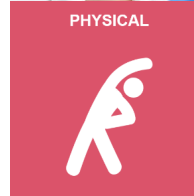
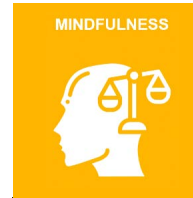
One of the many ways in which we support the health of our colleagues is providing sports opportunities so that exercise can be a part of their lives:

- weekly Pilates classes and back exercises
- team sports (soccer and volleyball)
- MOL Bubi (public bicycle fleet) pass
- In-house Step Counting and Cycle to Work competition
- running competitions
- annual volunteer and sports day
- Care4Life – promoting a healthy lifestyle



### Care4Life

Team members are working to expand PwC’s offerings in areas such as nutrition, physical and mental health, and prevention.



### Our Mental Health Programme

“Sometimes a good conversation alone is enough!” – this is the motto under which we launched PwC’s Mental Health Programme in October 2022, with the aim of helping everyone maintain their mental wellbeing.

A year and a half ago, our Assurance service line piloted the Mental Health Programme. Based on its success, the partnership decided to make it available to all. The aim is to support our colleagues in maintaining a healthy balance and provide them with professional help when they are struggling, in any area of life.

Nearly 450 of our colleagues registered on the service provider’s website in six months, 173 participated in one-on-one consultations, and 87 requested assistance in writing. More than 150 of us joined the webinars.

Launched a year ago, the programme became so popular that consultations and the monthly webinars continued as of October 2023. Topics included perfectionism, burnout, and quality sleep.



	Benefits provided to full-time employees		Benefits provided to part-time or temporary staff
	Benefit available	Description	Benefit available
Life insurance	✓	Based on regional guidelines	✓
Healthcare	✓	Occupational health assessment	✓
Parental leave	✓	Supplementary leave for children, paternity leave (20 working days instead of the statutory 10 working days), maternity leave	✓
	✓		✓

Reasons for introduction	Legal obligation	Risk management/management system standard or guideline
Legal obligation	According to Decree No. 33/1998 NM, the annual occupational health assessment is mandatory for all employees. The first medical exam takes place at the start of employment, and after that once a year, and includes professional consultation and basic tests (blood pressure, respiratory health, and vision). In case of pregnancy, a special health assessment is required.	Minimizing the risk of infection at work. Testing visual acuity. Organising health screenings.
Risk management/management system standard or guideline		Providing flu vaccination free of charge, organising campaigns. Health screening during company health day. Executive health screening packages.
Number/types		Ratio (to total)
Employees	949 (employees, including partners, and employee trainees)	100%
Locations	2 (Budapest and Győr offices)	100%
Activities		100%

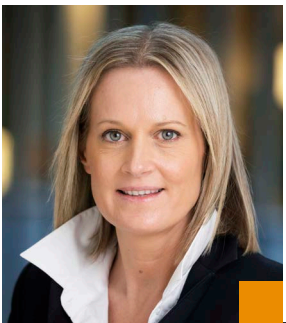


Access to non-occupational medical and healthcare services	Organising screenings and campaigns during company health day. Mental health and wellbeing consulting service provided by a third party.
Services included	Executive health screening programme Providing flu vaccination Individual consultations online, in person, or anonymously in writing; workshops, presentations, and webinars during Mental Health Day Dental services
Non-occupational voluntary health promotion services and programmes	
Specific non-occupational health risks covered	n/a
Our firm's role in providing access to programmes	Organising campaigns based on employee needs, regular communication related to health awareness
Ensuring employee rights to privacy and confidentiality during the process	Requiring suppliers to sign confidentiality statements, employee declaration of consent to data processing, ensuring anonymity for sensitive matters.

## Attracting and retaining talent

One of our key strategic goals is to make PwC a workplace that we like, where we can be part of a community that stands out in the marketplace with its supportive and positive atmosphere, and where everyone feels they are given the recognition and appreciation they deserve for their work. We aim to work with the most talented and most excellent experts, and to make PwC an attractive workplace for professionals who can identify with us and our values. It is therefore important to make our employee brand promise not just appealing but also credible. Along with the values that PwC represents globally, our employees expect us to provide them with the following:

“As in previous years, attracting and retaining talent remains the biggest professional challenge for HR. This needs to be done in a volatile environment, while



competing for workers in the global labour market.”

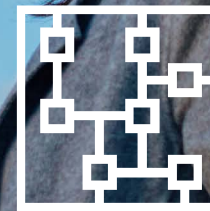
**Anikó Hinterstein,**  
HR Leader



Opportunity to  
become an expert



Continuous  
development



Diverse clients &  
sectors



Teamwork culture



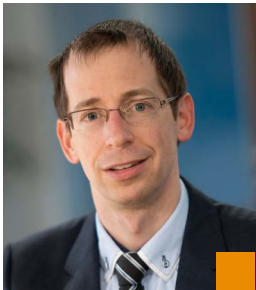
Friendly workplace



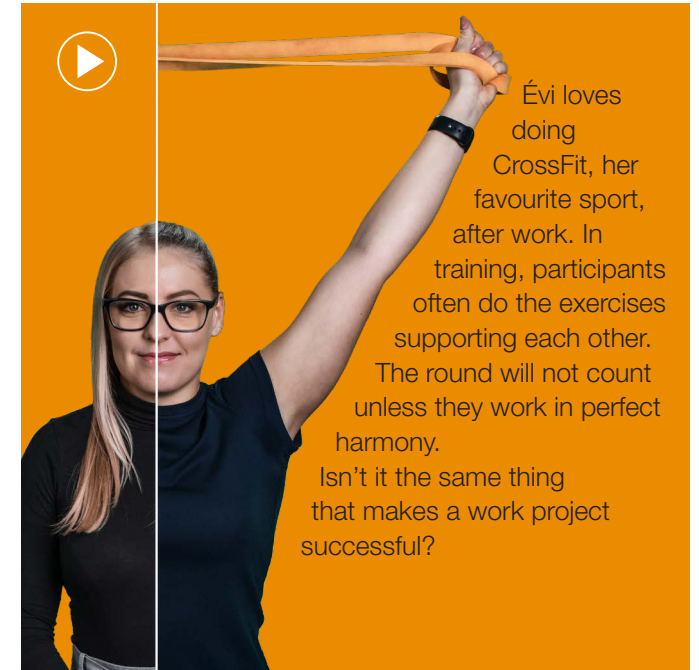
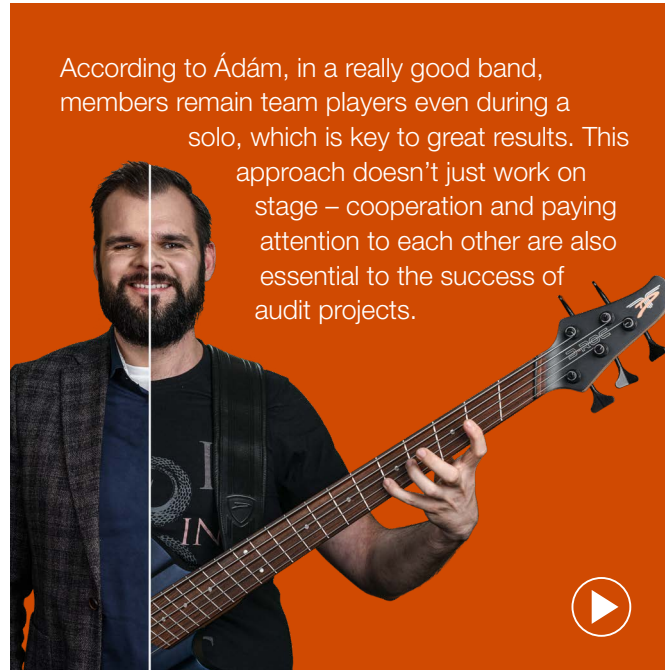
## We stand for diversity

This year's campaign showcased the diversity and unique stories of our colleagues. At PwC, an auditor can lead a dance club or play in a band while working full time; a personal assistant can also be a midwife, or an SAP consultant a nurse. We pay special attention to work-life balance so that everyone has time for sports, hobbies or to perform a social role while working.

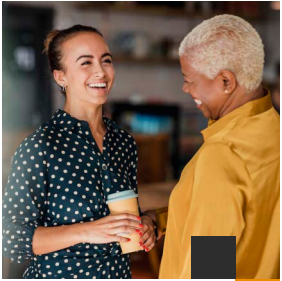
“Work-life balance is an integral part of a healthy lifestyle, especially sports.”



**Gábor Halmosi**, Partner, member of PwC Hungary's Ultrabalaton running team



## Random Coffee



Based on a colleague's idea, the initiative aims to help people meet more often in person and get to know each other by randomly selecting two colleagues and inviting them for a coffee together every two weeks.

## PwC Heroes

In early 2023, we launched an unusual sports challenge. As part of the PwC Heroes programme, participants trained together for the Fighters' Run steeplechase team event, following a five-month training plan assisted by nutritionists.

We were not looking for top athletes, but people who wanted to move towards a healthy, sporty lifestyle in the spirit of Care4Life, who could train together for a team competition every week with the help of professionals, while overcoming their own limitations. This enriched them with an unparalleled experience and a new, more active lifestyle.

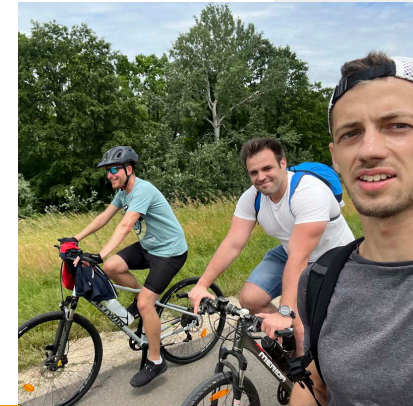


**Renáta Csekő**

“What I learned in the Heroes programme is that if you really put your mind to something, anything is possible. We received a lot of help with the preparation, and we took part in joint cross training and running. Thanks to these and our team's motivation, I successfully cleared most of the obstacles in the competition. I'm very grateful to the Heroes community for constantly motivating and helping each other.”



## Joint bike ride around Lake Tisza



## Recruitment and selection

To have the best professionals, we need to find and attract the most talented workforce. The work of our Recruitment team within Human Resources involves hiring new colleagues according to market needs. We are present on several online platforms and events where prospective employees can get to know our firm and the positions we offer.

## Welcome bites

New joiners get acquainted with professional and community activities based on PwC's values in small teams and in an interactive manner on their first day with us. They can gain deeper insight into an activity they choose (e.g. pro bono volunteering, innovation opportunities, digital skills development) already on their first day.

70%

of our people would recommend PwC as a great place to work.



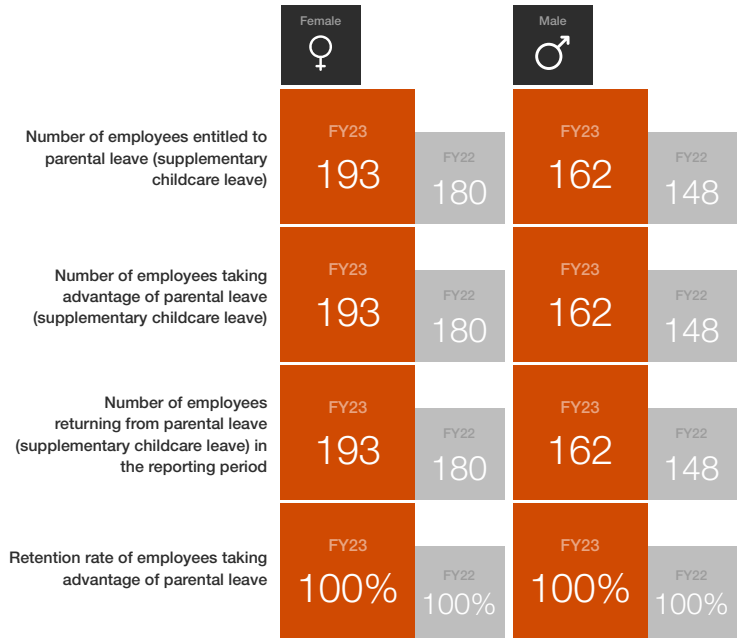
“In addition to accounting knowledge, you must strive to do your very best and feel that you belong here at PwC. Eagerness to develop, high professional standards, and an open attitude – these are our expectations of all our employees.”



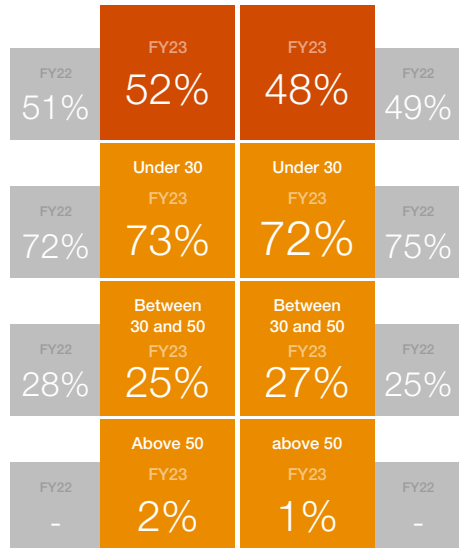
Number of new joiners at period end (persons)



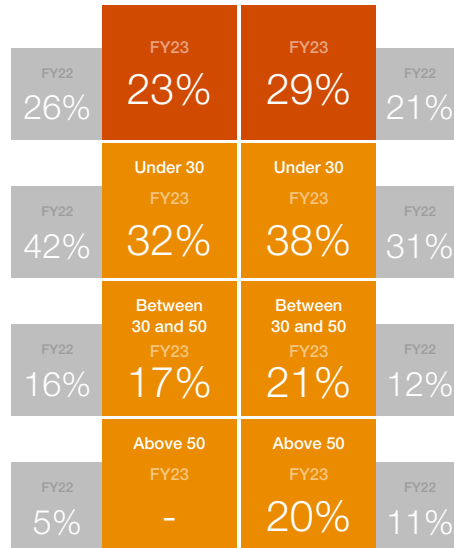
Employee turnover during the period (persons)



Proportion of new joiners at period end (%)



Employee turnover ratio during the period (%)



Number of young mothers returning to work



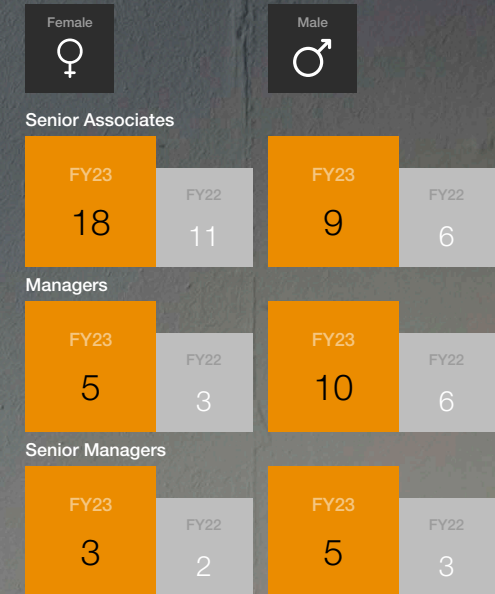
Our talent development programme continued in FY23. This involves highly talented colleagues participating in a range of professional training and networking events. There are three levels of seniority: the Early Talent Programme is open to senior associates, the Manager Talent Programme to managers and senior managers, and the Leaders of the Future Programme to experienced senior managers and directors.

In FY23, our leaders selected 27 early talents (FY22: 17) and 23 manager talents (FY22: 14) to receive training and participate in other programmes for one year.

### Number of employees evaluated for performance



### Number of employees participating in the career development programme (Early and Manager Talent)



## Trainings

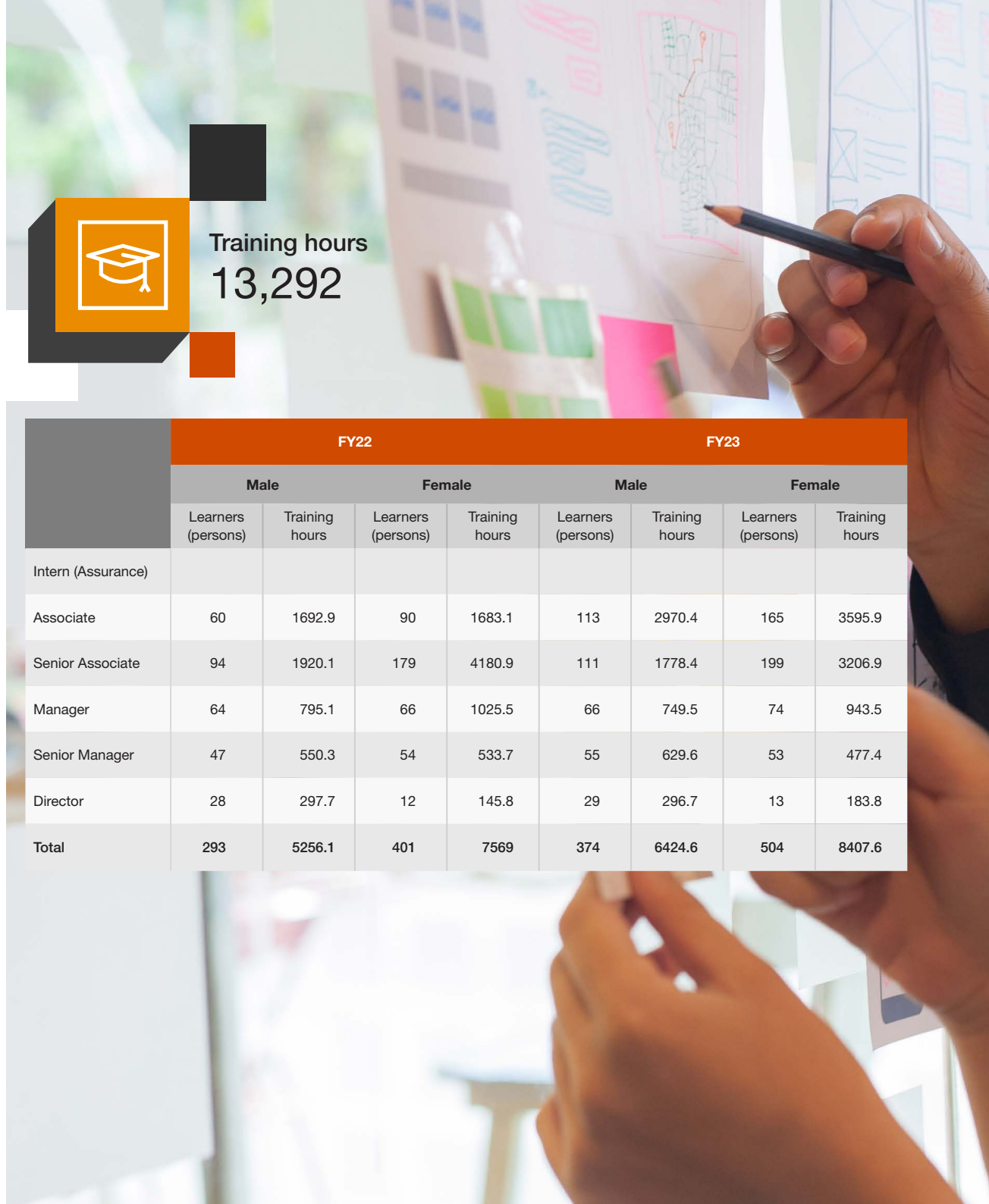
We pay particular attention to ensuring that our people have extensive and up-to-date knowledge, so they can meet the highest professional standards. We develop our business-specific training structure accordingly, and continuously improve and update our training offerings. Training courses are offered in consulting, negotiating skills, assertiveness, presentation skills and many more areas.

 Personal (self) branding – visibility	 Resilience, stress management
 Public speaking	 Developing people on the job
 Leadership in action – TL training	 Feedback training
 Client management and negotiation	 DISC (self awareness)
 Assertive communication	 Proposal writing
	 Time management & efficiency

Our Business Skills training series is designed to develop general consulting competencies.

We are putting special emphasis on developing management skills because inspiring leaders play a key role not just in retaining employees but also in attracting talent. Our Leadership in Action programme is aimed at raising awareness of management skills for team leaders, making available a wider set of tools, collecting and sharing best management practices. The topics covered in four training sessions are selected taking into account current management tasks of the performance management cycle and the seasonal nature of our business activities.

We provide numerous online trainings to equip our employees with digital skills that are indispensable in today's world. Our CEE Digital Tools Upskilling online training series offers workshops and webinars on various topics for beginner and advanced levels. (Alteryx, Python, Salesforce, Google, QL, Chat GPT, Power Platform).



	FY22				FY23			
	Male		Female		Male		Female	
	Learners (persons)	Training hours	Learners (persons)	Training hours	Learners (persons)	Training hours	Learners (persons)	Training hours
Intern (Assurance)								
Associate	60	1692.9	90	1683.1	113	2970.4	165	3595.9
Senior Associate	94	1920.1	179	4180.9	111	1778.4	199	3206.9
Manager	64	795.1	66	1025.5	66	749.5	74	943.5
Senior Manager	47	550.3	54	533.7	55	629.6	53	477.4
Director	28	297.7	12	145.8	29	296.7	13	183.8
<b>Total</b>	<b>293</b>	<b>5256.1</b>	<b>401</b>	<b>7569</b>	<b>374</b>	<b>6424.6</b>	<b>504</b>	<b>8407.6</b>

Key results of our Global People Survey

70%

of our people would recommend PwC as a great place to work.

70% agree

I expect to be working at PwC 12 months from now.



86% agree

I have the opportunity to work on challenging assignments that contribute to my development.



82%

are proud to work at PwC.



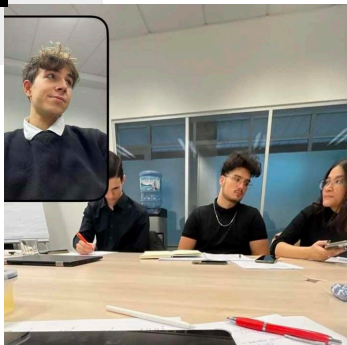
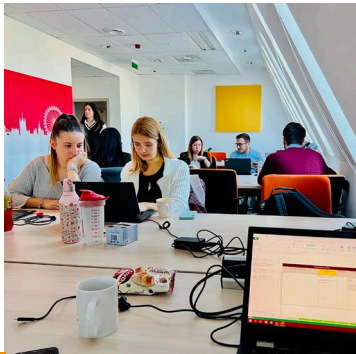
79% agree

I feel like I belong at PwC.

## PwC Finance Academy

We presented our Finance Academy programme on main stage at the Education Expo EDUCATIO in January 2023. At the end of the three-and-a-half-year unconventional university programme, students acquire the Oxford Brookes University's BSc degree in Applied Accounting and the ACCA Advanced Diploma in Accounting and Business. In the meanwhile, they earn a salary at PwC, get on-the-job training, attend various digital and soft skills trainings, and receive professional mentoring.

We had twenty students in the first year, eleven of whom have acquired the ACCA Diploma in Accounting and Business.



“When designing the professional programme for the Finance Academy and its four-and-a-half-year curriculum, we placed particular emphasis on not just ensuring students’ professional progress but also on developing their digital competencies. We experienced that students lacked basic skills in many cases, so we redesigned the digital upskilling syllabus to tackle this deficiency.”

**Katalin Szilágyi,**  
Director, Finance Academy



## Next generation, potential employees

To have the best professionals, we need to find and attract the most talented workforce. PwC's recruitment team and experts regularly participate in university career fairs; our colleagues serve as instructors in secondary schools and higher educational institutions.



## Communities

At PwC, our purpose is to build trust in society and solve important problems worldwide. We believe that businesses have a key role to play in addressing societal issues. In this section we present some of the initiatives we have taken to make a positive impact this financial year, for example through volunteering or humanitarian aid.

Today, the systems that underpin societies are facing unprecedented challenges. As a business, we have a responsibility to actively support the development of these systems so that they bring wider benefits to communities. This is particularly important in the context of the growing gap between economic growth and social progress. For many years, globalisation, digitisation and technological change fuelled global economic growth, resulting in a continuous improvement of many people's lives. At the same time, many countries have also experienced high levels of mistrust and dissatisfaction in increasingly large sections of their population, as access to resources and the benefits derived from that access are distributed unequally among different geographies and social groups. To address the causes and drive change, we must restructure social and economic systems – which includes changing the role of business in both.

In the 2023 financial year, we supported disadvantaged children, received them in our office, provided trainings, pro bono services, and mentoring over several months to several civil society organisations. The Christmas period and the Diversity Week saw an increased focus on mutual cooperation with communities.



## Helping together

### Organisations we helped on the Volunteer Day in October

Volunteering is not just about work. It is rather an opportunity to help, gain experience, connect, and learn without limits. No wonder that the positive outcomes motivate more and more of our employees each year to lend a helping hand. As part of this year's most significant volunteering campaign, almost 250 colleagues spent a day performing professional and physical activities at different locations.

Two thirds of them were picking up litter and maintaining nature trails in the Pilis Park Forest. Our employees in the Győr office also joined the initiative: they were restoring tourist shelters and information boards on the Canopy Trail around Pannonhalma Abbey. We also organised an office experience day for children living in foster homes.



“Our reshaped ‘green office’ task force made arrangements at seven locations in or near Budapest for the Volunteer Day on 15 October. As a pleasant surprise, our colleagues showed an intense interest, so we needed to add more and more locations. We enjoyed wonderful weather on that day and helped actively in astonishing natural environments with more than 200 colleagues.



**Dávid Lengyel (TLS),**  
chief organiser of the green initiatives on 15 October

## Community development events

We have been working together with Civil Impact in many areas for several years. Their Youth Impact programme offers young people between 16 and 22 years of age the opportunity to work on solving a societal or environmental issue they choose or to set up a commercially sustainable project in teams of 3 to 5. The programme receives professional support from large companies (including PwC), start-ups, and non-profit organisations.

Knowledge transfer to the civil society is valuable if accompanied by practical training, giving organisations insight into market conditions and the way enterprises work. The Civil Impact Academy offers a unique mentoring programme, under which representatives of civil society organisations receive constant actual and practical support from corporate experts in accomplishing their tasks. PwC's experts have been contributing to the programme as trainers and mentors for several years.

## Civil Mentoring

We have launched our pro bono mentoring programme for non-profits for the seventh time. The topics were adapted to the needs of the organisations that applied, based on the experience of previous years. The five-module training series covered the following topics: formulating a mission statement, motivation, and objectives; business planning; social media platforms, campaigns; corporate relations; and service development. Based on presentations drawing on the acquired knowledge, we have selected six organisations with which we will continue our cooperation under a six-month mentoring programme. Working together with these organisations, PwC staff supported the development of specific projects (e.g., feasibility studies, organisational structure, pilot project for services, etc.).

### Actors of the seventh year of the programme:

- 13 mentors from PwC
- 15 non-profit organisations: A Tudás Hatalom Csoport (T6), Babagenetika Egyesület, BENT Balatoni Női Vállalkozói Egyesület, Csodalámpa Alapítvány, EBI – Egyesület Békéscsaba Ifjúságáért, Élő Könyvtár az Emberi Jogokért, Esőemberekért Egyesület, Gyermekétkeztetési Alapítvány, "Jövőt nekik is" Alapítvány, Kisköz Egyesület, Közös Pontok Közösség-és Településfejlesztő Nonprofit Kft., Magabiztos Iskolaakezdésért Egyesület, Másként élni és dolgozni, Mécses Szeretetszolgálat Magyar Börtönpsztorációs Társaság, Zöldövezet Társulás Egyesület



## HiFeszt

We attended the HiFeszt Career Day organised by HiSchool at Corvinus University, where our colleagues talked about their career paths and experience to approximately 1,500 secondary school students, thus promoting their personal development and giving them career guidance.

Ten students from the Reformed Secondary School of Szentendre visited our Budapest office to learn what it is like to work at PwC. They gained first-hand experience from our colleagues on what a day is like in different roles and the professional challenges that PwC staff face.

We also participated in Árpád Days, Óbuda Árpád Secondary School's career guidance event, where our colleagues held inspiring presentations to almost 100 students on ESG, sustainability and fraud detection.

“We attended the event with the aim of addressing relevant topics for secondary school students, showing different career stories and giving exciting presentations as an inspiration before they choose a career path.”



## Cyber protection training for young people

The online world offers unlimited possibilities but it also entails dangers, ranging from harassment through phishing to fraud. It is especially important that young people, who are increasingly present in cyberspace, in many cases on platforms unknown to their parents, are furnished with the skills for safe internet use. Our cyber protection experts regularly give presentations in education institutions on cyberbullying, hacking, and identity theft.

“In today’s technology-driven world, children become active users of cyberspace long before they are prepared for it. Very often, not even parents are aware of how much time they spend there on average, which is why they cannot inform them about relevant threats. Therefore, it is especially important to educate children between 10 and 14 on basic internet and cybersecurity issues.”



**Csaba Gyimesi,**  
Director, Cybersecurity and Data Privacy

**Csaba Gyimesi,**  
Director, Cybersecurity and Data Privacy

## Community initiatives in the Advent season

Charity cake sale, shoebox campaign, and civil market. We donated the proceeds from the sale of delicacies prepared by colleagues for the medical treatment of our colleague’s sick child. This year we also participated in Segítség Köve Foundation’s shoebox campaign to put a smile on the faces of as many children in need as possible over the Christmas period. In addition to the 86 personalised gifts, our employees prepared nearly 30 generic gift packages, bringing the total number of gifts delivered to organisations to 116 in total.

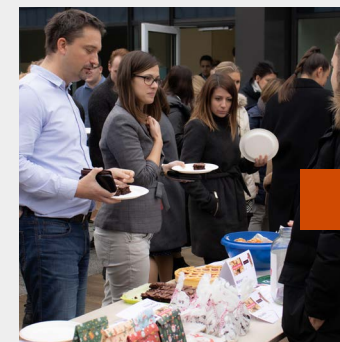
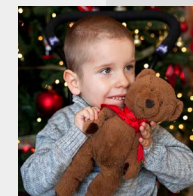
At the Christmas Market, non-profit organisations offered merchandise handcrafted by people with disabilities, and our employees had the opportunity to donate funds to civil society organisations.

### #nemluxustaska

This year, we repeatedly joined the #nemluxustaska initiative to help women living in difficult financial circumstances or without a home. Thanks to our staff in Budapest and Győr, 30 bags filled with hygiene products were collected. The donations collected were distributed to the needy throughout the country with the help of the Hungarian Maltese Charity Service

### Delivering Jókenyér donations to hospital patients

We took part in the charity campaign of the Csodalámpa Foundation and Jókenyér again between 1 and 31 March 2023, in which our colleagues undertook to deliver leftover bakery products from Jókenyér shops in Buda to patients and employees of the Gottsegen György National Cardiovascular Institute every weekday evening in March. Over the month, 11 of our colleagues volunteered their time to support this charitable initiative.



## Our clients

PwC has been present in the Hungarian professional services market for over thirty years. During this time, we have delivered value-added professional services to the majority of multinational and privately owned companies in Hungary. In addition to knowing our clients' business, so we can better support them, a key to our success is listening to our clients.

In order to provide our services at the highest possible level of quality and to realise personalised ideas according to changes in the economic environment, we strive to develop multidirectional and effective communication with domestic companies.

That's why we create opportunities to meet and exchange ideas with our clients on diverse platforms: business events, professional forums, surveys, trainings, cultural and sports events, and personal discussions.



### Client acceptance and retention

PwC Hungary has implemented a process to identify acceptable clients supported by the proprietary PwC International decision support system for client acceptance and retention (Acceptance and Continuance – A&C). This is how the system works: the engagement team, together with industry specialists and risk management staff, consider jointly whether the risks associated with an existing or potential client are manageable, and whether we want to do business with that client and its management.



“By seizing an opportunity, we will be able to solve our clients’ problems, including the ones they might not even be aware of.”



**Tamás Lőcsei,**  
CMP

“We had to solve our clients’ problems to the highest standards, with legislation changing daily.”



**Gábor Farkas,**  
Partner

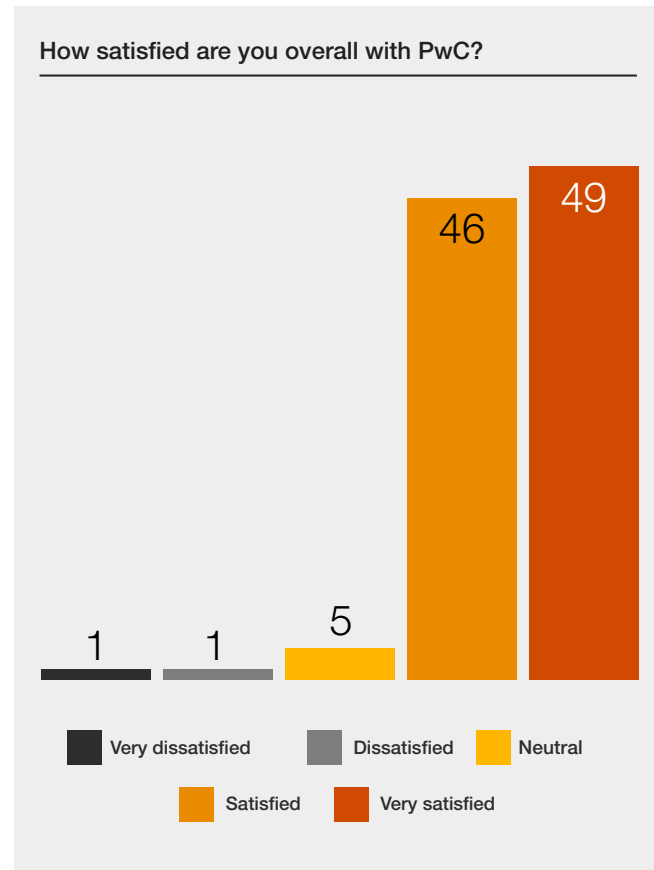
## Client feedback survey

We have been soliciting online feedback from our clients as part of our Client Feedback Programme for years. The survey helps us measure the overall level of our clients' satisfaction with our services, and gives us the opportunity to identify areas that need further improvement. The survey is coordinated by two members of our Marketing, Communications and Business Development team. They have implemented internal communications processes to promote the programme, automate certain parts, and communicate the results. In the client feedback survey, we use a measure called Net Promoter Score (NPS), which shows the loyalty of our clients. This metric is a branded joint development of Fred Reichheld (an American business strategist famous for his research and publications on the loyalty business model and loyalty marketing), Bain & Company (a global management consulting firm) and Satmetrix (a U.S.-based provider of customer experience software). A positive NPS (the sum is greater than zero) is good, while an NPS over 50 is excellent. In FY23, we scored a net NPS of 67 in our client feedback survey.

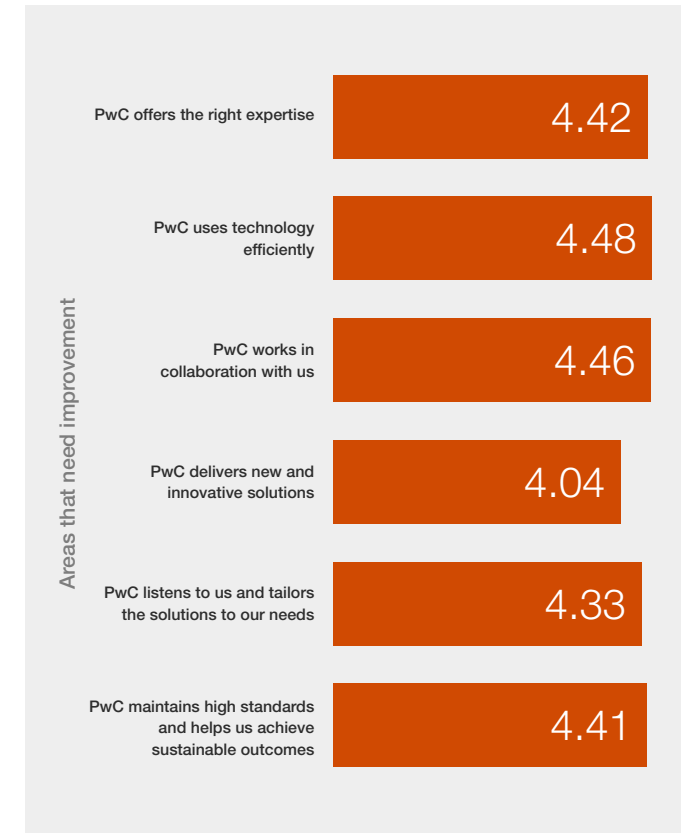
### Net promoter score

Assurance	Advisory	TLP	All Firm
55	66	85	60

We achieved a client satisfaction rating of 4.4 points on average (on a scale of 1 to 5). Those recommending PwC rated us at 8.8 points (on a scale of 1 to 10).



We asked our clients to give us their feedback on areas for improvement on a scale of 1 to 5. We proudly noted that we did not get a rating below 4 points in any of the areas.



## Major surveys and analyses

### PwC's Hungarian CEO Survey

Most Hungarian CEOs predict a slowdown in both global and Hungarian economic growth in 2023, but perceive the Hungarian economy to be more vulnerable than the global economy. According to PwC's latest [Hungarian CEO Survey](#), 85% of CEOs expect a slower rate of GDP growth in Hungary. They rank the energy crisis as the top threat to economic growth, followed by inflation and macroeconomic volatility. In line with these fears, they predict a 15% inflation rate and an exchange rate of 421 forints to the euro for this year. Despite the pessimistic outlook, chief executives are not planning to lay off staff or cut pay; instead, they see cutting operating costs and raising prices as possible solutions to the present challenges.

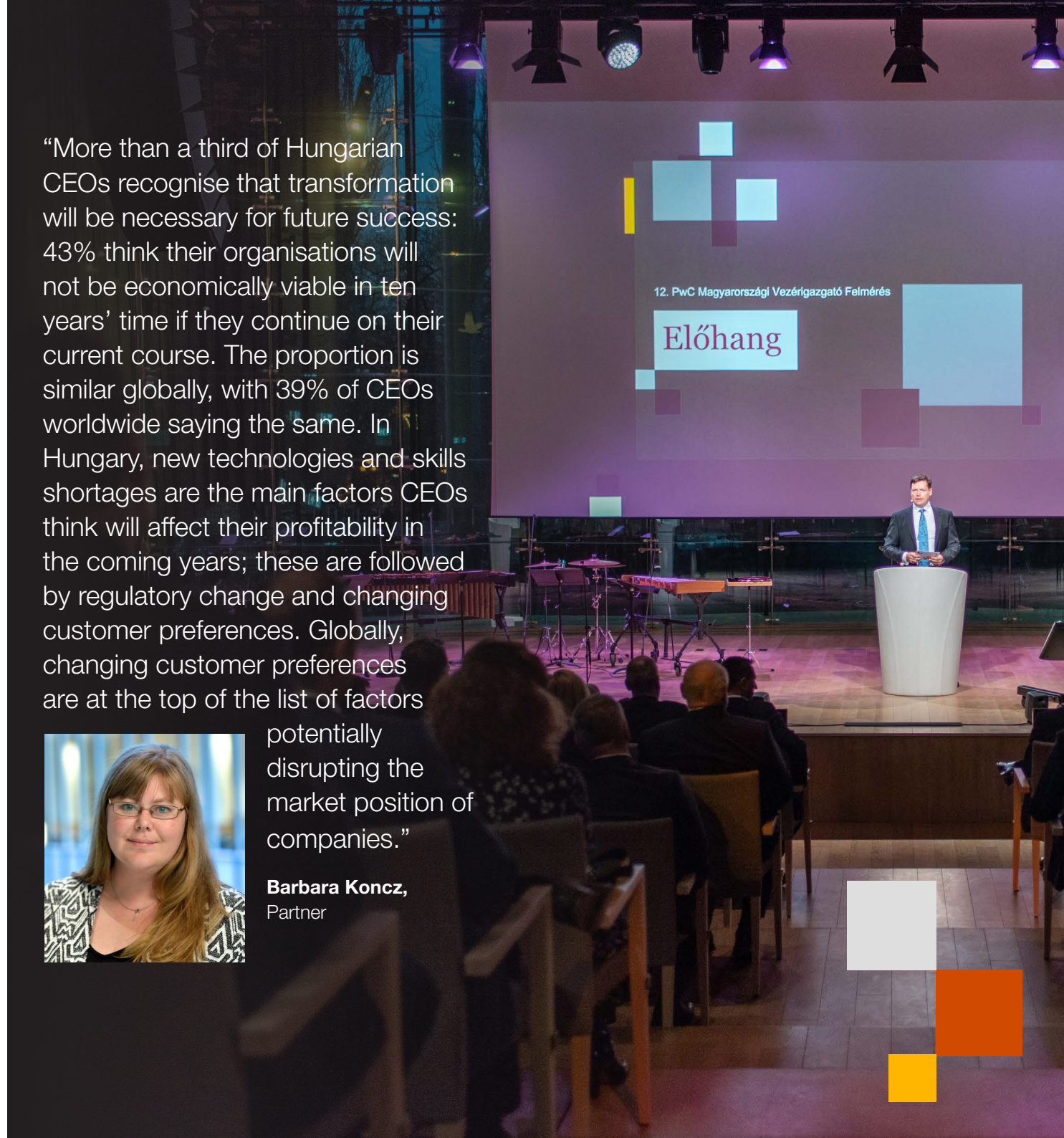
This is the twelfth time that PwC Hungary has surveyed the opinions of Hungarian CEOs in personal interviews about the economic environment, their own business prospects, the difficulties and threats they are facing, and the strategic and organisational responses they propose. We interviewed 267 CEOs between October and December 2022. We asked these major decision-makers for the first time this year to say who they consider to be the most inspiring business leader in Hungary. By creating the award, PwC aims to promote leaders who not only deliver business results but also focus on building a model company culture, and who can serve as role models for their peers.



**Barbara Koncz,**  
Partner

“More than a third of Hungarian CEOs recognise that transformation will be necessary for future success: 43% think their organisations will not be economically viable in ten years’ time if they continue on their current course. The proportion is similar globally, with 39% of CEOs worldwide saying the same. In Hungary, new technologies and skills shortages are the main factors CEOs think will affect their profitability in the coming years; these are followed by regulatory change and changing customer preferences. Globally, changing customer preferences are at the top of the list of factors

potentially disrupting the market position of companies.”





## CFO Survey

As a result of economic, geopolitical, and technological changes, both external regulations and internal stakeholders put increasing expectations on CFOs. 73% of the CFOs surveyed by PwC's experts sense these expectations in their everyday work. As changes have a complex effect on organisations, CFOs need to interact with their company's internal stakeholders in more and more complicated issues.

“The survey shows a hitherto unseen picture regarding the challenges of the following year. For the following year, CFOs expect the same challenges that were already present over the past 12 months. However, the proportion of CFOs concerned about most of these

challenges is 15-20% higher on average.”

**Gábor Balázs,**  
Partner



“78% of the CFOs participating in the survey pay particular attention to needs and expectations arising in their areas. Nevertheless, only 35% of them think that other senior executives have a good understanding of the finance function and its potential. Therefore, this will require

serious efforts from both sides in the future.”

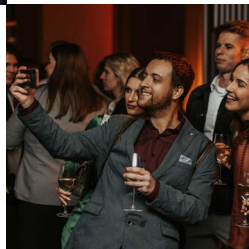
**Roland Balogh,**  
Director, leader of the survey



### Most Inspiring Leader of the Year Award

The Most Inspiring Leader of the Year Award was conferred for the first time this year based on the opinions of 267 Hungarian CEOs that we asked in personal interviews as part of the CEO Survey how they see the future, the economic environment, their own business position, what risks they are concerned about, and how they respond to these risks in terms of their strategy and organisation. Established this year, the award recognises a Hungarian CEO who is seen as a role model by other top executives in Hungary. The first to receive the award was Zoltán Gazsi, CEO of Eisberg Hungary Kft., on 8 February in the Hungarian House of Music, at an event showcasing the results of PwC's CEO Survey.

To watch a video with Zoltán Gazsi, winner of the 2022 Most Inspiring Leader Award, in which he shares his leadership credo and the tasks he considers to be the most important in today's economic environment, and to find out more about the results of our survey, please visit PwC's Hungarian CEO Survey website.



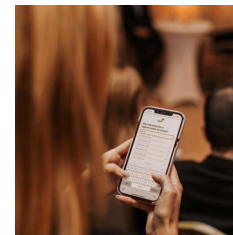
### Employee preference survey

Global economic events have increased the importance of financial security, stability, and long-term career prospects for employees. Although base salary remains the most important factor, growing insecurity has changed job preferences: career prospects and overtime pay have overtaken flexible working hours and a predictable work schedule in job seekers' list of priorities.

“Employees look to their employers for the stability and security they lack in their daily lives. This comes at a time when the economic environment is presenting companies with significant challenges. It is important for company leaders to address these needs in their communication, maintaining transparency and informing employees about the company’s real situation and possibilities. In addition to employee expectations, it is also crucial to pay attention to future-proofing the company, through leadership development, maintaining flexibility and the capacity to innovate.”



**Márta Reguly,**  
HR Consulting Leader



## Suppliers

We are putting special emphasis on the selection of our suppliers. We strive to develop long-term relationships with them, thereby ensuring the consistent quality of the services we receive. We also aim to continually increase the number of our non-profit suppliers. Our supplier policy refers to PwC's Third Party Code of Conduct, which explains the minimum standards of integrity and business conduct PwC expects of the third parties with which it does business.

The emissions caused by the goods and services we purchase increase PwC's carbon footprint. Therefore, our suppliers' decreasing carbon emissions will also reduce our footprint. Similarly to PwC, many of our suppliers have set a net zero emissions target. In

addition to this, we also have a global commitment to ensure that 50% of our suppliers will have a SBTi certification by 2025. In this way, encouraging decarbonisation will have a ripple effect on the market because competition will require more and more suppliers to keep up with the trend. This will help accelerate the transition to a net zero economy.

In the 2023 financial year, we assessed the “maturity” of our current top suppliers and we track in our internal systems whether they already have an SBTi-validated net zero emission target.

We initiated negotiations with our other suppliers to make sure that they achieve the certification expected by our global network as soon as possible.

### Amount paid to local suppliers\* (HUF)

	FY22	FY23
Purchasing budget (total, millions of HUF)	5,372	5,757
Of which: amount paid to local suppliers (millions of HUF)	4,611	4,927
Ratio	86%	86%

\* All companies with a permanent establishment in Hungary are considered as local suppliers.

### Memberships, cooperation with organisations

- American Chamber of Commerce
- Blockchain Coalition
- Budapest Stock Exchange
- Budapest Chamber of Commerce and Industry
- Civil Impact
- Effekteam (formerly Hungarian Donors' Forum)
- Ecommerce Hungary
- Győr-Moson-Sopron County Chamber of Commerce and Industry
- Association of ICT Companies
- Industry 4.0 National Technology Platform
- Irish-Hungarian Business Circle
- Joint Venture Association
- Hungarian Automotive Industry Association (MAGE)
- Hungarian Private Equity and Venture Capital Association
- Hungarian Leasing Association
- Hungarian Hotel and Restaurant Association
- Hungarian Competition Law Association
- Hungarian Customs Association
- British Chamber of Commerce in Hungary
- Association of Japanese Enterprises in Hungary
- Business Council for Sustainable Development in Hungary (BCSDH)
- Artificial Intelligence Coalition
- Confederation of Hungarian Employers and Industrialists
- Deutsch-Ungarische Industrie- und Handelskammer
- Hungarian Association of International Companies
- Hungarian Advertising Self-Regulatory Board
- Public Company Accounting Oversight Board
- Association of Management Consultants in Hungary (VTMSz)
- Volunteering Hungary – Centre of Social Innovation
- Scale Impact
- ICT Association of Hungary (IVSZ)
- Hungarian Corporate Compliance Society



# Our environmental performance



One in five investors (22%) believe companies will be highly exposed to climate risk in just the next 12 months, and the number reaches 37% over a five year time horizon, matching concern about geopolitical conflict (also 37%).

PwC Global Investor Survey



We're already feeling the devastating effects of climate change across the world, with global temperatures now at least 1.1°C above pre-industrial levels, and emissions remaining at record-breaking levels. In order to reverse this process, we need collaboration and action from business, governmental, regulatory, and civil actors, i.e. from all members of society, to an extent that is hitherto unprecedented in human history.

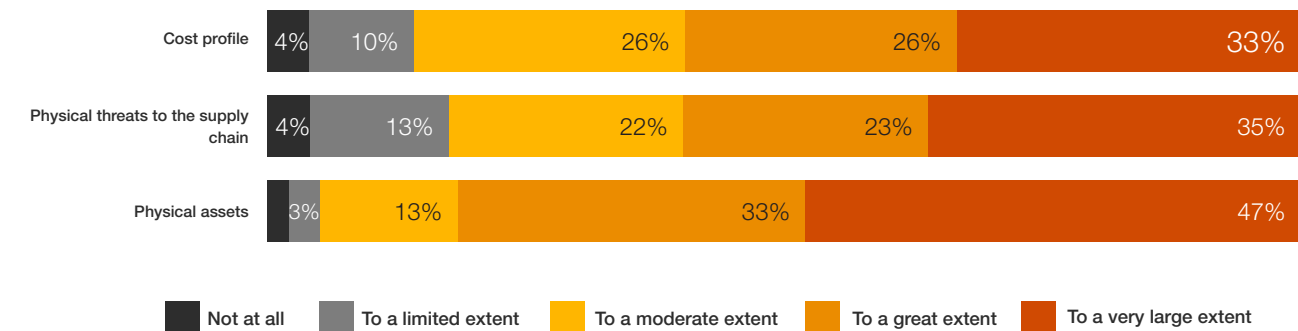
To tackle climate change, we need to speed up our efforts to decarbonise and drive towards net zero faster and stronger, and we also need to adapt to the impacts of climate change. Extreme weather or wildfires are proofs of the deterioration of our environment, and we have to plan for that and build greater resilience. The results of PwC's global survey examining investors' priorities (Global Investor Survey) also show that climate change is regarded more and more as a potential threat to business.

We believe that we have the primary task of protecting nature, halting the destruction of ecosystems. Then, it will help amplify our decarbonisation efforts and can help shelter us from the impacts of extreme weather. These are complex challenges and we need holistic strategies to deal with them. The change we need is systemic.

Acting on a global scale, businesses have the capacity to invest a lot in environmental innovation and the development of new, more sustainable business models.

When a company starts working on building its future resilience and preparing for the future, it cannot do so without addressing the impacts of climate change. The majority of respondents of this year's CEO survey see the impacts of climate change as a serious risk. In the short term, CEOs say climate change will primarily impact their cost profiles, for example, costs due to regulatory change, asset depreciation, insurance liabilities, the rising costs of ETS (Emissions Trading Scheme) credits, or carbon offsetting costs. Climate change also affects supply chains, for example, changes in the availability of raw materials and manufacturing capacity.

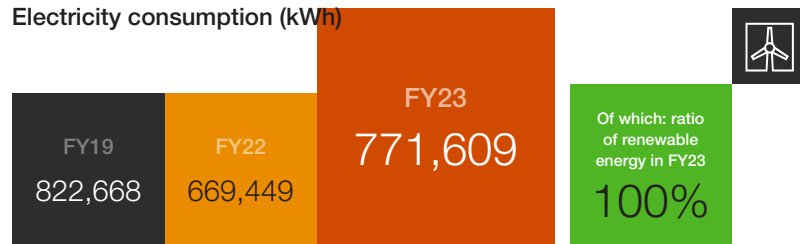
**To what extent will the following areas of your business to be impacted by climate risk?**



## Our environmental metrics

PwC Hungary's office is housed in the Eiffel Palace in Budapest. The building is the first office development project in Central and Eastern Europe to meet the strict requirements of both the BREEAM and LEED environmental standards with excellent results.

### Electricity consumption (kWh)



### Heating consumption (kWh)



### Total energy consumption (kWh)



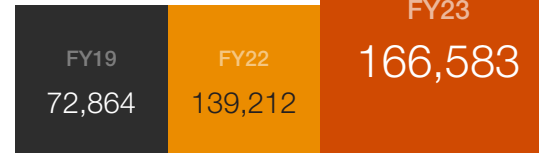
### Energy intensity ratio

(total energy consumption per employee (kWh/FTE))

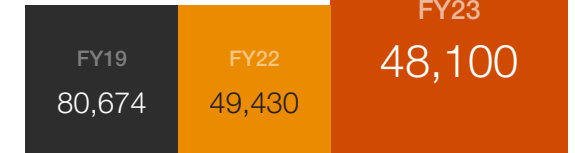


### Business travel\*

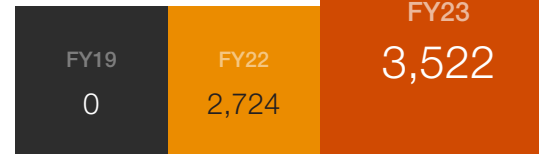
#### Petrol cars (km)



#### Diesel cars (km)



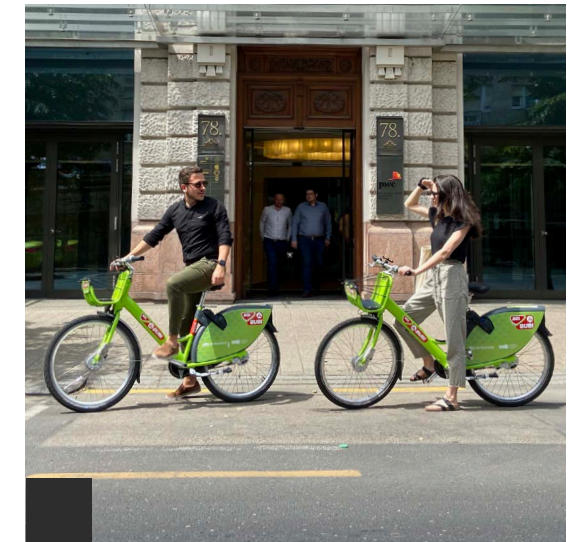
#### Hybrid cars (km)



To operate in an environmentally conscious and sustainable manner, our firm owns a Nissan Leaf all-electric car, which we use for courier services, thus reducing the environmental impact in Budapest.

### PwC – MOL Limo and MOL Bubi cooperation

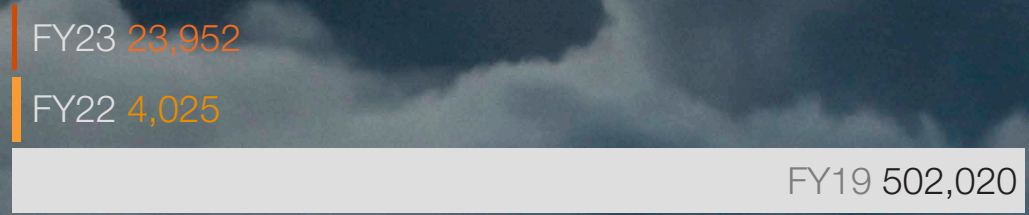
To promote alternative means of transport, in addition to taxis, MOL Limo is also available for business use. In addition to car sharing, we also promote public bike rental services: we provide annual MOL Bubi passes to all our staff.



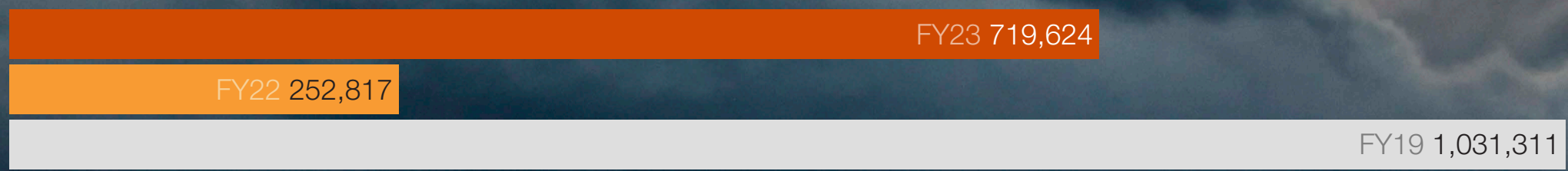
\* Based on the mileage records submitted, we present below the usage data for vehicles belonging to the fleet leased by PwC.

### Air transport

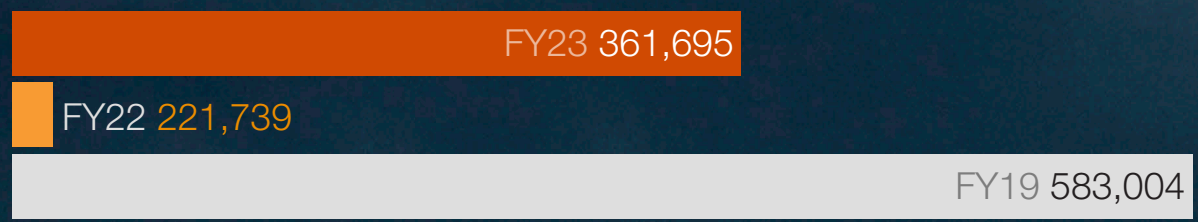
#### Short haul flights (km)



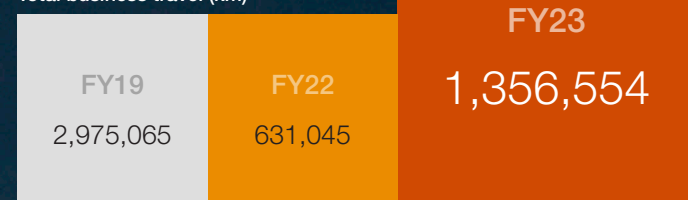
#### Medium haul flights (km)



#### Long haul flights (km)

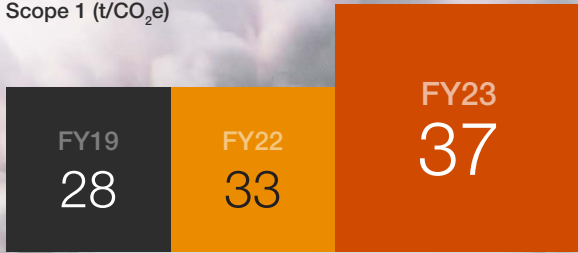


#### Total business travel (km)



Pollutant emission

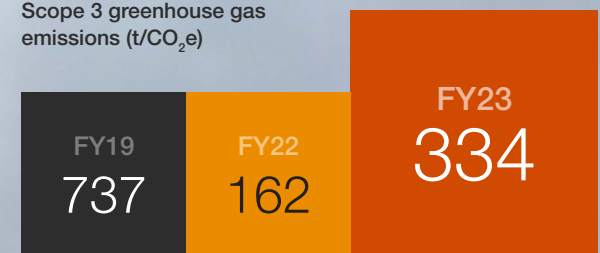
Scope 1 (t/CO<sub>2</sub>e)



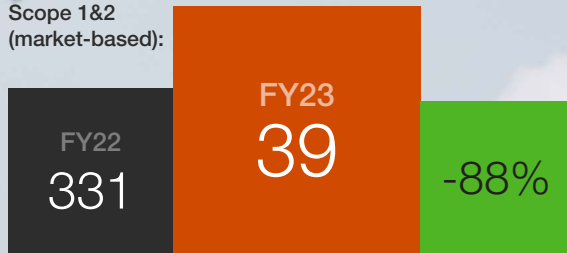
Scope 2 (location based) (t/CO<sub>2</sub>e)



Scope 3 greenhouse gas emissions (t/CO<sub>2</sub>e)



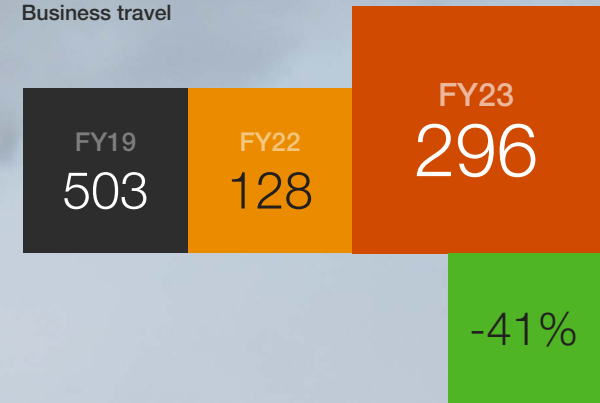
Scope 1&2 (market-based):



Scope 2 emissions from electricity consumption



Business travel



Applied emission factors and GWP: Following PwC's global CS reporting methodology, we apply the emission factors used by the Intergovernmental Panel on Climate Change (IPCC) as well as the conversion factors supplied by the United Kingdom's Department for Energy Security and Net Zero (BEIS, formerly: DEFRA) and the International Energy Agency (IEA).

Amount of waste produced in the course of the organisation's operations (tons)



\* This category comprises cardboard and plastic packaging of laptops and low-value assets we purchased. We sell used laptops and faulty, inoperative electric devices on the secondary market. Our IT department takes back the assets we buy and provide to users.

## What do we do to reduce GHG emissions?

With the pandemic abating, our colleagues used the office more intensely and regularly. This increased our electricity consumption, paper consumption, and waste generation. Moreover, following the removal of travel restrictions, business travels have surged, which increased our environmental footprint. However, our goals remains to achieve net zero emissions by 2030. This requires that we

- reduce our environmental impact and introduce additional energy efficiency measures in our office, with a special focus on responsible electricity consumption and waste generation,
- include Net Zero KPIs in management's performance evaluation;
- maintain the proportion of hybrid and flexible working;
- minimise air travel and make it subject to senior management approval;
- promote means of public transport also in the case of business travels.

### GHG offset

We are committed to minimising the impact of our carbon emissions focusing on areas of our footprint that are most material to our business. While professional services firms do not have the footprint of many other industries, we use significant power in our offices and data centres, and travel to deliver on our client engagements. Air travel is, to a certain extent, an essential part of how we perform our client-facing work, but it is also one of the largest sources of our carbon emissions. To help reduce the impact of our

travel, our firms are adopting new meeting technologies and raising awareness amongst our people of alternative ways to travel. We strive to maintain the proportion of digital practices and ways of working: we are constantly optimising our work processes and developing our services so that they involve significantly less travel, favouring a digital workflow over a paper-based workflow.

To counterbalance emissions we have not yet reduced, we purchase high-quality carbon credits in the voluntary carbon market. Since 2018, our 21 largest territories – including PwC CEE, of which PwC Hungary is a part – have offset at least air travel emissions. As of this financial year (FY23), we have been also offsetting energy and mobility emissions (scope 1, 2, and 3 business travels).

The PwC network runs a global carbon credit purchase process for its member firms. This portfolio offers a range of credits – from natural climate solutions such as environmental protection, through projects that increase carbon storage or avoid GHG emissions, to technology-based solutions – that must meet strict quality criteria. Member firms make their own choice for their local portfolios based on their priorities and preferences. In FY23, 11% of the credits of the CEE region were generated by a PET recycling project in Romania, representing the first local project in our portfolio. The proportion of renewable energy is 39%, with 50% coming from community projects. In the financial year 2023, PwC's global portfolio comprised 20 projects from 11 countries. 58% of our portfolio came from natural climate solutions and 14% have other certificates. Further information on projects we supported can be found in the 2023 PwC Network Environment Report.



The supported projects affected 1.6 million people and created more than 45,200 jobs in total. They contributed to the preservation of primary rainforests and peatland on 2.5 million acres as well as to reforestation and afforestation on 41,200 acres.

In 2021 we joined the [LEAF Coalition](#), a public-private effort seeking to halt deforestation by funding tropical forest protection. Protecting tropical forests is critical to achieving the goals of the Paris Agreement to achieve global net zero by 2050. Credits purchased through the LEAF Coalition from 2024 will not only help us to mitigate our impact, but will also benefit biodiversity and local communities, and support the expansion of the voluntary carbon market.



## Building resilience to climate change

Impacts of climate change are already being felt across the world. We are seeing the effects of severe weather patterns all too clearly, from floods to wildfires. To be able to adapt to the constantly changing circumstances and build a stronger resilience to climate change, we looked across our global network and used physical risk analysis to find areas that are at higher risk. We then used that to develop plans to adapt and make our business more resilient. Learn more about the actions we're taking by launching our interactive digital experience below or reading our 2023 PwC Network Environment Report.

## Green initiatives

### Paperless office

In addition to PwC's global Net Zero objective, we also strive to operate in a more environmentally friendly way in both our Budapest and Győr offices. With the support of our firm's management, one of our sustainability goals for FY23 is to start our transition to a paperless office. As part of this initiative, we have set limits on our printers to encourage a more economical use of paper.

This already has visible results (after three months) as paper consumption per person decreased by 14%.

### Green office task force

The members of our green office task force meet monthly to discuss ideas on how to be more environmentally conscious in our everyday life, both at home and at work, and how we can shape our colleagues' approach. Through our internal communication channels, we draw our colleagues' attention to green initiatives (e.g. Plastic Free July – providing food containers in the office) and publish articles on the topic.

Our event organisation team pays special attention to minimizing unnecessary waste at our events, and we favour suppliers who operate in a sustainable manner.



Raising awareness in daily office life



Organising green initiatives

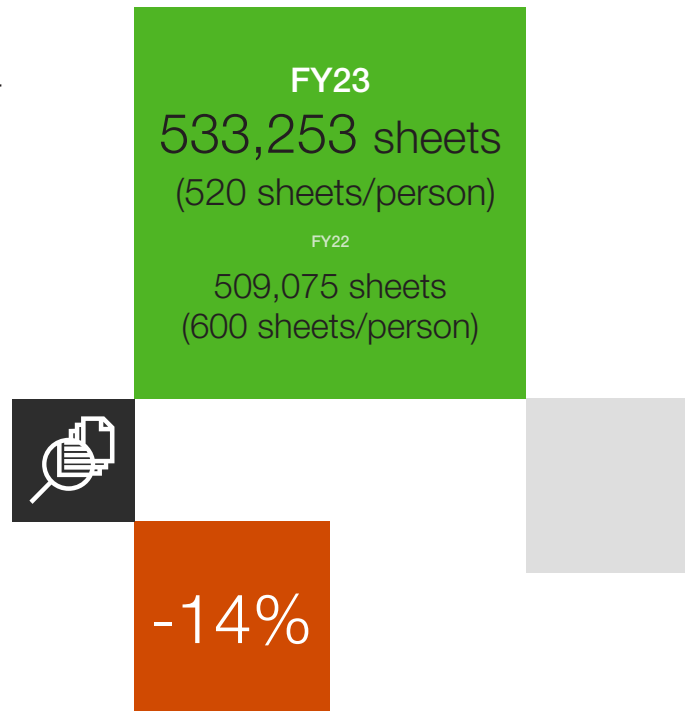


Sharing good practices and tips for a greener lifestyle



### Permanent collection points in the office

In order to reduce our waste production and keep things in circulation, we have collection points all year round in the office, where colleagues can drop off donated goods and various used household items. As part of the socks recycling programme, we collected used, torn socks to be repurposed as insulation material for the furniture industry and as geotextile fabric for road construction. The Jane Goodall Institute has a collection box where staff can drop off used phones for recycling. And at the Cseriti Box collection point, we are collecting worn-out, no longer used items that may still be of value to others, which will be distributed to those in need by Cseriti, a non-profit social enterprise. In addition, we have a collection point for waste batteries in the office.



# GRI Content Index

GRI (Global Reporting Initiative) is an international initiative the purpose of which is to provide a standard framework of guidelines and indicators for preparing sustainability reports, thus ensuring comparability and promoting transparency among companies. The following table shows the information included in the report attached to specific GRI indicators. You can read more about the guidelines and the indicators on the following website:

<https://www.globalreporting.org/standards/>

Number	Disclosure	Reference in the report	Page number	Comments
<b>General disclosures</b>				
GRI 2-1	Organisational details	PwC in Hungary	17	
GRI 2-2	Entities included in the organisation's sustainability reporting	Our approach	8	
GRI 2-3	Reporting period, frequency and contact point	Our approach	8	
GRI 2-4	Restatements of information	N/A		
GRI 2-5	External assurance			The organisation's financial statements are audited by an external auditor.
GRI 2-6	Activities	PwC in Hungary	21	
GRI 2-7	Employees	Our stakeholders	56	
GRI 2-8	Workers who are not employees	Our stakeholders	56	
GRI 2-9	Governance structure and composition	PwC in Hungary	18-19	PwC Transparency Report 2023
GRI 2-10	Nomination and selection of the highest governance body	PwC in Hungary	18-19	PwC Transparency Report 2023
GRI 2-11	Chair of the highest governance body	PwC in Hungary	19	PwC Transparency Report 2023
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance	24-25	
GRI 2-13	Delegation of responsibility for managing impacts	Corporate governance	25	
GRI 2-14	Role of the highest governance body in sustainability reporting	Corporate governance	9	
GRI 2-15	Conflicts of interest	Ethical business practices	33	PwC Transparency Report 2023
GRI 2-16	Communication of critical concerns	Ethical business practices	35	We have been using an interface standardised in the EMEA region to solicit anonymous online feedback on our impact from our clients as part of our Client Feedback Programme. In case of any concerns about our practices (rating of 6 or worse on a scale of 1 to 10), the system notifies not just the person requesting the feedback but also the client relationship partner, who will handle the situation in a specific meeting. Our employees can report negative practices through the ethics hotline.
GRI 2-17	Collective knowledge of the highest governance body			PwC ESG Academy – online training courses
GRI 2-18	Evaluation of the performance of the highest governance body			Year-end performance evaluation
GRI 2-19	Remuneration policies	Diversity and equity	51	Partners are remunerated out of the profits of the firm and are personally responsible for funding pensions and other benefits such as medical care. The Partner evaluation and compensation process is fully compliant with the independence requirements of the IESBA Code of Ethics for Professional Accountants, which disallows a Partner to be assessed or rewarded for selling non-assurance services to own audit clients. A Partner's remuneration is based on the Partner's contribution to the firm during the year and is finalised following the completion of the annual audits for the national firms.
GRI 2-20	Process to determine remuneration			As part of the annual performance evaluation carried out for all employees. The allocations are reviewed and approved by the CEE Partners' Council. Each Partner's remuneration is based on their responsibility with equity units being allocated on the basis of a matrix, which primarily takes account of the Partner's current role within the firm. There is also a variable (performance element), reflecting how a Partner and the teams they work with perform in a given year.

Number	Disclosure	Reference in the report	Page number	Comments
GRI 2-21	Annual total compensation ratio			This information is confidential according to PwC's HR policy.
GRI 2-22	Statement on sustainable development strategy			<a href="https://www.pwc.com/hu/hu/kiadvanyok/assets/pdf/pwc-global-annual-review-2023.pdf">https://www.pwc.com/hu/hu/kiadvanyok/assets/pdf/pwc-global-annual-review-2023.pdf</a>
GRI 2-23	Policy commitments			<a href="https://www.pwc.com/gx/en/about/global-annual-review.html">https://www.pwc.com/gx/en/about/global-annual-review.html</a> <a href="https://www.pwc.com/gx/en/about-pwc/pwc-human-rights-statement.pdf">https://www.pwc.com/gx/en/about-pwc/pwc-human-rights-statement.pdf</a>
GRI 2-24	Embedding policy commitments	Corporate governance	24	
GRI 2-25	Processes to remediate negative impacts			We provide information on how to report a concern under the "Ethics helpline" menu on our web page: <a href="https://www.pwc.com/hu/hu/assets/panaszbejelentes_weboldal_elerhetosegek.pdf">https://www.pwc.com/hu/hu/assets/panaszbejelentes_weboldal_elerhetosegek.pdf</a>
GRI 2-26	Mechanisms for seeking advice and raising concerns			PwC Code of Conduct
GRI 2-27	Compliance with laws and regulations	Ethical business practices	35	
GRI 2-28	Membership associations	Our stakeholders	79	
GRI 2-29	Approach to stakeholder engagement	Our stakeholders	55	
GRI 2-23	Collective bargaining agreements			According to a decision by PwC's CEO, information on collective agreements is confidential.
<b>Climate change</b>				
GRI 201	Risks and opportunities due to climate change	Corporate governance Our environmental performance	29-31 81, 86	
GRI 302-1	Fuel consumption from non-renewable sources	Our environmental performance	82-84	
GRI 302-2	Energy consumption outside of the organisation			Scope 3 emissions include energy consumption outside of the organisation, usage indicators are not presented separately.
GRI 302-3	Energy intensity	Our environmental performance	82	
<b>Reducing GHG emissions</b>				
GRI 305-1	Direct (Scope 1) GHG emissions	Our environmental performance	84	
GRI 305-2	Indirect (Scope 2) GHG emissions	Our environmental performance	84	
GRI 305-3	Other indirect (Scope 3) GHG emissions	Our environmental performance	84	
GRI 305-5	GHG emissions reduced as a direct result of reduction initiatives	Our environmental performance	82	
<b>digitalisation</b>				
Own indicator	Digitalization and artificial intelligence Our environmental performance	Digitalization and artificial intelligence Our environmental performance	40, 84-85	
<b>Sustainability services</b>				
GRI 2-6	Activities	Sustainability services	44-47	
<b>Health and safety in the workplace</b>				
GRI 403-1	Occupational health and safety management system			Confidential information.
GRI 403-2	Hazard identification, risk assessment, and incident investigation			n/a
GRI 403-3	Occupational health services	Our stakeholders	59-60	



Number	Disclosure	Reference in the report	Page number	Comments
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Our stakeholders	60	PwC Care4Life programme, Employee Representative Forum, internal newsletter
GRI 403-5	Worker training on occupational health and safety			Organising first aid and CPR courses, providing a defibrillator accessible by everyone
GRI 403-6	Access to non-occupational medical and healthcare services	Our stakeholders	60	
GRI 403-9	Work-related injuries			We have not had accidents at work in the reporting period.
<b>Attracting and retaining talent</b>				
GRI 401-1	New employee hires and employee turnover	Our stakeholders	65	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			Full-time and part-time employees are entitled to the same benefits.
GRI 401-3	Parental leave	Our stakeholders	65	
<b>Training and upskilling</b>				
GRI 404-1	Average hours of training per year per employee	Our stakeholders	67	
GRI 404-2	Programmes for upgrading employee skills	Our stakeholders	67	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Our stakeholders	66	PwC assesses the performance of its employees each year. Performance was assessed through PwC Workday in FY23.
<b>Human rights</b>				
GRI 406-1	Incidents of discrimination and corrective actions taken			There were no reported incidents of discrimination at PwC Hungary during the reporting period.
GRI 2-23	Policy commitments			PwC Transparency Report 2023
<b>Diversity and inclusion</b>				
GRI 405-1	Diversity of governance bodies and employees	Diversity and equity	51	
GRI 405-2	Ratio of basic salary and remuneration of women to men	Diversity and equity	51	We review the principle of equal pay annually and make adjustments if necessary.
<b>Communities</b>				
GRI 413-1	Operations with local community engagement	Corporate governance, Stakeholders	24-25, 70-73	
GRI 413-2				PwC is not aware of any negative effects.
<b>Fair compensation</b>				
GRI 405-2	Ratio of basic salary and remuneration of women to men	Our stakeholders	51	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			Full-time and part-time employees are entitled to the same benefits.
<b>Artificial intelligence</b>				
Own indicator		Digitalization and artificial intelligence	40-43	
<b>Ethical business practices</b>				
GRI 2-27	Compliance with laws and regulations			We had one instance of non-compliance in the financial year 2023.
GRI 205-1	Operations assessed for risks related to corruption			Transparency report 2023
GRI 205-2	Communication and training about anti-corruption policies and procedures	Ethical business practices, quality assurance and risk management	35, 38	
GRI 205-3	Confirmed incidents of corruption and actions taken	Ethical business practices	35	
GRI 206-1	Anti-competitive behaviour	Ethical business practices	35	

Number	Disclosure	Reference in the report	Page number	Comments
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour			Transparency report 2023
GRI 409-1	Risks related to forced or compulsory labour			Transparency report 2023
<b>Data protection</b>				
GRI 418	Substantiated complaints concerning breaches of customer privacy and losses of customer data			There was no such incident during the period under review.
<b>Corporate governance</b>				
GRI 2-1	Organisational details	PwC in Hungary	17	
GRI 2-2	Entities included in the organisation's sustainability reporting	Our approach	8	
GRI 2-3	Reporting period, frequency and contact point	Our approach	8	
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Number	Disclosure	Reference in the report	Page number	Comments
GRI 2-23	Policy commitments			<a href="https://www.pwc.com/gx/en/about/global-annual-review.html">https://www.pwc.com/gx/en/about/global-annual-review.html</a> <a href="https://www.pwc.com/gx/en/about-pwc/pwc-human-rights-statement.pdf">https://www.pwc.com/gx/en/about-pwc/pwc-human-rights-statement.pdf</a>
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GRI 2-28	Membership associations	Our stakeholders	79	
GRI 2-29	Approach to stakeholder engagement	Our stakeholders	55	
GRI 2-23	Collective bargaining agreements			According to a decision by PwC’s CEO, information on collective agreements is confidential.
<b>Supply chain management</b>				
GRI 414-1	New suppliers that were screened using social criteria	Our stakeholders	79	
GRI 414-2	Negative social impacts in the supply chain and actions taken			There were no such incidents during the period under review.
GRI 308-1	New suppliers that were screened using environmental criteria			
GRI 308-2	Negative environmental impacts in the supply chain and actions taken			There were no such incidents during the period under review.
GRI 204-1	Proportion of spending on local suppliers	Our stakeholders	79	
<b>Innovation</b>				
Own indicator		Digitalization and artificial intelligence, Corporate governance		
<b>Customer satisfaction</b>				
Own indicator		Our stakeholders	74-75	
<b>Economic performance</b>				
GRI 201-1	Direct economic value generated and distributed	PwC in Hungary	22	There were no reported incidents of discrimination at PwC Hungary during the reporting period.

# Imprint

Special thanks to members of PwC Hungary's reporting and corporate sustainability working groups and ESG experts for their contribution to this report.

## Contents

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